WEATHERING THE STORM

sutlej
textiles and industries limited

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

ANNUAL REPORT 2023-24

Disclaimer

We have exercized utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

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WEATHERING THE STORM

The Indian textile sector encountered a challenging FY 2023-24.

The year was marked by a decline in offtake and realizations as consumers staggered consumption and trade intermediaries deferred purchases.

At Sutlej, we weathered the storm through business-protecting initiatives.

The Company deepened its commitment to understand customer needs, manufacture niche complex yarns and enhance working capital efficiency.

The complement of these initiatives is expected to protect the Company from the sectorial downside and prepare it to capitalise on the rebound.

CORPORATE SNAPSHOT

Sutlej Textiles and Industries Limited.

One of India's leading producers of dyed and mélange yarns blended with cotton.

Ranks as a prominent exporter and manufacturer of value-added synthetic and blended-dyed spun yarns.

One of the few major Indian yarn spinning companies to also manufacture eco-friendly resources.

This complement has enhanced the Company's resilience across market cycles, strengthening business sustainability.

OUR ETHOS

Vision

We have set our sights on emerging as a front-runner in the realm of global textiles by providing end-to-end solutions - from fibre to yarns to home textiles. We aim to create maximum value for our customers so as to emerge as their partner of choice.

Mission

We believe in challenging our limits and overcoming them. We also believe that as time changes, one must evolve one's thinking.

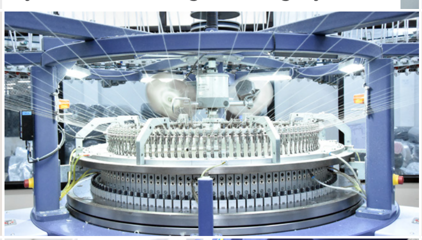
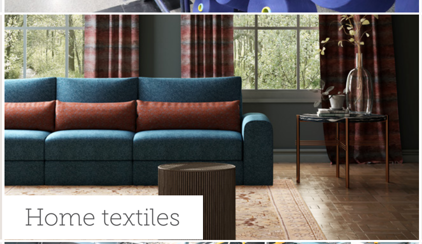
LINEAGE

Established in 1934 in pre-Independence India, Sutlej boasts a rich history as a prominent entity within the multifaceted conglomerate founded by the late Dr. K. K. Birla. Over the years, the Company has evolved into one of the nation's foremost integrated textile manufacturers, offering a wide array of yarns including synthetic, natural, mélange, and blended varieties, as well as diverse spun yarns and home textile furnishings.

CAPACITIES

The Company operates modern textile mills in Jammu & Kashmir, Rajasthan, Himachal Pradesh, and Gujarat, each outfitted with cutting-edge technology. Over time, the Company has significantly augmented its production capacity across all facilities. By FY 2023-24, the Company's combined spinning capacity stood at nearly 4.26 lakh spindles, yielding a daily output of 272 tonnes at peak capacity of dyed synthetic and blended yarns, cotton mélange, cotton blended mélange and dyed yarns, as well as specialty fibres such as Modal, Tinsel, Bamboo, Coolmax, and fancy yarns like Siro Spun, Siro Compact, Lycra Twisted, Core Spun, Double Core yarn, and more. The Company provides single-ply, double-ply and multi-fold options.

PRODUCTION SITES AND THEIR RESPECTIVE CAPACITIES

Units	Location	Products manufactured	Capacity
Chenab Textile Mills	Kathua, Jammu & Kashmir	 Cotton and man made fibre yarns including mélange yarns	**1,01,068** Spindles of cotton blended mélange yarns **1,12,388** Spindles of manmade fibre yarns
Rajasthan Textile Mills	Bhawanimandi, Rajasthan		**35,280** Spindles of cotton blended mélange yarns **94,992** Spindles of manmade fibre yarns
Birla Textile Mills	Baddi, Himachal Pradesh		**28,938** Spindles of cotton blended mélange yarns **53,862** Spindles of manmade fibre yarns
Damanganga Home Textiles	Daheli, Gujarat	 Home textiles	**8.97** Million metres per annum **118** Shuttle-less looms
Sutlej Green Fibre	Baddi, Himachal Pradesh	 Raw white, black and doped dyed recycled polyester fibre	**120** Metric tonnes per day

PRODUCT PORTFOLIO

The Company provides an extensive selection of dyed spun yarns crafted from natural or synthetic fibres, available in various blends and shades within the count range of 6s-50s. These products are tailored to meet diverse textile demands, offering a complete solution for all yarn requirements in one place.

CERTIFICATIONS

The Company adheres to quality standards compliant with IS/ISO-9001:2008 regulations. It also holds the certifications for the Global Organic Textiles Standard version 6.0, OCS-IN (Organic Content Standard), Global Recycled Standard (GRS), Recycled Claim Standard (RCS), FSC Chain of Custody as well as the Oeko-Tex Standard 100. Additional certifications that are held by different units include certifications from Uster Technologies, ISO 9001:2015 for Quality Management System by the Bureau of Indian Standards, SA 8000:2014 for Social Accountability certified by SGS India, ISO 14001: 2015 as well as ISO 45001:2018 and ISO 50001:2018 by TUV SUD, Fair Trade by FLOCERT, IS 17265:2023 by BIS. The Company also holds membership in Better Cotton Innovation, Recycle Claim Standard by Control Union, Global Recycle Standard by Control Union, Cotton Made in Africa and INDITEX.

MARQUEE CLIENT BASE

The Company's distinguished customers encompass renowned brands such as Jockey, Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim Bhiwani (GBTL), Digjam, JC Penney, Monte Carlo, Brandix, H&M and Pantaloons, among others.

INTERNATIONAL PRESENCE

The Company strives to forge enduring partnerships with a diverse network of agents and dealers across India and the world. With operations spanning around 60 countries, it stands as one of India's largest exporters of value-added synthetic and blended yarns. The Company has earned a reputable standing among textile fabric manufacturers in key markets like USA, European Union, Panama, China, Hongkong, UK, Turkey, Bangladesh, Latin America, Africa, and others.

CREDIT ASSESSMENT

India Ratings re-affirmed the Company's A1+ short-term rating. The Company's A+ long-term rating Was re-affirmed, indicating a guarantee of timely financial obligations service and minimal credit risk.

AWARDS AND RECOGNITIONS

The Cotton Textile Export Promotion Council (TEXPROCIL)

- Gold Trophies for Highest Exports of Processed Yarns - FY 2022-23 and FY 2021-22

The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)

- Gold Trophy for Best Export Performance in Synthetic & Rayon Dyed Yarns - FY 2022-23
- Silver Trophy for Best Export Performance in Man-Made Fibre Yarn Blended with Natural Fibre - FY 2022-23
- Bronze Trophy for Overall Export Performance in Synthetic & Rayon Textiles - FY 2022-23

OUR BUSINESS VERTICALS

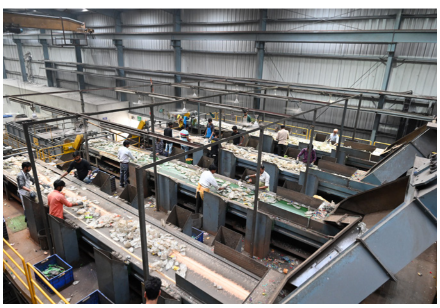
Value-added melange and dyed yarn



Home textiles, curtains, upholstery and made-ups



Recycled raw white and doped dyed polyester fibre



REVENUE BY GEOGRAPHY

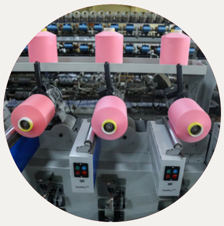
Our multi-decade legacy

2006-07

- Forayed into the business of home textiles through Damanganga Home Textiles.
- Expanded Kathua and Bhawanimandi units by 35,400 spindles and 2,112 spindles respectively with the goal to manufacture PV dyed yarn.

2008-09

- Expanded the Bhawanimandi unit by 7,488 spindles to manufacture PV dyed yarn.
- Added 12,672 spindles at Bhawanimandi for manufacturing cotton yarn.



2010-11

- Started commercial production with an expanded capacity of 31,104 spindles at Kathua to manufacture cotton mélange and cotton blended dyed yarn.

2014

- Added 31,104 spindles at Kathua for value-added cotton mélange and cotton blended dyed yarn.

- Acquired Birla Textile Mills, Baddi.
- Added 35,280 spindles at Bhawanimandi for the manufacture of cotton blended dyed and mélange yarn.
- 9.6 million metre per annum expansion of the home textiles capacity at Bhilad.

2015-16

- Developed a 2.2 MW rooftop solar power project at Bhawanimandi.
- Acquired Design, Sales and Distribution (DS&D) business along with the brand of American Silk Mills, LLC.
- Added 18 circular knitting machines at Bhawanimandi.

2017

- Integrated backwards with a capacity to manufacture 120 tonnes per day of Recycled polyester staple fibre.
- Modernized the home textiles facility.
- Launched the home textiles brand (Nesterra).

2021

Our financial performance in the last few years

TOTAL INCOME FROM OPERATIONS

(Rs. crore)

Definition

Sales growth after deducting indirect taxes

Why we measure

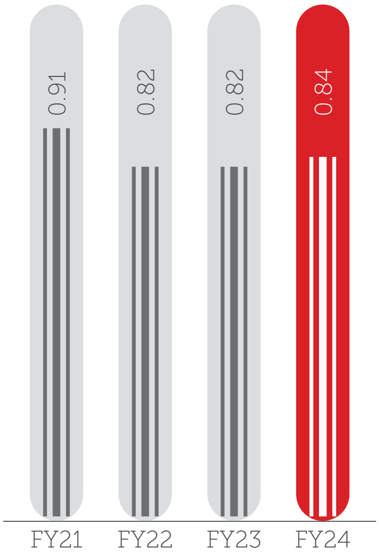
This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance

Our aggregate revenue declined by 12% to Rs. 2,695.95 crore in FY 2023-24. The decline was on account of a weak momentum in the global textile sector. Exports contributed Rs. 1,036.86 crore (40%), indicating the Company's global competitiveness.

GEARING

(X)



Definition

This is derived through the ratio of net debt to net worth (less revaluation reserves).

Why we measure

This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing, better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

Performance

Despite the challenges faced by the global textile sector, including factors such as rising input costs, high inflation, geo-political uncertainty, and an increase in repo rates, the Company's gearing increased marginally from 0.82 in FY 2022-23 to 0.84 in FY 2023-24. This demonstrates the Company's resilience and commitment to maintain a stable financial position.

DEBT COST

(%)

Definition

This is derived through the calculation of average cost of the consolidated debt on the Company's books.

Why we measure

This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

Performance

The Company's debt cost increased marginally from 7.57% in FY 2022-23 to 7.63% in FY 2023-24 against the overall increase in SOFR rates by 35 bps. This demonstrates our resilience in maintaining competitive debt costs amid rising benchmark rates.

6 big messages of this Annual Report

1. The Company encountered an extended decline in the textile sector

2. The Company broadbased its product mix with the objective to moderate an excessive dependence on any one or few product segments

3. The Company invested in cutting-edge interventions like air jet and advanced open end spinning technologies

4. The Company accelerated yarn development that consumed a larger proportion of recycled fibre manufactured within

5. The Company accelerated the research-led development of new and specialized yarn varieties

6. The Company deferred sizable capital expenditure and liberated more than Rs. 200 crore of working capital during the year

CHAIRMAN'S PERSPECTIVE

The Sutlej of today is a broad-based well-rounded organization equipped to weather the downtrend in its sector

OVERVIEW

The global textile sector (in particular spinning) passed through its most challenging year in living memory during the year under review. It would be pertinent to indicate to stakeholders that the sharpness of the decline was extended across 18 months, making it one of the most prolonged slowdowns in the textile industry, explaining the decline our performance, marked by an unprecedented net loss and decline in revenues.

SLOWDOWN REASONS

There were a number of reasons that contributed to the slowdown in the global textiles sector.

The principal reason for the slowdown can be traced to the period following the pandemic of 2020, marked by a sharp revival in demand for textile products the world over. Anticipating that this demand would extend, the entire textile chain the world over embarked on building large inventories – apparel makers issued orders for fabric, fabric makers issued corresponding orders for yarn and yarn makers issued orders for fibre. The result was that the entire textiles value chain built a larger inventory than routine or what could be considered normal. When demand consumed itself and plateaued, what was until then a positive sectorial momentum began to turn negative; what started as a technical correction in realizations soon translated into panic and extensive liquidation. All players across the value chain that had built sizable inventory in anticipation of higher demand now began to liquidate their positions; realizations crashed; textile players were faced with marked-to-market losses; sectorial reinvestments were deferred.

The decline was also precipitated by the 'China plus one' phenomenon. During the pandemic, lockdowns across nations disrupted a stable global supply chain of material coming out of China. Since China was the largest supplier of a range of products, the disruption created a priority among large market-facing brands: the need to create alternative suppliers in other countries, moderating their excessive dependence on China and moving towards a broad-based supply chain. In their endeavour to build alternative suppliers across non-China, global buyers issued large orders across countries. This, in turn, prompted manufacturers in those countries to increase their manufacturing capacities and build larger resource inventories. When the slowdown transpired, these players were not only stranded with larger stocks that needed to be liquidated but also with larger Balance Sheets that needed to be serviced, a twin challenge.

The outbreak of the Ukraine-Russia war aggravated an uneasy textile sector. The war increased the cost of fuel, affected purchasing power in large developed markets, and moderated their textile imports. As countries began to discontinue the support provided to their economies in the wake of the pandemic, there was an increase in interest rates. What was only a sectorial slowdown gradually transformed into an economic slowdown across countries that affected consumer savings and spending.

The emergence of disturbance around the Red Sea affected freight rates as ships were now required to negotiate the Cape of Good Hope as opposed to the Suez. The result was that shipments took longer to be delivered and there was an increase in fuel costs for most related companies. This translated into a higher cost of staying in business, affecting overall profitability.

There were peripheral reasons that aggravated the slowdown: a revival in travel the world over and the accelerated launch of new gadgets moderated the consumer surplus normally available to buy more garments. There was an increase in consumer preference towards ethnic wear, moderating the offtake of conventional products.

At Sutlej, we believe that a crisis is best when not wasted. We recognized that waiting patiently for market conditions to improve would not work; there was a priority to recognize realities, enhance responsiveness and readjust

The most squeezed within this value chain was the spinning segment, which comprises companies like ours that are predominantly in the B2B space. As the industry recoiled from a decline in demand in the developed markets of US and Europe, garment exporting countries like Bangladesh suffered a decline in fresh orders; this prompted such countries to stagger yarn purchases from companies like ours. When China returned to the global markets following its lockdown, it sought to carve away market share through an enforced price cut. This was most visibly reflected in the import of woven and knitted garments as well as garments that impacted yarn demand, adversely impacting domestic demand and eroding prices.

COUNTER RESPONSES

At Sutlej, we believe that a crisis is best when not wasted. We recognized that waiting patiently for market conditions to improve would not work; there was a priority to recognize realities, enhance responsiveness and readjust. I am pleased to communicate that the decline in our performance would have been sharper but for the timely changes in our go-to-market during the year under review.

We strategically segregated our portfolio and drew out customized responses to each with projected outcomes ranging from the short-term to the long-term. This provided the Company with a phased clarity on projected investments and outcomes.

Sutlej broad-based its product mix across applications that extended from the apparel to the non-apparel (industrial and home textiles). This was done to moderate an excessive dependence on textile applications that would keep us vulnerable as long as the sectorial weakness lasted; more importantly, the broad-basing of applications would help build a progressively derisked Company relatively insulated from market meltdowns.

We accelerated the development of yarn products that consumed a larger proportion of recycled fibre manufactured within. This will open new markets for our products among large and responsible customers seeking to enhance the sustainability of their products. We believe that corresponding certifications will deepen our brand in this widening market segment.

We accelerated the research-led development of new and specialized yarn varieties that prioritized consumer comfort and elasticity (in blending applications). The focused development was directed at differentiating the Company from the herd, effective in countering the emergence of lower priced alternatives and strengthening its brand as a Company that takes customers ahead.

We opted for financial prudence and deferred sizable capital expenditure, including announcements made in the past, as market conditions transformed with speed and enhanced a priority for financial liquidity. This recalibration of the capital expenditure helped protect the Balance Sheet, reduced our overall business risk, and enhanced the organizational focus on portfolio responsiveness.

Sutlej exercized its working capital discipline at a time when sectorial liquidity was threatened. The management relooked every initiative; the result of this focus was that the finished goods inventory reduced by 50% during the space of just two quarters, making it possible to reduce the proportion of short-term debt within the employed capital. Following this right sizing, we are better positioned to resist the full impact of this slowdown without impairing our Balance Sheet.

Sutlej remained prudently rightsized in terms of its Balance Sheet during the last financial year. The debt-equity ratio was 0.84 as on 31st March, 2024; the average cost of debt was 7.63% in FY 2023-24 and the Company repaid Rs. 203 crore in debt. I am pleased to state that despite the sectorial slowdown, your Company continued to protect its credit rating.

At Sutlej, we believe that we moved responsively during the last financial year in protecting ourselves from a full impact of the slowdown. These initiatives are expected to translate into bigger and better realities – portfolio mix, time to market, product quality, environment responsibility and the overall cost of staying in business - during the current financial year.

CONCLUSION

I must end with a word about governance and our Company's commitment. During the last few years, we deepened our governance through deepening processes, practices, and systems; we invested in digitalization, and environment responsibility.

The result is that the Sutlej of today is a broad-based well-rounded organisation equipped to weather the downtrend in its sector with the capacity to capitalize with vigour to any subsequent rebound.

We believe that this strategic shock absorber will enhance value for all our stakeholders as operating conditions revive across the foreseeable future.

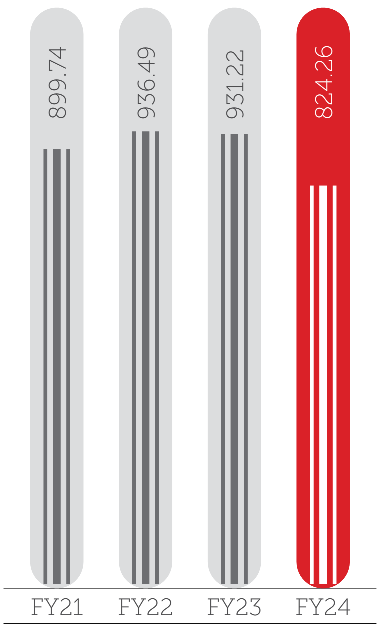
I must take this opportunity to thank all those who have contributed to a deepening of this governance ethic – our Board of Directors who navigated the direction, our talent that actualized their blueprint, our suppliers who addressed our needs in a timely manner and our customers who trusted us during the downtrend.

I am particularly grateful to our shareholders who kept faith in our pedigree and prospects during this challenging period. I can assure that when the worst is over, the improvement in our performance will more than compensate for your trust and patience.

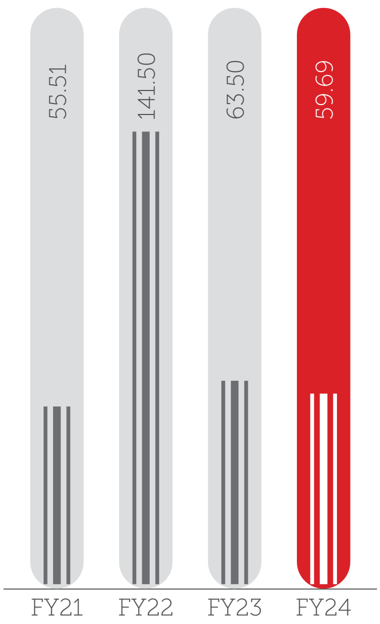
C. S. Nopany
Executive Chairman

Our financial hygiene

OUR CONSOLIDATED DEBT
(Rs. crore)



UTILIZATION OF WORKING CAPITAL AGAINST SANCTION (%)



OUR FINISHED GOODS INVENTORY CYCLE
(Days of turnover)

OUR RECEIVABLES CYCLE
(Days of turnover)

How we protected and strengthened our business in FY 2023-24

How we are attractively placed to weather the storm

Governance

We remain a governance-driven company

55% of our Board comprises Independent Directors

Value chain

We integrated backwards into green fibre manufacture

We addressed 82% of the Company's green fibre requirement from within, in FY 2023-24

Presence

We are present in around 60 countries

No country accounted for more than 24% of revenues, FY 2023-24

Liquidity

We are relatively under-borrowed (debt-equity ratio was 0.84 as on 31st March, 2024)

Average debt cost was 7.63% in FY 2023-24

Relationships

Most of our multi-year customers are still working with us

65% of revenues in FY 2023-24 came from customers of five years or more

New product development

De-bottlenecking - Capex over 5 years

FINANCIAL OVERVIEW

How Sutlej performed from a financial perspective in a challenging FY 2023-24

OVERVIEW

The overarching message that the management would like to state is that in a challenging year for the global textile sector, the Company embarked on various initiatives that protected its downside relatively; without these initiatives, the impact of the sectoral meltdown on the Company's profitability would have been sharper. This relatively creditable performance indicates the Company's resilience and competitiveness.

FINANCIAL OBJECTIVES

In a challenging phase for the global textile sector, the Company deepened its strategic clarity around the following priorities:

- Protecting its credit rating
- Protecting its Balance Sheet from extensive impairment
- Protecting relatively its capital efficiency
- Retaining cost leadership
- Remaining liquid (cash flows)

CREDIT RATING

At Sutlej, our credit rating for long-term debt was retained at A+ and for short-term debt at A1+. The Company's objective will be to protect this rating through the most challenging sectorial downturn seen in living memory. This protected credit rating will empower the Company to protect debt cost and market perception.

REVENUE MIX

At Sutlej, our objective is to broad base our revenue mix (spun/ dyed yarns and home textiles) even as majority of revenues will continue to be derived from yarns. Some years ago, the Company commenced the manufacture of home fabrics with the objective to extend value-addition from yarns, broadbase the product basket, increase the consumption of yarns within and building a relatively de-risked integrated Company.

Yarns (cotton and man-made fibre yarns) accounted for 93% of the Company's revenues in FY 2023-24. As a focus, the Company remained non-commodity, responding to the evolving needs of its customers with customized and innovative fibre blends. The proportion of revenues from value-added cotton-blended yarns was 30% during the year under review. The Company extended its focus from apparel to non-apparel (industrial and home textiles) applications.

A large part of our revenue visibility and predictability was derived from an ongoing engagement with the same customers, marked by the capacity to develop value-added yarns. The repeat engagement of these customers enhanced revenue predictability; over the years, the prospect of increased purchase represented the basis of increasing manufacturing capacity. During the year under review, the Company generated more than 65% revenues from customers of five years or more, an insurance in a weakening market environment.

RESOURCE MANAGEMENT

During the last few years, the Company commenced the manufacture of green fibre (capacity utilization 100% during the last financial year). Nearly all the recycled fibre was consumed within, reducing costs, enhancing the Company's position as environmentally responsible and deepening the commitment of downstream customers to use sustainable raw material. The development of yarn consuming a larger proportion of recycled fibre increased, deepening the Company's presence among environmentally responsible customers.

WORKING CAPITAL HYGIENE

At Sutlej, our day-to-day competitiveness has been ensured by competent working capital management – relatively short receivables cycle, trust-based engagement with a majority of the same customers, marketing value-added yarns and increased cash-and-carry terms of trade.

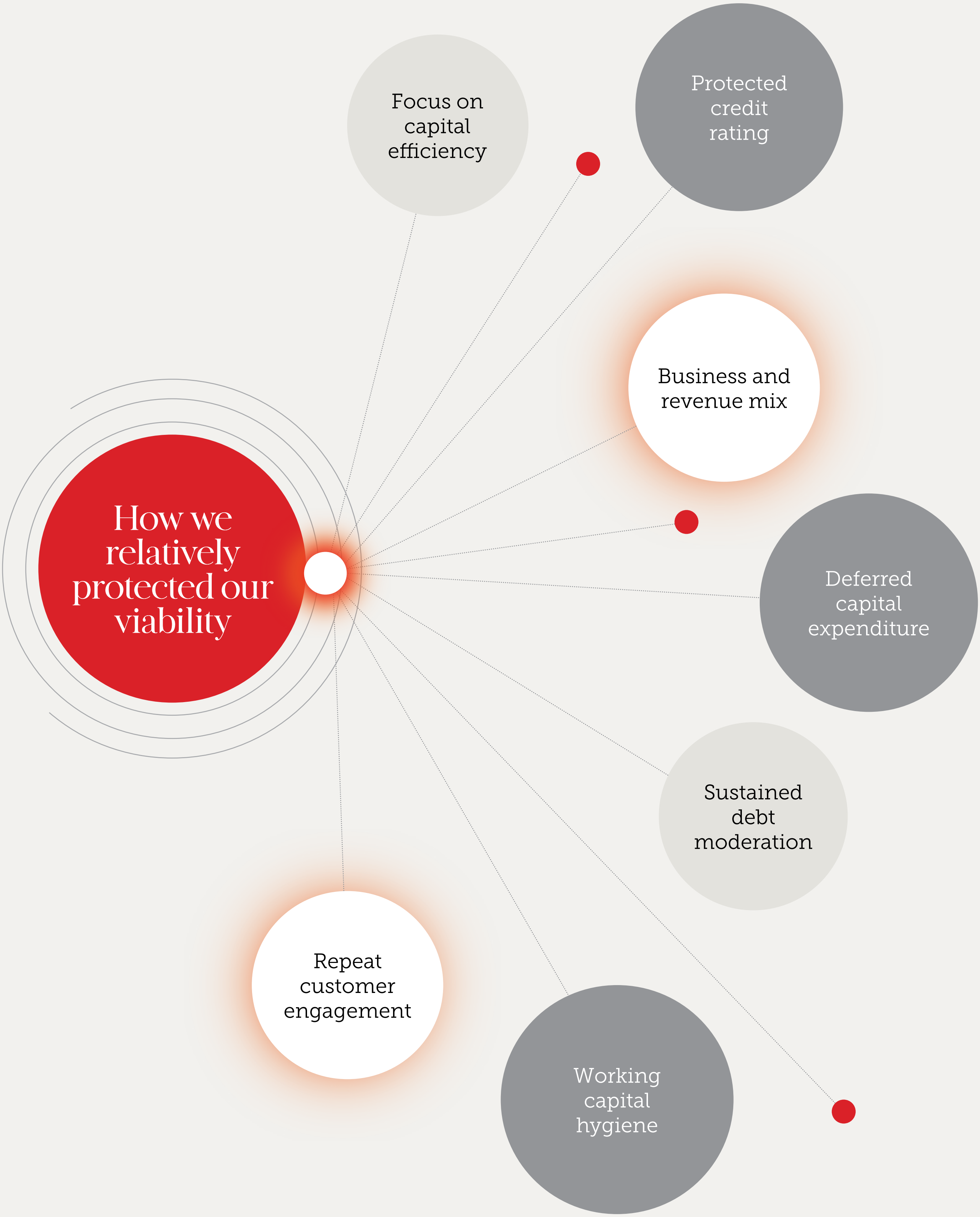
Working capital cycle (days of turnover equivalent) extended from 105 days in 2019-20 to 125 days in FY 2022-23 and then improved to 101 days in FY 2023-24. The Company's receivables increased from 40 days of turnover in FY 2022-23 to 48 days in FY 2023-24; finished goods inventory significantly declined from 40 days of turnover equivalent to 21 days; raw materials inventory slightly declined from 59 days of turnover equivalent to 58 days during the same period.

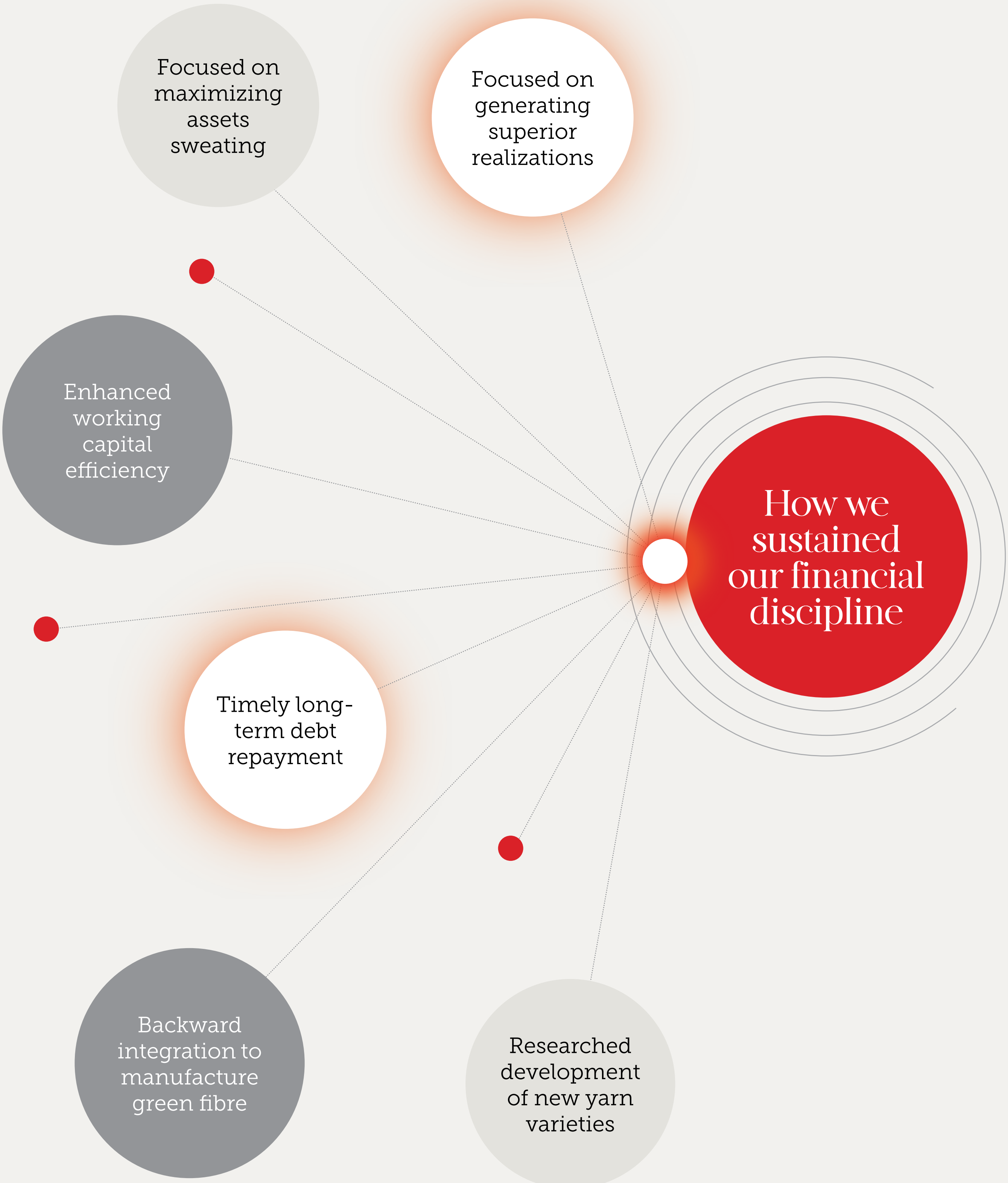
30%

The proportion of revenues from value-added cotton-blended yarns during the year under review

OUTLOOK

At Sutlej, we deferred our proposed capital expenditure in a challenging market environment to protect capital efficiency. This decision has also helped protect the Company's credit rating, Balance Sheet and competitiveness. The Company will continue to develop new and specialized yarn varieties that differentiate it from crowded commodity spaces marked by lower priced alternatives. The Company will continue to exercise working capital discipline, invest deeper in the development of innovative yarns, and stay engaged with customer business plans while it waits for the sectorial environment to revive. The Company is confident of capitalizing on a recovery on account of a lower cost of doing business, adequate liquidity, the value-added nature of its revenue mix and enduring customer engagements.


How we relatively protected our viability
Focus on capital efficiency
Protected credit rating
Business and revenue mix
Deferred capital expenditure
Sustained debt moderation
Repeat customer engagement
Working capital hygiene


How we sustained our financial discipline
Focused on maximizing assets sweating
Focused on generating superior realizations
Enhanced working capital efficiency
Timely long-term debt repayment
Backward integration to manufacture green fibre
Researched development of new yarn varieties

EXCELLENCE DRIVER

Weathering the storm through enhanced green fibre consumption

120
Tonne per day, installed capacity of green fibre at Sutlej

4.8
million, peak quantum of PET bottles that can be consumed by Sutlej a day

82
% of the Company's green fibre appetite serviced from within

100
% capacity utilisztion of the green fibre plant, FY 2023-24

OVERVIEW

In an increasingly sensitive world, profitability is being increasingly derived from responsibility.

Downstream yarn users – fabric makers and apparel manufacturers- are seeking to buy larger quantities made from recycled fibre. In turn, their customers are selecting to buy from companies perceived as responsible.

Sutlej had foreseen this industry curve a few years ago when it commissioned a 120 TPD capacity plant to manufacture recycled fibre. The investment was treated more than one designed to widen margins; it was positioned to transform the brand of the Company in competitive global markets.

The strategic advantages coming out of this investment comprized the following:

One, the Company manufactured polyester fibre utilising PET waste, reducing the global carbon footprint.

Two, the manufacture of green fibre was intended to enhance resource traceability, a subject of growing importance in the global textiles sector.

Three, as prominent garment labels replaced synthetic fibres with 'greener' alternatives, the Company deepened its positioning around enhanced responsibility.

During the year under review, Sutlej operated its green fibre unit at 100% capacity. The manufacture resulted in all the production being consumed within. This helped widen value-addition on the one hand and enhance working capital efficiency on the other.

More importantly, the backward integration enhanced the Company's respect as a responsible manufacturer.

EXCELLENCE DRIVER

Weathering the storm through enhanced digitalization

OVERVIEW

At Sutlej, digitalization is not a business support function; it represents the essence of operations. Consequently, investments in digitalization remained intrinsic to strategy.

The Company invested in digitalization with positive outcomes.

The Company prioritized online procurement; it utilized digital marketing tools like e-swatches to widen its digital footprint.

Through digitalization-driven controls, the Company was able to moderate costs, enhance product quality and engage in informed decision-making.

Sutlej embraced digitalization to build a scalable foundation without correspondingly increasing costs, staying ahead in a competitive environment.

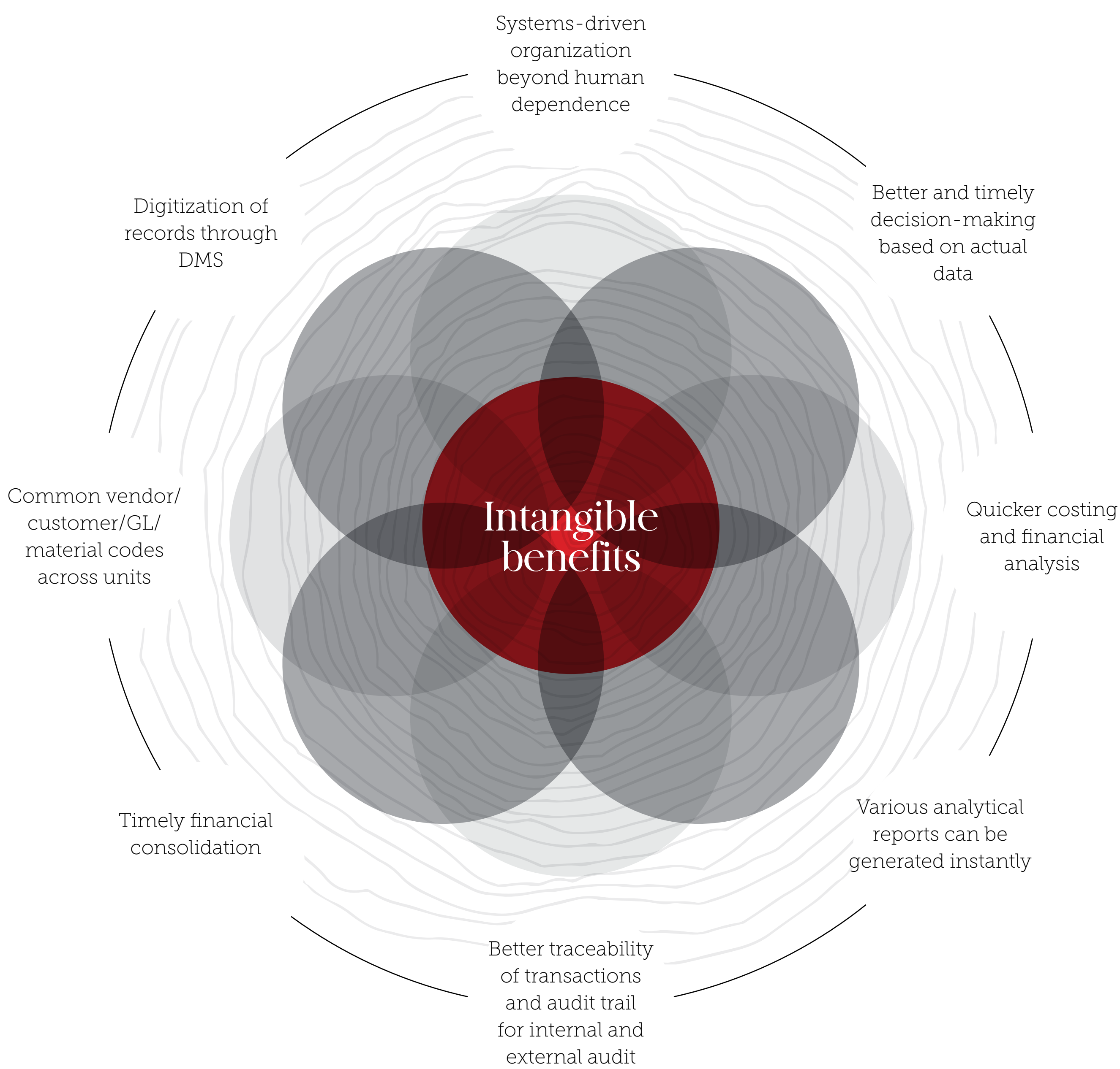
During the year under review, the Company reinforced its digitalization journey, strengthening resilience and competitiveness.

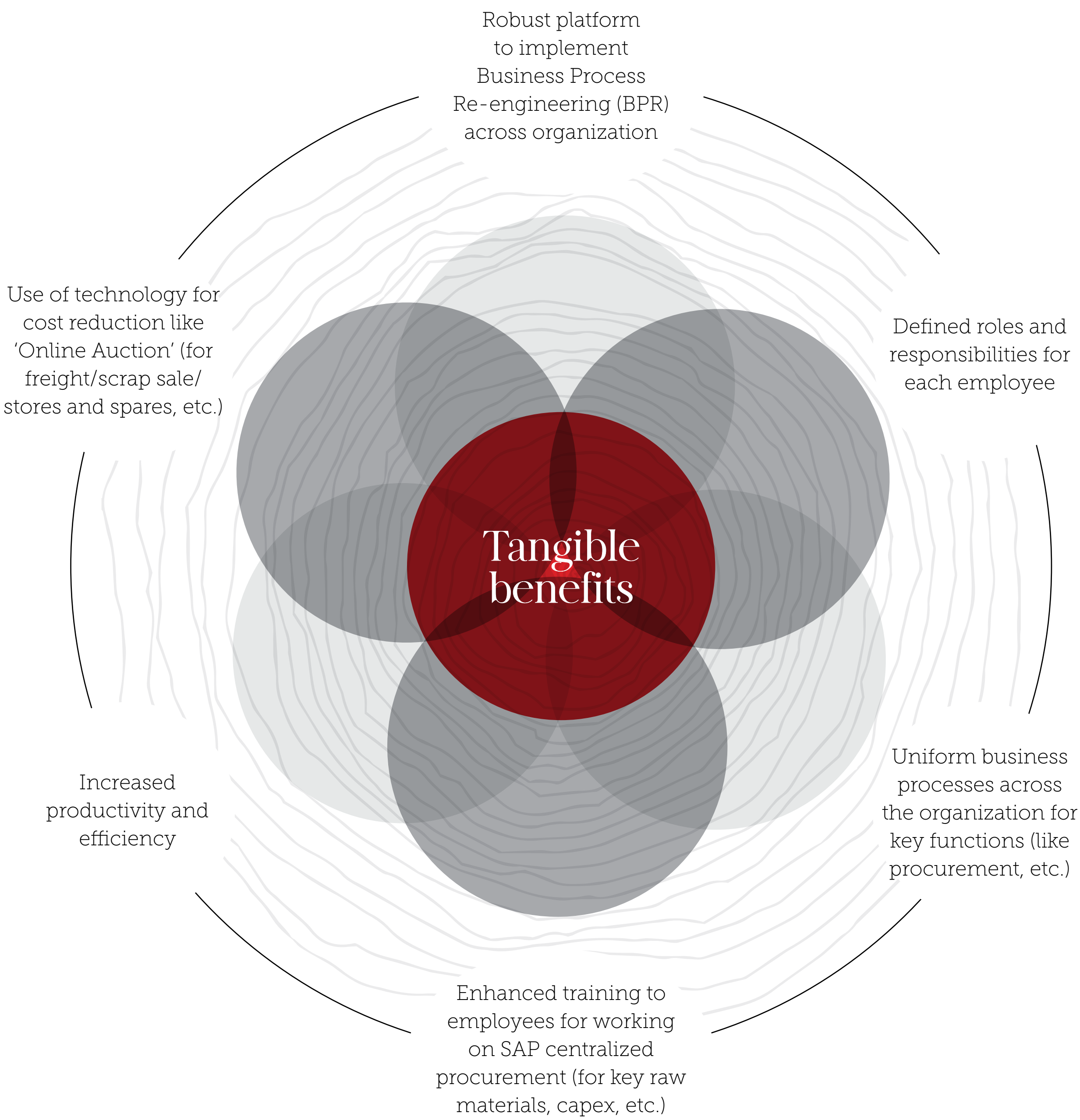
OUTLOOK, FY 2024-25

During the sectorial downtrend, there is a premium on cost moderation, enhanced customer experience and increased profitability. A deeper and wider digital footprint will enhance value across functions and roles, strengthening human productivity.

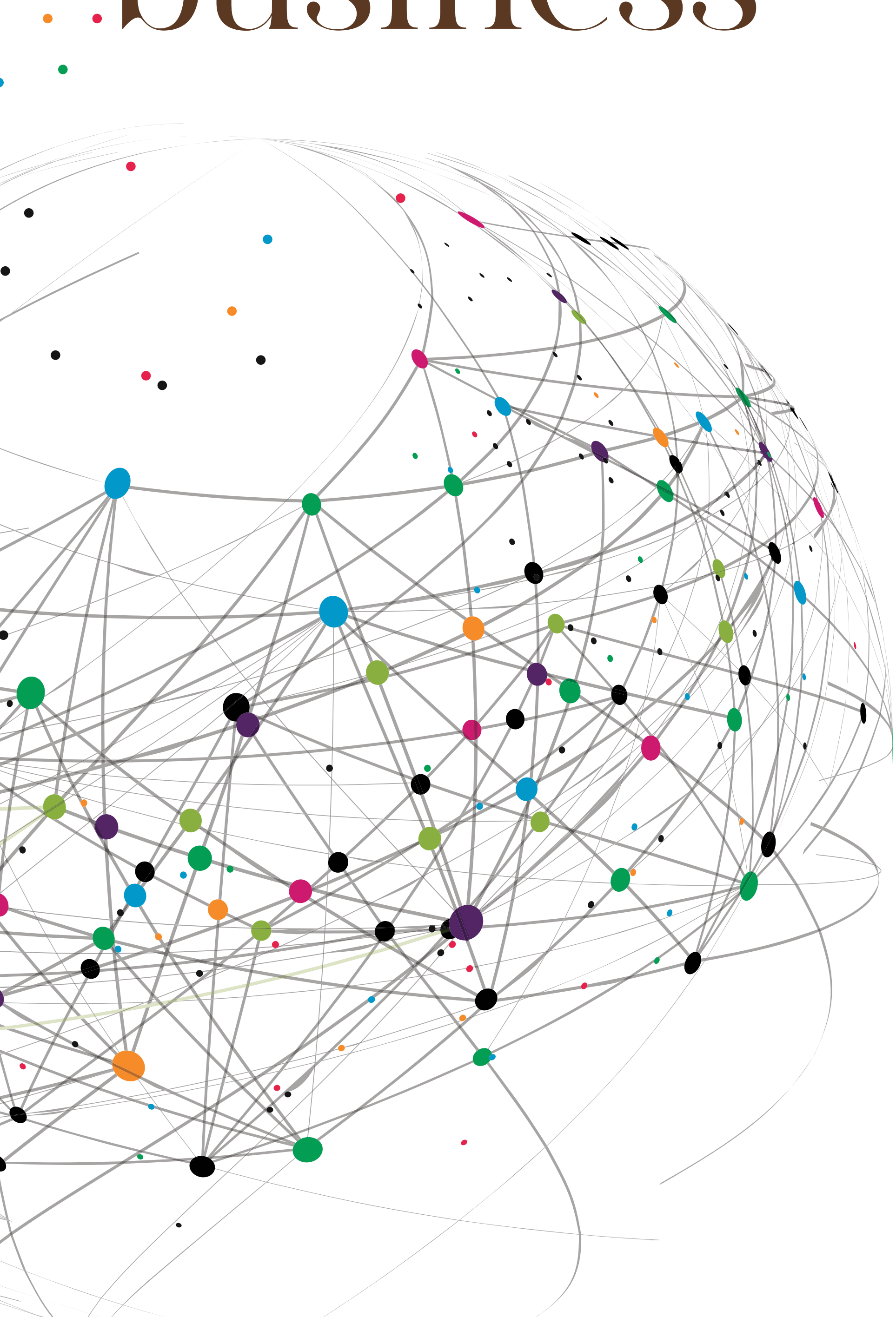
This initiative will be marked by enhanced automation, predictive maintenance, process optimization and enhanced market responsiveness, deepening the Company's 4.0 orientation.

Our digital transformation




Robust platform to implement Business Process Re-engineering (BPR) across organization
Defined roles and responsibilities for each employee
Uniform business processes across the organization for key functions (like procurement, etc.)
Enhanced training to employees for working on SAP centralized procurement (for key raw materials, capex, etc.)
Increased productivity and efficiency
Use of technology for cost reduction like 'Online Auction' (for freight/scrap sale/ stores and spares, etc.)
Tangible benefits

International yarn sales business



OVERVIEW

Sutlej is a differentiated specialized yarns company in India. The Company has carved out a global niche; the Company markets yarn products in 51 countries; during the year under review, it generated Rs. 962.86 crore from global markets, accounting for 40% of its overall yarn segment revenues. This indicates the strategic nature of global sales within the Company's business model.

The revenue broadbasing across global markets has strengthened the Company's business model in various ways. **One,** it has positioned the Company as global, widening perspectives related to evolving customer preferences. **Two,** it has helped broad-base the Company's presence across diverse markets, moderating an excessive dependence on one or few markets. **Three,** it has helped the Company discern emerging trends, the learning from which can be applied in different geographies. **Four,** this broadbasing has helped the Company absorb sectorial weaknesses more resiliently and capitalize on rebounds faster. **Five,** a wider global presence has helped the Company accelerate new product development and corporate brand.

962.86 International yarn sales, Rs. crore, FY 2023-24	**51** Number of countries of the Company's presence in yarn segment FY 2023-24	**40** The Company's yarn exports as a % of overall yarn revenues, FY 2023-24
1,179.59 International yarn sales, Rs. crore, FY 2022-23	**52** Number of countries of the Company's presence in yarn segment FY 2022-23	**42** The Company's yarn exports as a % of overall yarn revenues, FY 2022-23

SECTORIAL CONTEXT

The country's textiles exports experienced a downturn during the year under review, attributed to reduced consumer discretionary spending and the re-emergence of China as an aggressive yarn supplier. India's textiles exports for FY 2023-24 was US$34.4 billion, a 3% decline from the previous fiscal year and a significant drop of 16.3% compared to FY 2021-22. Adverse economic conditions in major export destinations such as the European Union (EU), the US, and West Asian nations further compounded challenges.

North America led total global textile exports at US$11 billion, followed by Europe at US$10 billion, and West Asia and North African countries at US$4 billion, as per data from the NIRYAT portal of the Union Ministry of Commerce and Industry. The Red Sea crisis escalated sea freight 100%, while air freights surged up to 200%, impacting exports.

Despite challenges, the industry remains optimistic, anticipating a resurgence in apparel exports to US$20 billion in the current financial year, buoyed by prospective Free Trade Agreements between India, the UK, and the EU, along with incentives like the PLI Scheme for Man-Made Fibre apparel and fabrics, and seven PM MITRA Parks aimed at enhancing production capabilities in the textile sector.

However, challenges persist as Yemen's Houthi militants continue to target ships in the Red Sea, necessitating a rerouting of vessels around the Cape of Good Hope, resulting in increased shipping costs and extended journey tenures. (Source: Economic Times)

KEY HIGHLIGHTS, FY 2023-24

- The Company exported a range of yarn types for various end uses, including apparel, home textiles, industrial and medical applications.
- The Company's exports spanned the USA, Latin America, South Africa, East Africa, the Middle East, and Turkey, significant markets for synthetic dyed yarns.
- The Company encountered challenges in synthetic and blended dyed yarns, and cotton and cotton blended mélange yarns.

OUTLOOK, FY 2024-25

Market conditions continue to be challenging in domestic and export markets due to uncertainty, volatility and geo-political tensions. The yarn market is expected to see a slow and gradual improvement from Q2 FY 2024-25.

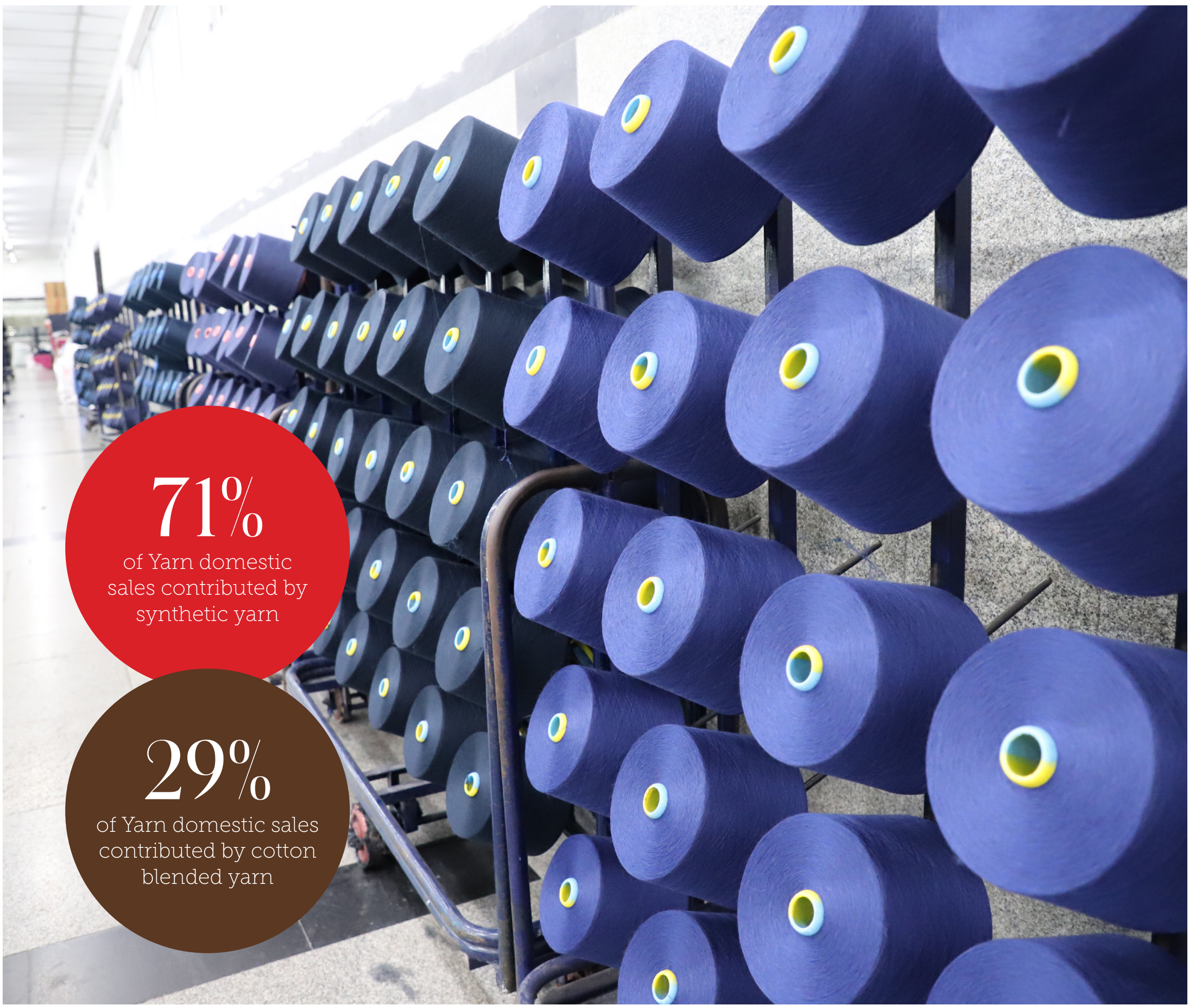
International yarn sales by products

68%
of International sales contributed by synthetic yarn

32%
of International sales contributed by cotton blended yarn

BUSINESS SEGMENT

Domestic Specialized yarns



71%
of Yarn domestic sales contributed by synthetic yarn

29%
of Yarn domestic sales contributed by cotton blended yarn

60%
Yarn revenues from domestic business in FY 2023-24

58%
Yarn revenues from domestic business in FY 2022-23

OVERVIEW

The Company specializes in two primary yarn segments - cotton mélange and synthetic dyed yarn. These were manufactured in manufacturing units of Chenab Textile Mills in Kathua (Jammu and Kashmir), Rajasthan Textile Mills in Bhawanimandi (Rajasthan) and Birla Textile Mills in Baddi (Himachal Pradesh).

Cotton mélange yarn addresses the growing needs of garment exporters for knitting fabric applications. The Company holds a significant position in the PV dyed yarn segment, addressing the suiting fabric manufacturing sector. The Company also produces 100% poly dyed yarn for sweater production and PA dyed yarn for dress material and saree manufacture.

Diversifying its offerings, the Company manufactures multi-fibre yarns, encompassing synthetic and natural fibres across applications and counts. This versatility represents a competitive advantage, facilitating the introduction of unique products around market needs.

In line with its commitment to sustainability, the Company incorporated sustainable fibres like recycled Polyester, recycled Cotton, Organic/Fair Trade Cotton, Seacell/ Smart Cell, Cupro, Hemp, Linen, Lenzing Modal, Tencel, Bamboo Fibre, and Bamboo Charcoal into its resources. The chemicals and dyes utilized in its dye house were free of AZO, NPEO, APEO phenyles, and formaldehyde, indicating its commitment to eco-friendly practices.

Sutlej's spun yarn remained synonymous with quality and diverse blends, reflected in longstanding engagements with customers.

The Company's sales catered to prominent brands like Raymonds, Siyaram, and Donear. During the year under review, demand was subdued on account of a lower offtake of garments and fabrics. Muted discretionary spending contributed to this demand downturn. Destocking through the supply chain affected offtake, prompting cautious inventory management.

SECTORIAL CONTEXT

The global trade landscape faced significant disruptions over the past year due to the Russia-Ukraine conflict and trade tensions between the US and China. These events not only impacted trade flows but also influenced consumer sentiment worldwide. Profitability was also affected by lower cotton yarn spreads and inventory losses.

However, amidst the textile industry's slowdown and turmoil, the Company remained resilient, adapting to challenging market conditions and upholding its commitment to sustainability.

KEY HIGHLIGHTS, FY 2023-24

- The Company accelerated the development of yarn products incorporating a higher percentage of recycled fibre. This strategic move aims to tap into new markets comprising environmentally conscious customers who prioritize sustainability in their products.
- The Company accelerated the research-led development of new and specialized yarn varieties that prioritized consumer comfort and elasticity (in blending applications), countering the emergence of lower priced alternatives and strengthening its brand as a Company that takes customers ahead.
- The Company registered an 8% year-on-year increase in yarn sales volume. However, within the spinning segment, which constitutes the main segment of

Domestic Yarn Sales by geography

21
%of yarn domestic sales in the Ludhiana zone

19
%of yarn domestic sales in the Bhilwara zone

27
%of yarn domestic sales in the Mumbai zone

24
%of yarn domestic sales in the Delhi zone

7
%of yarn domestic sales in the Tirupur zone

2
%of yarn domestic sales from other zones

its operations, there was a decline of 18% in realization. This decline varied across different types of yarns, ranging from 15% to 20%.

- In the B2B segment, numerous downstream industries experienced closures, with operations extensively affected. This was evident across regions like Burhanpur, Bhiwandi, Ichalkaranji, and Bhilwara, where looms remained idle. Additionally, businesses were grappling with excess inventory, exacerbating the situation as they struggled to find avenues for inventory disposal.

OUTLOOK, FY 2024-25

The global economy is experiencing moderated inflation and steady growth. This positive trend is expected to increase consumption, as discretionary income is anticipated to rise. The resilience demonstrated by the United States and several key emerging market economies is signalling the emergence of a probable recovery. Retailers have begun depleting their inventory, indicating anticipation for a growth in orders. Typically, orders for these seasons are placed around October, with expectations for continued growth thereafter.

The Indian growth narrative is gaining traction, suggesting better domestic prospects. With a robust foundation and a flexible organization attuned to market dynamics and customer requirements, the Company remains committed to adapt and deliver an improved performance.

PORTFOLIO

The Company is not only one of the few manufacturers of specialty yarns (lycra, coolmax, modal and tencel yarns, among others) but it is also one of the largest producers of modal yarn (licensed from Lenzing, Austria). Thus, the Company has further strengthened its position as a single-point solution provider for a number of customers. Regular varieties: 100% polyester *100% viscose *100% acrylic *100% modal and tencel *100% cotton mélange and cone-dyed *Polyester/viscose *Polyester/cotton *Acrylic/cotton *Polyester/acrylic *Modal/cotton *Modal/polyester *Viscose/cotton *Bamboo/cotton premium varieties: Micro-polyester (soft touch) *Micro-acrylic (for chenille) *Micro-modal (supersoft silky) *Hamel covered yarns (stretch) *Low piling yarns *Carpet backing and pile yarns *Ready-to-dye package yarns *Cationic dyeable yarns *Tencel *Soy milk fibre yarns *100%-bamboo

93
%of the Company's revenues accounted for by yarn

4.26
lakh, yarn spindles (as on 31st March, 2024)

25.21
Average yarn count

1
Status of the Company by size among India's spun-dyed and cotton mélange yarn manufacturers

39
%of spindles dedicated to mélange yarn

61
%of spindles dedicated to blends

BUSINESS SEGMENT

Home textiles

7%
of the Company's revenues, FY 2023-24

11%
growth in the segment's revenues, FY 2023-24

OVERVIEW

In 2006, the Company diversified operations by entering the home textiles segment, strategically expanding its product portfolio from yarn to value-added end products.

This diversification was intended to leverage the Company's distribution network, reducing distribution costs. Moreover, the home textiles industry presented promising growth opportunities due to the limited number of players at that time. Besides, the consumption of yarn from within was intended to increase value-addition.

In 2020, the Company launched Nesterra, its inaugural home textiles brand. This brand gained traction and is available in over 650 multi-brand retail outlets across India, featuring 36 collections.

In the home textile segment, there was a noticeable rise in consumer spending following the pandemic, particularly attributed the increased demand for home textiles due to remote work setups and other lifestyle changes. Initially, the home textile market experienced a decline, followed by a swift recovery. Subsequently, the yarn business witnessed a downturn, trailing behind the recovery observed in home textiles. Within our home textile offerings, such as curtains and upholstery, export volumes showed an improvement, although domestic market growth decelerated. To address this, the Company adjusted its payment policies to manage receivables better. While our cut service is gradually improving, it is typical for retail business growth to exhibit a slow start before gaining momentum.

KEY HIGHLIGHTS, FY 2023-24

The Nesterra brand witnessed notable improvements in its home textile margins. The Company's strategic shift towards higher-value business initiatives, with 50% dedicated to this endeavour, led to an enhanced product mix. There was a focus on expanding the Nesterra brand, with an increased emphasis on exports. Consequently, the Company observed improved performance despite a decrease in capacity utilization.

The segment's capacity utilization stood at approximately 44%, which included job work. The market downturn, particularly in the domestic segment for curtains and upholstery across segments and markets, contributed to the decline. However, gradual improvement in utilization levels is foreseen as market conditions revive.

In some quarters, there was a conscious reduction in volume within the domestic wholesale sector with the objective to address overdue payments.

SECTORIAL CONTEXT

The global economy encountered significant challenges in recent times, grappling with high inflation, escalating interest rates, and geopolitical tensions. These factors collectively contributed to a moderation in consumer demand, particularly evident in major export markets such as the US and EU, significantly impacting Indian home textiles exports. Despite these hurdles, the US retained its position as the largest market for Indian home textile exports, commanding a substantial share of 56% in FY 2022-23 and 58% in late FY 2023-24. Given the considerable reliance on the US market, the strength of retail sales there remains pivotal for Indian exporters.

While there will always be a market for conventional offerings, there is a discernible shift among consumers towards unique, value-added products. Consequently, focusing on differentiated and environmentally conscious products is crucial to staying ahead of market trends and meeting evolving consumer preferences. According to ICRA, the product-wise breakup of home textiles exports revealed that bed, table, toilet, and kitchen linen collectively accounted for the largest share in exports, holding steady at 32-33% in both FY 2022-23 and late FY 2023-24. Following closely behind was the carpets and floor coverings segment, maintaining a share of 31% in both periods.

Moreover, segments like linen and rugs experienced robust growth, driven by reduced competition stemming from policies in countries like China and Pakistan, that have favored established players. Overall, integrated players in the home textile sector demonstrated resilience amidst these market dynamics, underscoring the importance of strategic positioning and adaptability in navigating challenging environments.

OUR NESTERRA PORTFOLIO

Curtain fabric	Upholstery fabric	Curtains
Tablecloth	Cushion	Wider width fabrics

OUR PROTECTED STRENGTHS

- Drawing on the strength of the House of Sutlej
- Distinctive and competitive product range
- Strong design team customising products as per respective choices
- Superior product longevity
- Good customer base
- Environment-friendly fibre; respect-enhancing
- Captive use of yarns and mélange yarns

OUR EXPORT PERFORMANCE

Our home textiles segment comprized three areas: exports, domestic market and cut service. In the domestic market, we consciously reduced volumes, aligning with our payment terms strategy. Sales are primarily targeted at wholesalers, with a focus on timely payments. The third segment, our cut service under the Nesterra brand, was launched approximately two-and-a-half years ago and has shown promising performance. The Company is pleased with its progress and anticipates it becoming a significant sector of our home textile business given its direct-to-consumer approach through retailers. We are aggressively pursuing this initiative and will allocate necessary capital expenditure as required, although currently, there is no immediate capital expenditure requirement. Besides, Middle East, South East Asia, South Africa and Russia, the Company exports home textiles to the developed markets like, US, Europe and UK.

OUTLOOK, FY 2024-25

The Company aims to drive revenue growth in its home textiles segment by leveraging its established product offerings, diverse client base, robust channel partner network, emerging market opportunities, and sustainability aspirations under the Nesterra initiative. The Company is positioned to capitalize on the strengths of its existing business fundamentals while aligning with the industry's evolving dynamics and consumer preferences.

BUSINESS DRIVER

Weathering the storm through competent talent

ENSURING WORKPLACE SAFETY AND FAIR LABOUR PRACTICES

The Company has taken several steps to ensure fair labour practices and safe working conditions. This includes conducting regular health and safety audits, complying with local labour laws, and providing training on safety protocols. Employees are also encouraged to report any concerns or grievances they may have.

At each plant, there is a dedicated Safety Officer responsible for ensuring adherence to safety protocols and regulations. Additionally, safety committees, led by plant heads, meet regularly to monitor and improve performance across all safety key performance indicators (KPIs). These efforts involve implementing rigorous safety training programs, conducting regular safety audits and inspections and promptly addressing any safety concerns or incidents.

Sutlej extends beyond mere compliance by fostering a culture of safety awareness and proactive risk mitigation. This commitment ensures a safe and conducive work environment for all employees.

EMPLOYEE ENGAGEMENT

The Company engaged with employees through structured platforms. It conceptualized and implemented multiple employee engagement initiatives to reinforce its work environment. The Company strengthened its business excellence journey that inspired teams to perform better. It conducted quarterly Town Halls, employee get-togethers, Annual Day and other programs. It strengthened a culture of meritocracy, creating high performing individuals and teams with adequate succession planning. Sutlej celebrated festivals and offered lifestyle management programs. Additionally, different business units have tailored initiatives such as competitive sports and community-building activities.

OUTLOOK, FY 2024-25

The Company aims to enhance leadership and sales skills through development programs. Additionally, it intends to strengthen Performance Management System, talent profiling of senior leadership team , developing and implementing Sutlej Behavioural Competency Framework, digitization of HR processes, implementing uniform HR policies and HR SOPs amongst others.

RESPONSIBILITY

Our Heath, Safety and Environment (HSE) commitment

OVERVIEW

At Sutlej, a commitment to Heath, Safety and Environment (HSE) is integral to our existence. We believe that it is not enough to do the right things, but to do them in the right ways as well. It is no longer important to focus on the needs of a limited number of stakeholders but to service all stakeholders.

The over-riding objective of our business is to enhance stakeholder trust. This objective defines why customers select our products, why employees engage with us, why vendors sell to us, why investors provide risk capital, why bankers lend and why communities support us.

SUTLEJ AND HSE

At Sutlej, compliance with health, safety and environment practices is crucial to minimize the impact of health and safety hazards that arise during operations. We are committed to creating a workplace that eliminates hazards and mitigates occupational health and safety risks. We work proactively with employees and involve them in decision-making. Our commitment to our workforce and the local community's wellbeing and continuous improvement will help enhance our reputation as a reliable and responsible business.

Our commitment to reducing environmental impact is ingrained in our operations, guided by the principles of Recycling, Replacement, Reduction, and Renewables (4R's). Through investments in modern technologies and practices, we strive to minimize resource consumption while enhancing business growth, quality and sustainability.

OUR HSE COMMITMENT

HSE is an integral part of our business activities. Hence, the Company maintains high standards of environment, health & safety management and aims towards the following:

- Implementation of safe operational practices
- Adoption of modern and latest technologies in the Industry
- Prevention of work-related injury and ill health
- Compliance with statutory and regulatory requirements
- Extensive training of the teams
- Compliance with the highest standards of products and service
- Complete PPE use with the objective to minimize work-related injuries, mishaps and fatality
- Considering environmental, health, safety, and loss prevention in decision-making
- Developing and maintaining emergency procedures and contingency plans
- Continuously improving HSE performance through risk assessments, audits, and employee involvement
- Protecting the environment, biodiversity, and ecosystems by controlling business activities and preventing pollution

Why HSE is critical to our existence

Emphasis on employee health and safety is critical to people retention and business sustainability.

Unsafe work environment could lead to accidents leading to compensation claims.

Productivity costs would increase; employees suffering injuries due to poor HSE management would need to taken time off work to recover.

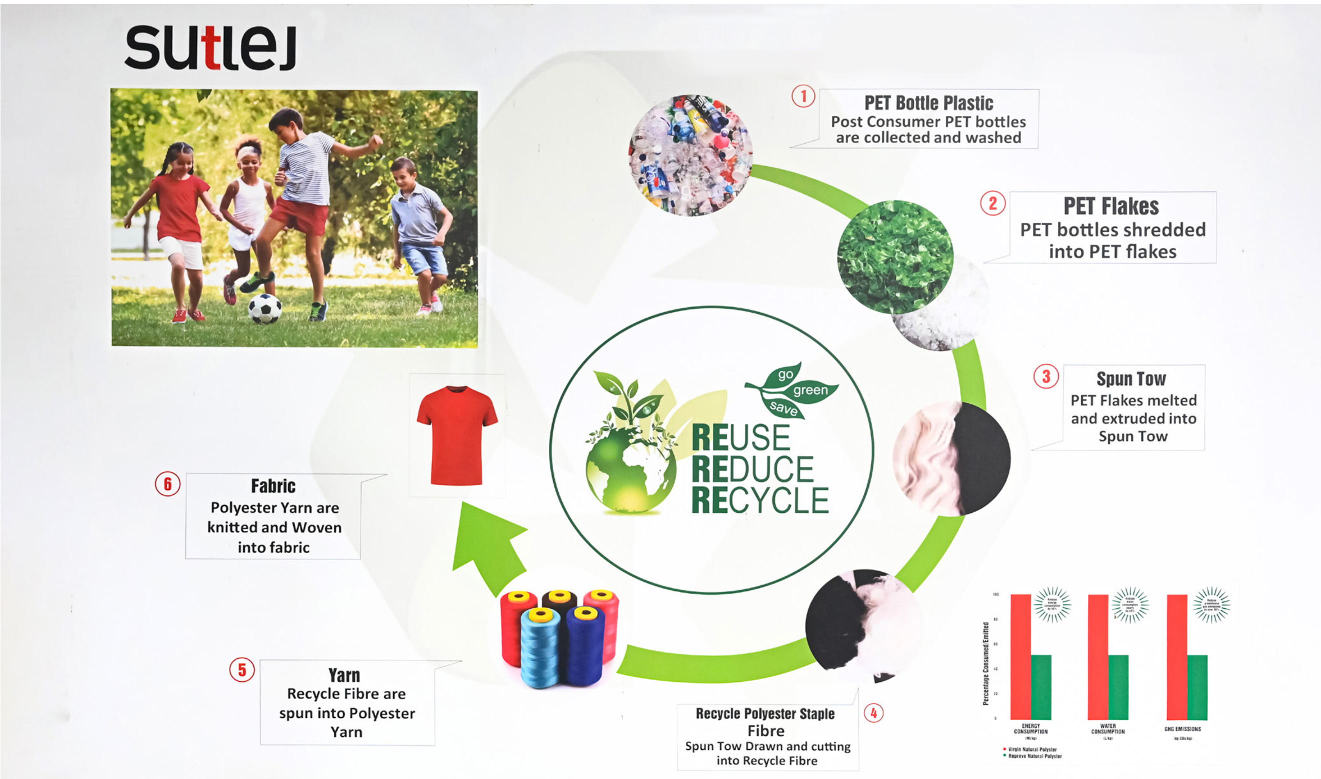
Long-term injury could lead to a reduced and less efficient workforce.

Sub-standard HSE arrangement could affect reputation socially and among business partners.

Non-effective HSE practices could lead to legal non-compliance.

ENGAGEMENT

Sutlej's core values rooted in ESG



OVERVIEW

At Sutlej, the principle of Responsible Business Conduct has always been embedded into management philosophy, factoring people and planet in corporate strategy. Through sustainability, we align strategies to ensure that our procurement and manufacturing are conducted in a less resource-intensive manner, increasing stakeholder value.

MATERIALITY ASSESSMENT

During the year under review, the Company conducted a double materiality assessment. This is emerging as a global materiality standard; the inward and outward focus allows the Company to get a complete picture of the impact on environment, society and economy in addition to the impact on the Company. The Company considered sector-specific standards and macro-industry trends to identify material topics. Key stakeholders participated in a digital survey, assessing potential topics.

On the basis of the material topics, the Company also undertook a performance analysis; it is in the process of developing pathways to improvement. The Company will develop an ESG roadmap with goals and targets, highlighting areas where its outward impact is positive and long-standing.

- Determining topics based on global standards and industry macro-trends
- Categorization of topics into ESG along with impact analysis
- Creation of a Digital Materiality Assessment
- Stakeholders identification, engagement and training
- Response analysis and finalization of material topics

OUR ENVIRONMENT STEWARDSHIP

In a business that relies on natural materials, resource conservation and circularity are not only crucial, but make business sense. The Company's units have ISO 14001:2015 certifications, in addition to certifications like OEKO-TEX, GOTS and OCS, indicating a commitment to manufacturing sustainability. The Company undertook initiatives to ensure that these themes ran across the following manufacturing processes:

Optimizing our energy utilization: All units undertook measures to reduce electricity and fuel consumption through process changes and energy-efficient equipment. Each manufacturing unit addressed consumption targets; performance was monitored. Renewable energy was harnessed in the manufacturing process; solar energy was utilized to provide electricity, while wood chips were used in manufacture.

Providing value from waste: While the Company cannot avoid waste, it optimized the post-generation process. Whatever waste could be re-used or recycled was done within the manufacturing units. The non-hazardous waste was sold for reuse and recycling (in carpet making). For hazardous waste, several units enjoyed tie-ups with cement companies for co-processing. While the Company generated 20,248 MT of waste in FY 2023-24, only 3.2% was sent for disposal and the rest recovered (either by the Company or other stakeholders).

In addition to optimizing the post-generation process, the Company addressed plastic pollution. In India, around 14,00,000 MT of PET waste is generated every year. The Company's green fibre unit was commissioned to produce yarn from used PET bottles; around 42,029 MT used PET bottles were recycled in FY24 through this unit.

Conserving every drop: The textile industry accounts for the use of 93 billion cubic metres of water per year. The Company is cognizant of this impact and took several steps to reduce impact:

- Two zero liquid discharge facilities with 90% water recovery.
- Water-saving measures to reduce consumption.
- Recycling in all units (18 lakh kilolitres of water recycled in FY 2023-24).
- Use of azo-free dyes to ensure that no harmful chemicals were discharged into the water.

EMPOWERING OUR SOCIAL CAPITAL

The Company's workforce represents the heart of its operations. Some highlights of how we enhanced talent capital during the year under review comprized the following:

- Increased skill development training from 44% to 83%.
- Increased the coverage of human rights training for employees from 51% to 72%.
- Ensured internal and external audits across health and safety practices.
- Ensured ISO 45001:2018 certification for four of five manufacturing facilities.
- Conducted regular health camps, checks and dedicated doctors in all units.
- Provided nutritious meals in factory canteens.
- Ensured SA8000 certification, demonstrating a commitment to high social standards.

The Company's CSR activities helped empower communities in areas where we worked.

BRINGING ESG INTO OUR GOVERNANCE

Sutlej is driven by good governance and conduct. The Company's commitment to good governance has empowered it to become a trustworthy partner for vendors and clients, incorporating the best practices into strategy and management.

During the year under review, the Company formalized its ESG structure, overseen by the CSR Committee. The ESG core team, the backbone of the ESG journey, strategized and consolidated data for all ESG processes and report development. By embedding ESG principles across the business, Sutlej remains committed to long-term value creation for stakeholders.

ENGAGEMENT

Strengthening community engagement at Sutlej

The Company distributed note books in Government Schools


The Company constructed Cow Shed at Radhey Gaushala in Baddi


The Company constructed Computer Laboratory in Senior Secondary Girls School at Bhawanimandi

OVERVIEW

Sutlej is a responsible company driven by a commitment to make the world a better place and promote a widening circle of prosperity. Sutlej believes in giving back to society, deepening relationships with the communities in which it operates. We focus on initiatives in areas of health, education, sports, sustainable livelihoods, animal welfare, and other social causes that create meaningful change.

Through our Corporate Social Responsibility (CSR) efforts, we act as a responsible corporate citizen, aiming to leave a lasting positive influence on communities. Our programs are designed with grassroot needs in mind, guided by a strong policy overseen by our CSR Committee and the senior management.

We aim to deliver sustainable growth while addressing important issues with the objective to create a better world where people can live in harmony with nature and the environment.

During the year under review, we invested Rs. 2.17 crore towards CSR commitments. This investment underscores our dedication to fostering all-around social progress and sustainable development that balance present needs with future requirements.

Sutlej is committed to not only complying with CSR regulations but also creating Corporate Social Value. Our efforts are geared towards building a fairer, more inclusive world where communities can thrive in harmony with the environment.

Corporate Information

as on 31st March, 2024

Board of Directors

Mr. C. S. Nopany - Executive Chairman

Mr. U. K. Khaitan

Mr. Rajan Dalal

Mr. Amit Dalal

Mr. Rajiv K. Podar

Mrs. Sonu Bhasin

Mr. Rohit Dhoot

Mr. Ashok Mittal

Mr. Rajib Mukhopadhyay - Wholetime Director and CFO

Executives

Corporate office

Mr. Suresh Kumar Khandelia - Senior Management Personnel (w.e.f. 24th July, 2023)

Mr. Rajib Mukhopadhyay - Wholetime Director and CFO

Mr. Manoj Contractor - Company Secretary & Compliance Officer

Mr. Updeep Singh Chatrath - President & CEO (till 21st July, 2023)

Unit Heads

Kathua Unit

Mr. Umesh Gupta - Executive President

Bhawanimandi Unit

Mr. H. M. Vashisth - Executive President

Baddi Units

Mr. Rohit Arora - Executive President

Daheli Unit

Mr. Pradip Sharrma - Sr. Vice President (Works)

Auditors

M/s. BSR & Co., LLP
Chartered Accountants
Building No. 10, 8th Floor, Tower - B
DLF Cyber City, Phase - II
Gurgaon - 122 002

Registrar & Transfer Agent

Link Intime India Pvt. Ltd.
C-101, Embassy, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Tel. (+91) 810 811 6767; Fax (022) 4918 6060
Email id: rnt.helpdesk@linkintime.co.in

Bankers

Punjab National Bank

The Jammu & Kashmir Bank Limited

HDFC Bank Limited

State Bank of India

Bank of Maharashtra

DCB Bank Limited

DBS Bank Limited

ICICI Bank Limited

Federal Bank Limited

Axis Bank Limited

Kotak Mahindra Bank Limited

IndusInd Bank Limited

Registered Office

Pachpahar Road, Bhawanimandi 326 502, Rajasthan

Manufacturing Units

Chenab Textile Mills

Kathua 184 102
Jammu & Kashmir

Rajasthan Textile Mills

Bhawanimandi 326 502
Rajasthan

Birla Textile Mills

Baddi 173 205
Himachal Pradesh

Damanganga Units

1) Home Textiles
2) Processing

Village - Daheli
Near Bhilad 396 105
Gujarat

Birla Textile Mills Unit II (Sutlej Green Fibre)

Baddi 173 205
Himachal Pradesh

Financial Highlights (Standalone)

(Rs. in crore)

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Revenue from Operations	2,671.72	3,039.17	3,041.98	1,861.08	2,379.43
Total Income	2,695.95	3,063.89	3,072.25	1,892.19	2,404.72
Earnings Before Depreciation Impairment, Finance Cost and Taxes (EBDIT)	-5.25	289.06	417.62	146.04	203.49
Depreciation, Impairment and Amortization	115.33	125.41	120.03	94.07	99.53
Profit before Tax and Exceptional Items	-183.73	107.02	248.87	15.14	59.02
Exceptional Items	18.96	56.00	7.81	-	4.36
Profit before Tax	-202.69	51.02	241.06	15.14	54.66
Profit after Tax	-134.61	22.84	155.68	9.51	36.12
Equity Dividend (%)	-	100	185	30	30
Dividend Payout	-	16.38	30.31	4.91	4.91
Equity Share Capital	16.38	16.38	16.38	16.38	16.38
Reserves and Surplus	959.87	1,107.32	1,113.80	963.64	954.62
Net worth	976.25	1,123.7	1,130.18	980.02	971.00
Gross Fixed Assets	2,538.85	2,497.29	2,481.68	2,414.44	2,312.53
Net Fixed Assets	1,062.34	1,120.17	1,187.13	1,230.65	1,210.79
Total Assets	2,097.12	2,420.77	2,442.49	2,149.30	2,117.52
Market Capitalization	825.70	664.33	1,165.64	643.03	321.10
Capital Employed	1,801.92	2,056.28	2,066.67	1,879.76	1,838.48

Key Indicators

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Earnings per Share (Rs.)	-8.22	1.39	9.50	0.58	2.20
Book Value per Share (Rs.)	59.59	68.59	68.99	59.82	59.27
Debt Equity Ratio	0.84:1	0.82:1	0.82:1	0.91:1	0.89:1
EBDIT / Gross Turnover (%)	-0.20%	9.51	13.73	7.85	8.55
Net Profit Margin (%)	-5.04%	0.75	5.12	0.51	1.52
Return on Net worth (%)	-13.79%	2.03	13.77	0.97	3.72
Return (PBDIT) to Capital Employed (%)	-0.29%	14.07	20.21	7.77	11.07

Directors' Report

To
The members,
SUTLEJ TEXTILES AND INDUSTRIES LIMITED

Your Directors are pleased to present the Nineteenth Annual Report, together with the audited financial statements of your Company for the year ended 31st March, 2024.

1. FINANCIAL RESULTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with The Companies (Accounts) Rules, 2014. The financial statements for the financial year ended 31st March, 2024 as well as comparative figures for the year ended 31st March, 2023 are Ind AS compliant.

The financial highlights of your Company for the year ended 31st March, 2024 are summarized as follows:

(Rs. in crore)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2024	Year ended 31st March, 2023	Year ended 31st March, 2024	Year ended 31st March, 2023
Total Income	**2,695.95**	**3,063.89**	**2,727.22**	**3,100.46**
EBITDA	-5.25	289.06	-13.11	286.12
Less: Depreciation	115.33	125.41	117.04	126.88
EBIT	-120.58	163.65	-130.15	159.24
Less: Finance Cost	63.15	56.63	65.03	57.92
Profit before exceptional items and tax	-183.73	107.02	-195.18	101.32
Less: Exceptional items	18.96	56.00	8.45	36.38
Profit Before Tax	-202.69	51.02	-203.63	64.94
Less: Tax	-68.08	28.18	-68.07	27.66
Profit after Tax	**-134.61**	**22.84**	**-135.56**	**37.28**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between end of the financial year and the date of this report. There has been no change in the nature of business of the Company.

The Company has not transferred any amount to Reserves for the year ended 31st March, 2024

2. FINANCE

2.1 Your Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through a process of continuous monitoring.

2.2 Rating

Your Company has been assigned a rating of:

i. IND A+ Outlook: Negative for term loan bank facilities.

ii. IND A1+ for fund based and non - fund based working capital limits.

2.3 Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments made by your Company and covered under the provisions of Section 186 of the Act are appended as notes to the financial statements.

3. MODERNIZATION AND OTHER CAPITAL PROJECTS

During the financial year, your Company continued with various modernization and de-bottlenecking activities.

Your Company during the year has invested an amount of Rs. 53.25 crore on modernization, technology up-gradation and de-bottlenecking. This will result in further improvement in efficiency and sustaining plant utilization and will result in value addition and improvement in quality.

4. SUBSIDIARIES

The Company has a wholly owned subsidiary in the USA viz. Sutlej Holdings Inc., which in turn has a wholly owned subsidiary viz. American Silk Mills, LLC. Pursuant to the provisions of Indian Accounting Standard - 110 (Ind AS - 110) prescribed under the Companies (Accounting Standards) Rules, 2006, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015) and as prescribed by the Securities and Exchange Board of India, consolidated financial statements presented by the Company include financial information of subsidiary companies, which forms part of the Annual Report. The highlights of financial performance of the Company's subsidiaries for the financial year 2023 - 24 are disclosed in form AOC - 1, which forms part of Financial Statements. Your Company has also formulated a policy for determining material subsidiaries, which is available on the website of the Company at the web link:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Material%20Subsidiary%20Policy.pdf

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The detailed review of the operations, state of your Company's affairs, performance and outlook of the Company is given separately in the Management Discussion and Analysis Report as required under Regulation 34 of the Listing Regulations, 2015 by way of "Annexure I" to this report.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

6.1 Change in Key Managerial Personnel

a) Mr. C. S. Nopany has been appointed as the Key Managerial Personnel (KMP) of the Company w.e.f. 24th July, 2023.

b) Mr. Updeep Singh Chatrath resigned as the President and Chief Executive Officer & KMP of the Company w.e.f. 21st July, 2023.

6.2 Re-appointment of Directors

a) In accordance with the provisions of Section 152 of Companies Act, 2013 and the Company's Articles of Association, Mr. Rajib Mukhopadhyay (DIN 02895021) will retire by rotation at the ensuing 19th Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

b) Mr. C. S. Nopany (DIN 00014587) Executive Chairman of the Company, has been re-appointed as the Executive Chairman of the Company with effect from 1st July, 2024 for a period of three years.

6.3 Appointment of Directors

On the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors have appointed the following Additional Directors on 9th May, 2024, subject to approval of the members at the forthcoming 19th AGM of the Company:

i) Mr. Arhant Vikram Nopany (DIN 07863206), Non-Executive Director;

ii) Mr. Sameer Kaji (DIN 00172458), Independent Director; and

iii) Ms. Deepa Kapoor (DIN 06828033), Independent Director.

The Board on the recommendation of the NRC has also appointed Mr. Rohit Dhoot (DIN 00016856) and Mr. Ashok Mittal (DIN 00016275), the current non-executive Directors as Independent Directors w.e.f. from the date of the 19th AGM of the Company, subject to the approval of the members of the Company.

The Independent Directors have been appointed for a period of 5 (five) consecutive years from the date of their respective appointments.

In the opinion of Board, the aforesaid Directors are persons of integrity and fulfil requisite conditions as per applicable laws. Except Mr. Arhant Vikram Nopany, no other Directors are related to each other and are independent of the management of the Company.

Necessary resolutions seeking approval of the members for the directors proposed to be re-appointed and appointed along with brief profile, has been incorporated in the Notice of the ensuing AGM.

6.4 Independent Directors

All Independent Directors of the Company have been appointed for a fixed term of 5 (five) consecutive years from the date of their respective appointment / regularization in the AGM and they are not liable to retire by rotation. All Independent Directors have declared that they meet the criteria of independence as laid down under Section 149(6) of the Act and Listing Regulations, 2015. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of strategy, planning and execution, management and leadership, legal and risk management, corporate governance systems and practices, finance, banking and accounts and possess the requisite functional and managerial experience and they hold highest standards of integrity.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

6.5 Board Effectiveness

6.5.1 Familiarization Policy

Pursuant to Regulation 25(7) of Listing Regulations, 2015, the Board has framed a policy to familiarize the Independent Directors about the Company. The policy is available on the website of the Company at the weblink:

https://www.sutlejtextiles.com/pdf/csr/FamiliarisationProgramme-2023-24.pdf

The Familiarization Policy of the Company seeks to familiarize the Independent Directors with the working of the Company, their roles, rights and responsibilities, vis a vis the Company, the industry in which the Company operates, business model, etc.

6.5.2 Board Evaluation

Pursuant to the provisions of the Act and Listing Regulations, 2015, the Board has carried out an evaluation of its own performance and that of the Directors individually, as well as the evaluation of the working of the Board Committees. The manner of evaluation has been explained in the Corporate Governance Report.

6.5.3 Criteria for selection of Directors, KMPs and Senior Management Personnel (SMPs) and their remuneration

The Board on the recommendation of the Nomination and Remuneration Committee (NRC) has framed a policy for selection and appointment of Directors, KMPs and SMPs and their remuneration. The policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Remuneration%20Policy.pdf

The policy contains, inter-alia, principles governing the appointment and remuneration of Directors, KMPs and SMPs, including criteria for determining qualifications, positive attributes, independence of Directors, etc.

6.5.4 Key Managerial Personnel

Pursuant to the provisions of Sections 2(51) and 203 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:

- Mr. C. S. Nopany, Executive Chairman (w.e.f. 24th July, 2023);
- Mr. Rajib Mukhopadhyay, Wholetime Director & CFO; and
- Mr. Manoj Contractor, Company Secretary & Compliance Officer.

Mr. Updeep Singh Chatrath, President & Chief Executive Officer was a KMP upto 21st July, 2023.

7. MEETINGS OF THE BOARD

A calendar of prospective meetings is prepared and circulated in advance to the Directors. During the year, five meetings of the Board were convened. The details of Board and Committee meetings held during the year under review, are given in the Corporate Governance Report forming part of this Annual Report. The gap between these meetings was within the period prescribed under the Act and Listing Regulations, 2015.

8. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company did not enter into any material related party transactions with Promoters, Directors, Key Managerial Personnel or other designated persons.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for transactions which are of a foreseeable and repetitive nature. A detailed statement of such Related Party Transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee for their review on a quarterly basis. Suitable disclosures as required by the Indian Accounting Standards-24 (Ind AS -24) have been made in the notes to Financial Statements.

The Company has formulated a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and is available at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Policy-on-Related-Party-Transactions.pdf

The disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 forms part of this report.

9. INTERNAL FINANCIAL CONTROL SYSTEMS

Your Company's Internal Financial Control Systems are robust, comprehensive and commensurate with the nature of its business, size, scale and complexity of its operations. The system covers all major processes including operations, to ensure reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The Internal Auditors continuously monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's risk management with regard to internal control framework.

The policies and procedures adopted by the Company ensures orderly and efficient conduct of its business and adherence to the Company's policies, prevention and detection of frauds and errors, accuracy and completeness of records and timely preparation of reliable financial information.

The Audit Committee actively reviews adequacy and effectiveness of internal control systems and suggests improvements, for strengthening them in accordance with business dynamics, if necessary. It also reviews Internal Audit Reports on a quarterly basis. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the Financial Statements, including the financial reporting system and compliance of accounting policies and procedures followed by the Company.

10. AUDITORS

10.1 Statutory Auditor

The Company's Auditors, M/s. BSR & Co., LLP, Chartered Accountants, (ICAI Firm Registration Number: 101248W/W-100022), were re-appointed as the Statutory Auditors of the Company for a second term of five years commencing from the Company's financial year 2022-23 to hold office from the conclusion of the 17th Annual General Meeting of the Company till the conclusion of the 22nd Annual General Meeting to be held in the year 2027. The Auditors have confirmed their eligibility under Section 141 of the Act and Rules framed thereunder. As required under Regulation 33 of the Listing Regulations, 2015 the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by the Auditors on the Financial Statements of the Company for the financial year ended 31st March, 2024 is part of the Annual Report. There has been no qualification, reservation, adverse remark, reporting of any fraud or disclaimer by the Auditors in their Report.

10.2 Internal Auditors

The Board of Directors on the recommendation of the Audit Committee of the Board has appointed M/s. Singhi & Co., Chartered Accountants (Firm Registration Number: 302049E) as Internal Auditors of the Company. M/s. Singhi & Co. have confirmed their eligibility and have granted their consent to act as Internal Auditors of the Company for the financial year 2024 - 25.

10.3 Cost Records and Cost Auditors

In conformity with the provisions of Section 148 of the Act read with The Companies (Cost Records and Audit) Amendment Rules, 2014, Cost Audit is applicable to the Company. The accounts and records for the same are made and maintained by the Company as specified by the Central Government under Section 148 (1) of the Act. The Board on the recommendation of the Audit Committee, has appointed M/s. K. G. Goyal & Associates, Jaipur, Cost Accountants (Firm Registration Number: 000024) to audit the cost records relating to the Company's units for the financial year ending on 31st March, 2025, at a remuneration as specified in the Notice convening the 19th AGM.

As required under the Act, the remuneration payable to the Cost Auditor is required to be placed before the members in a general meeting for their ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s. K. G. Goyal & Associates, Cost Accountants is included in the Notice convening the 19th AGM.

10.4 Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. R. Chouhan & Associates, Company Secretary in Practice, to undertake the Secretarial Audit of the Company for the year under review. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer and is annexed to this Report.

In addition to the above and pursuant to SEBI circular dated 8th February, 2019, a report on Secretarial Compliance for the financial year 2023 - 24 has been submitted to stock exchanges.

11. BUSINESS RISK MANAGEMENT

Pursuant to Regulation 17(9) of the Listing Regulations, 2015, the Company has laid down a robust risk management framework to inform the Board about the risk assessment and minimization procedures undertaken by the Company. Your Company has formed a Risk Management Committee, for timely identification and mitigation of risks as a good governance practice.

The risk management framework is designed to identify, evaluate and assess business risks and their impact on Company's business. The risk assessment and minimization procedures are reviewed by the Board periodically to ensure that executive management controls risk through the mechanism of a properly defined framework. The framework is aimed at creating and protecting stakeholder value by minimizing threats and losses and identifying and maximizing opportunities.

The Risk Management Policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Risk-Management-Policy.pdf

12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed pursuant to Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is given to the extent applicable in "Annexure II", to this Report.

13. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. Your Company has implemented all the stipulations enshrined in the Listing Regulations, 2015, and the requirements set out by the Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under Regulation 27 of the Listing Regulations, 2015 forms part of this Report as "Annexure III". The requisite Certificate from M/s. R. Chouhan & Associates, Company Secretary in Practice, confirming compliance with the conditions of Corporate Governance stipulated under Regulation 27 of the Listing Regulations, 2015 is annexed to the Report on Corporate Governance, which forms part of this Report.

14. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an integral part of your Company's ethos and policy and it has been pursuing this on a sustained basis. In conformity with Section 135 of the Act and Rules made thereunder, your Company has formed a Corporate Social Responsibility (CSR) Committee to oversee the CSR activities undertaken by the Company. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. Your Company has adopted a CSR Policy for the Company which provides a broad framework with regard to implementation of CSR activities carried out by the Company in accordance with Schedule VII of the Act. The CSR Policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/CSR%20Policy2022.pdf

During the financial year 2023-24, your Company has spent Rs. 2.17 crore towards CSR activities. Your Company's key objective is to make a difference to the lives of the underprivileged and local communities and is committed to CSR engagement. A report on CSR activities as prescribed under the Act and Rules made thereunder is annexed herewith as "Annexure IV".

15. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct.

Under the vigil mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of Regulation 22 of the Listing Regulations, 2015, protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. Adequate safeguards are provided against victimization to those who avail of the vigil mechanism.

The Whistle Blower Policy is available on the Company's website at the weblink :

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Whistle%20Blower%20Policy.pdf

16. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Your Company does business that delivers long-term shareholder value and benefits society. Your Company continue to focus on its commitments which are aligned with national priorities and United Nations Sustainability Development Goals. Your Company aims to create a positive business environment and empowering your Company's employees to make sustainable business decisions.

In terms of Regulation 34 of Listing Regulations, 2015 read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" ('BRSR'). The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBC').

The BRSR is annexed as "Annexure V" and forms an integral part of this Report.

17. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has in place a Policy on prevention, prohibition and redressal of sexual harassment at workplace as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) and Rules framed thereunder. Our POSH Policy is inclusive and gender neutral, detailing the governance mechanisms for prevention of sexual harassment issues relating to employees across genders. This has been widely communicated internally. Your Company has constituted an Internal Complaints Committee as per the requirement of the Act to redress complaints relating to sexual harassment at its workplaces. No complaints were received during the year under review.

18. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for the financial year ended 31st March, 2024 is uploaded on the website of the Company and can be accessed at www.sutlejtextiles.com

19. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other required information pursuant to Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company, is provided herewith as "Annexure VI" and forms part of this Report.

20. COMPLIANCE OF ACCOUNTING STANDARDS

As per requirements of the Listing Regulations, 2015 and applicable Accounting Standards, your Company has made proper disclosures in the Financial Statements. The applicable Accounting Standards have been duly adopted pursuant to the provisions of Sections 129 and 133 of the Act.

21. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India and forming part of the Act, on meetings of the Board of Directors and General Meetings.

22. DIVIDEND DISTRIBUTION POLICY

As required under Regulation 43A of Listing Regulations, 2015, your Company has formulated a Policy on Distribution of Dividend which can be accessed at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Dividend-Distribution-Policy.pdf

23. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statements in terms of Section 134(3)(c) of the Act :

a. that in the preparation of the annual financial statements for the year ended 31st March, 2024, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;

b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024 and of the profit of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and

f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

24. OTHER DISCLOSURES

During the year under review:

- no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and / or it's operations in future;
- no proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution;
- no shares with differential voting rights and sweat equity shares have been issued; and
- no public deposits as defined under Chapter V of the Act have been accepted by the Company.

25. CAUTIONARY STATEMENT

Statements in the Directors Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

26. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from various stakeholders including financial institutions and banks, government authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your Directors take this opportunity to place on record their appreciation for the committed services rendered by the employees of the Company at all levels, who have contributed significantly towards the Company's performance and for enhancing its inherent strength.

Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board

(C. S. Nopany)
Executive Chairman
DIN 00014587

Place: Mumbai
Dated: 09th May, 2024

Annexure-I

Management Discussion and Analysis

Global economy

Overview

The latest World Economic Outlook (WEO) of the International Monetary Fund (IMF) expects that the world economy is projected to maintain a modest but steady growth pace of 3.2% in 2024 and 2025, mirroring the performance of 2023.

The US economy is expected to expand by 2.7% in 2024 and the euro zone is expected to expand under 1%. India is projected to expand by 6.8% in 2024-25 and China by 4.6%.

The US economy grew at a slower-than-expected pace in the first quarter of 2024, raising concerns about its future trajectory. Gross Domestic Product (GDP) only increased at a 1.6% annualized rate, missing Wall Street's projections of 2.4% growth. Adding to the economic woes, inflation picked up in the first quarter, with service-sector inflation jumping by 5.1%.

On the positive side, global inflation is anticipated to show a steady decline, falling from 6.8% in 2023 to 5.9% in 2024 and further reduce to 4.5% in 2025. It suggests a potential return to a more stable economic environment.

Despite the challenges, the World Trade Organization (WTO) forecasts a 2.6% expansion in global trade volumes for 2024, following a 1.2% contraction in 2023. In value terms, world merchandise trade had declined by 5% in 2023.

The global economy surprised many by demonstrating resilience during 2022-2023. Economic activity continued to grow even as concerns about stagflation (stagnant growth with high inflation) and recession were raised, while the short-term outlook appears stable, the projected growth rate for the next five years is the lowest in decades. This raises concerns about long-term economic health. The report emphasizes the need for urgent reforms to address these long-term challenges. While acknowledging the recent Israel-Palestine conflict adds uncertainty, IMF believes its impact on global supply and demand will be less severe compared to the war in Ukraine. It remains cautiously optimistic about the overall global economic situation.

Performance of major economies, 2023

United States: Reported GDP growth of 2.5% in 2023 compared to 1.9% in 2022

China: GDP growth was 5.2% in 2023 compared to 3% in 2022

United Kingdom: GDP grew by 0.4% in 2023 compared to 4.3% in 2022

Japan: GDP grew 1.9% in 2023 unchanged from a preliminary 1.9% in 2022

Germany: GDP contracted by 0.3% in 2023 compared to 1.8% in 2022

(Source: PWC report, EY report, IMF data, OECD data, Livemint)

Outlook: Asia is expected to continue to account for the bulk of global growth in 2024-25. Inflation is expected to ease gradually as cost pressures moderate; headline inflation in G20 countries is expected to decline. The global economy has shown resilience despite high inflation and monetary tightening, with growth expected to remain around previous levels for the next two years.

(Source: World Bank)

Indian economy

Overview

The IMF is bullish on India's economic future. It believes India will be a major driver of global growth in the coming years, pointing to its consistent growth exceeding 7% even after the COVID-19 pandemic.

The IMF predicts an impressive 8% growth for India in the final quarter of 2023-24, highlighting its resilience in the current global economic climate. The IMF has also revised India's 2023-24 growth projection upwards to 7.8% compared to 6.7% in its January report. Overall, IMF paints a positive picture of India's economic future, highlighting its potential to be a significant contributor to global growth.

The IMF has raised India's GDP growth projection for 2024-25 by 30 basis points to 6.8% and for 2025-26 to 6.5% in its update to the WEO, citing buoyant domestic demand. However, the fund's estimate is below the 7% growth projection by the government.

The Indian economy grew at its fastest pace in six quarters, prompting the statistics office to project a 7.6% growth for 2023-24 against a growth rate of 7% in 2022-23. Finance Minister Nirmala Sitharaman indicated that the economy is expected to grow 8% or more in the Jan-Mar 2024 quarter driven by improved inflation management and overall macroeconomic stability.

India's recently released Interim Budget allocated Rs. 11.1 lakh crore ($133.6 billion) for capital expenditure in fiscal year 2025 (April 2024 - March 2025). This represents 3.4% of GDP, a significant increase of 16.9% compared to the 2023-24 budget. The increased spending is expected to maintain India's strong GDP growth trajectory as companies look to diversify their supply chains away from China, India is a potential beneficiary. This could attract more investment in manufacturing. The government's schemes to boost targeted manufacturing industries could see a better response from investors with an improved infrastructure base.

Monetary Policy

The Reserve Bank of India (RBI) maintained its key policy repo rate at 6.5% in April 2024. This marks the seventh consecutive meeting with no change in rates. The RBI maintains its forecast for India's economy, projecting average inflation of 4.5% and GDP growth of 7.0% for the fiscal year starting April 2024.

Inflation

India's Wholesale Price Index (WPI) inflation for March 2024 came in at 0.53%. This is the highest level in the past 3 months and second-highest level in the last 12 months. Despite the March increase, WPI inflation for the entire financial year 2023-24 (FY24) remained subdued at -0.25% which is significantly lower than the 6.52% recorded in FY23.

Data released by the National Statistical Office showed that the Consumer Price Index (CPI) capital based inflation rate softened to 4.85% in March 24, from 5.09% in February 24. India's retail inflation rate eased to 10 months low in March but remained well above the RBI's target of 4%.

Interest Rates

Contrary to earlier predictions of falling interest rates, the World Bank's recent report suggests they might remain elevated in 2024 and 2025. Geopolitical tensions and the possibility of the US Federal Reserve maintaining higher interest rates for longer could influence the RBI's decisions. With these global uncertainties, experts have pushed back expectations of a rate cut by RBI to the latter half of 2024.

Red Sea Crisis Disrupts Indian Exports

The Red Sea crisis, caused by attacks from Houthi rebels on merchant ships, significantly impacted global shipping. Cargo vessels avoided the Suez Canal, taking the longer route around Africa's Cape of Good Hope. This resulted in a 30% increase in transit times and a 9% drop in container shipping capacity due to extended sea journeys. The situation led to a rise in freight rates for shipments headed towards Europe, the US east coast, parts of Africa, and the Middle East. The perceived risk of attacks in the Red Sea pushed up insurance costs for these route and rerouting shipments via the Cape of Good Hope added significant time to journeys, impacting delivery schedules.

Index of Industrial Production

The Index of Industrial Production (IIP) for February 2024 indicated a robust 5.7% surge compared to February 2023. This marked the fastest annual growth rate in recent times. It was boosted by output growth in mining (8%) and electricity (7.5%) while manufacturing output (5%) remained a laggard. Economists predict a slowdown in factory output growth for FY25. The IIP is expected to reach around 4.7% in FY25, compared to an estimated 6.1% in FY24.

India's Core Industries

The Index of Eight Core Industries (ICI) in India increased by 6.2% (provisional) in April 2024 compared to February 2023. These eight industries contributed significantly to India's overall industrial output, with a weight of 40.27% in the IIP. Cumulative growth during 2023-24 (provisional) stands at 7.6%, indicating a positive trend in core industrial activity year-on-year. Core sector growth slowed to 5.2% in March, 2024.

GST Collection

India's Goods and Services Tax (GST) collection for April 2024 stood at Rs. 2.1 lakh crore, representing highest ever YOY growth of 12.4% on strong domestic activity. GST collection for March 2024 was at Rs. 1.78 lakh crore ($21.6 billion). This represented an impressive 11.5% year-on-year growth.

This positive trend extended to the entire financial year 2023-24 (FY24). Gross GST collection for FY24 surpassed the Rs. 20 lakh crore mark ($242 billion) for the first time, reaching Rs. 20.14 lakh crore ($244 billion). This translated to an 11.7% growth over the previous year.

Outlook: India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of a growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. The Indian economy is anticipated to surpass USD 4 trillion in 2024-25. The Asian Development Bank upgraded India´s GDP growth forecast for 2024-25 (FY25) to 7% from 6.7% earlier, citing better prospects. The triggers for FY25 growth will come from higher capital expenditure on infrastructure development both by central and state governments, rise in private corporate investment, strong service sector performance, and improved consumer confidence.

With inflation moderating to a projected 4.6 per cent in FY25, monetary policy could become less restrictive and more catalyze bank credit.

Global textile and apparel industry review

In 2023, the global textile market reached a valuation of $638.03 billion, but its growth was significantly hampered by various factors, notably the Russia-Ukraine conflict. This conflict prompted many brands to close their operations in Russia due to turmoil, compounded by escalating energy and raw material costs. As a result, companies across the textile value chain faced a 'perfect storm' scenario characterized by high production costs and subdued demand.

The industry grappled with a multitude of challenges, including weakening demand, inflation, high energy prices, rising labor costs, and increased competition from low-cost countries. Environmental regulations, infrastructural bottlenecks, outdated machinery, limited access to finance, fluctuating raw material prices, and changing consumer preferences further compounded the difficulties.

Experts anticipate a paradigm shift in the global garment industry, with US garment imports expected to decline by 25% to 30%. This trend is likely to persist until market equilibrium is reached, reflecting the ongoing transformation in the US retail sector.

A significant contraction in import demand was observed globally, with major economies shifting focus towards domestic manufacturing. This redirection had a profound impact on international trade, leading to a reduction in cross-border transactions within the textile industry. Key players like Bangladesh, Turkey, and Sri Lanka faced economic crises, exacerbating sectoral challenges.

The trend towards increased local investments and decreased outsourcing stemmed from various factors, including geopolitical tensions and the desire for greater self-sufficiency. Consequently, traditional textile powerhouses experienced a decline in their export-oriented industries, altering the dynamics of global trade.

Innovation flourished amidst these challenges, driving the development of sustainable sourcing practices and eco-friendly alternatives. Manufacturers and retailers increasingly recognized the importance of mitigating environmental impact and enhancing social responsibility.

Despite these efforts, weak demand continued to plague the sector, with order intake remaining subdued. The US and EU, major global markets, were expected to continue reducing their garment imports for atleast two quarters. This trend extended to other major markets like the UK, Japan, and the UAE, reflecting reduced consumption globally.

Looking ahead, the global textile industry is expected to reach a value of $689.54 billion in 2024. Despite a slight recovery in business conditions from November 2023 to January 2024, the overall outlook remained bleak by March 2024. Weak demand persisted as the primary concern, overshadowing marginal improvements in order intake and capacity utilization rates.

Furthermore, challenges such as recessionary trends, increased food prices, and heightened energy costs due to ongoing conflicts are anticipated to persist. The industry must adapt to these changing dynamics to navigate the evolving landscape successfully. (*Source: India Retailer, Live mint, Textile insights*)

Indian yarn industry review

India's textile industry, a vital contributor to the economy, underwent significant technological and infrastructural advancements, enhancing productivity and global competitiveness. However, amid global disruptions, the country witnessed a decline in cotton yarn exports in FY24, generating $1.32 billion compared to $1.95 billion the previous year. Notably, Bangladesh, India's primary export destination, experienced a sharp 60.42% decrease, reaching $364.44 million. Similarly, exports to Egypt, Portugal and Peru also saw declines ranging from 3.42% to 26.40% year-on-year. This decline in exports contributed to a decrease in the value of yarm shipments from $4.47 billion to $4.23 billion between April 2023 and February 2024.

Despite expectations of growth in India's cotton spinning industry by 12-14% in FY24, driven by an anticipated 85-90% increase in yarn exports, challenges persist. A significant moderation in cotton prices is projected to lead to a 9-10% year-on-year decline in revenues to approximately Rs. 33,465 crore in FY24.

India's yarn exports, which typically constitute 25-35% of production, witnessed a reversal of the declining trend in FY24. With overall yarn export volumes growing by approximately 142% in 7M FY24, and a substantial increase in exports to China, the share of exports in the overall production surged from 19% in FY23 to around 33% in 7M FY24. Despite concerns surrounding the Red Sea conflict, the immediate impact on Indian yarn exports is expected to be minimal, given Asia's significant share in exports. However, a prolonged conflict could potentially impact apparel export volumes, affecting both domestic and export demand for cotton yarn.

Additionally, domestic cotton prices, which reached a lifetime high in H1 FY23, experienced a decline by approximately 25% in 9M FY24 due to a weak operating environment. Further, a projected 6% decrease in domestic cotton production for CY2024 is anticipated due to reduced cotton sown area amid uneven rainfall. Despite the challenges, the industry is expected to witness a resurgence in capex announcements by FY25, driven by modernization needs, the 'China Plus One' strategy, and potential improvements in domestic apparel demand. *(Source: fashioning world.com, imagesbof.com, icra.com, CNBC, ICRA)*

Indian textile and apparel industry review

India's textile and apparel industry holds a significant position in the country's economy, contributing approximately 2.3% to the GDP, 13% to industrial production, and 12% to exports. It also stands as the second-largest employer, providing jobs to 45 million people directly and 100 million in allied sectors. India is the world's fourth-largest producer and exporter of garments after China, Bangladesh and Vietnam and the world's second-largest producer and exporter of textiles after China. Nearly two-thirds of India's textile exports go to the US and the UK due to its enterprises' commitment to high quality.

However, adverse economic conditions, compounded by the Red Sea crisis, have taken a toll on textile exports. In the fiscal year 2023-24, textile exports declined by 3.4% year-on-year, with textiles worth $34.43 billion exported between April 2023 to February 2024, down from $35.58 billion in the previous fiscal period.

This decline particularly affected ready-made garment exports, which fell to $13.05 billion from $14.73 billion in the corresponding months of the previous year. Similarly, yarn exports saw a decrease from $4.47 billion to $4.23 billion. The adverse economic conditions in Western markets, coupled with the Red Sea crisis, have led to higher shipping costs and extended shipping times, impacting the exports further.

Despite the current challenges, industry experts remain optimistic about the potential for export improvement, especially with signs of revival in the US market. However, the domestic market presents its own set of challenges, with sluggish demand observed even during festive seasons. Reduced yarn imports by China, and decreased buying by weavers and knitters have contributed to under-utilization in the spinning sector. Additionally, reduced exports and subdued local consumption have posed challenges for the local textile industry.

More than 70% of the industry's output is based on cotton as opposed to the global average, where goods made of man-made fibre account for a bigger share, the industry is vulnerable to changes in the cotton market. Bilateral agreements with countries like the UAE and Australia along with upcoming agreements with the US, UK and European Union, offer opportunities for India to increase its market share. *(Source: dfupublications.com, Times of India)*

Government policy reforms

The Government of India announced various schemes to support the textile sector. Schemes like Scheme for Capacity Building in Textile Sector (SAMARTH); Amended Technology Up-Gradation Fund Scheme (ATUFS); National Technical Textiles Mission; Production Linked Incentive Scheme (PLI); PM-MITRA; Scheme for Integrated Textile Parks (SITP); Integrated Processing Development Scheme (IPDS); Kasturi Cotton Bharat; National Technical Textile Mission (NTTM); and National Institute of Fashion Technology (NIFT) are aimed to skill manpower, promote ease of doing business, promote development and use of technical textiles, man-made fibre apparels and fabrics, setting up worldclass infrastructure including plug-and -play facilities, among others.

Indian home textiles industry review

Home textiles play a vital role in enhancing the aesthetic appeal and functionality of homes. Home textiles encompass a wide range of textile products used in residential settings, including bedding, curtains, upholstery fabrics, towels, rugs and more. The home textiles market in India is growing in leaps and bounds and in the process has attracted the attention of foreign brands that have entered the markets on their own or through joint ventures. India's home textile market size is estimated at USD 9.60 billion in 2024.

India accounts for almost 7% of global home textiles trade and is one of the top suppliers to the US, the world's biggest home textile consuming market. Increased efforts in quality improvement, innovations through research and development programs, and other preferential value-added features have helped India's home textile products become popular globally. Superior quality makes companies in India a leader in the US and the UK, which is contributing two-third to their exports. Delhi has emerged as a major production and export center. Traditional craftsmanship along with its distinctive appeal is being effectively used for producing value-added home textile items.

According to ICRA, the Indian home textile exports witnessed a slump reporting an 18% decline in FY 2022-23 and 12% dip in the first four months of FY 2023-24 amid high raw material expenses and energy inflation, coupled with a muted demand scenario in the US and the EU markets. This downturn comes after a promising 25% growth in FY22 and has been attributed to increased costs of raw materials and energy inflation, along with subdued demand in key export markets.

According to ICRA, the future growth catalyst could be the pending free trade agreement (FTA) discussions with the UK and European Union. Agreements in place with Australia and the UAE are expected to positively impact exports. *(Source: fibre2fashion.com, dfupublications.com, Economic Times)*

Sectorial demand drivers

Population: India is the most populous country with an estimated 1.44 million people as of 2024. Rising population densities may require changes in consumer preferences, driving demand for specific types of textiles.

(Source: glarity.app)

Raw material abundance: India is blessed with an abundance of raw materials essential for textile production. The country is a leading producer of cotton, silk, wool and jute, providing a strong foundation for a thriving textile industry. This accessibility to diverse and high-quality raw materials has been instrumental in India's textile success story.

(Source: linkedin.com)

Demographic advantage: Demographic advantage in the textile industry can provide a ready labour force, especially in regions with a large young population, leading to reduced production costs and increased competitiveness through efficient manpower utilization. Additionally, it can cater to diverse consumer demands by leveraging local cultural preferences and fashion trends. *(Source: linkedin.com)*

Increased internet base: In the fiscal year 2023-2024, India boasted a staggering 751.5 million internet users. Increased internet access facilitates global market reach, streamlined supply chain management, and enhanced communication that enhances textile demand. *(Source: statista.com)*

Preference shifts: Preference shifts in the textile industry drive demand for sustainable and ethically produced fabrics, prompting companies to innovate eco-friendly materials and manufacturing processes to meet consumer demands while reducing environmental impact. *(Source: fibre2fashion)*

Health awareness: Health awareness in the textile industry promotes safer working conditions, reducing the risk of occupational hazards like respiratory issues from textile dust and chemical exposure. It fosters employee well-being, productivity, and sustainability in production processes. *(Source: ncbi.nlm.nih.com)*

SWOT analysis

Strengths

Basic raw materials: India's strength lies in its significant self-sufficiency in raw materials, particularly natural fibre, with the country being the world's third-largest producer of cotton. What distinguishes the Indian textile industry is its capability to produce and process various types of fibre.

Labour: The Indian apparel and textile industry has historically thrived due to its combination of low-cost labor and robust entrepreneurial capabilities.

Adaptability: The garment industry's predominately small-scale manufacturing gives more flexibility in handling more specific and smaller orders. Resources including jute, cotton, silk and cotton yarn, as well as man-made fibres, are particularly abundant in India. The textile as well as garment sector in India is very self-reliant one. From the acquisition of raw materials through the creation of completed items, it has a whole value chain.

Weaknesses

Spinning sector: The spinning industry has to adopt new technologies because it is not modernized.

Weaving sector: India has a comparatively small number of looms without shuttles.

Fabrics processing: The weakest link in the Indian textile value chain is processing, which has a negative impact on the country's capacity to compete in export markets.

Deficient infrastructure: India's export competitiveness is being affected by high electricity costs and lengthy export lead times.

Low labour productivity: In India, productivity levels for producing different types of clothing are much lower.

Opportunities

Market entry via bilateral negotiations: Due to bilateral agreements between participating nations, trade between regional trade blocs is expanding.

The possibility of high-value items: India has the chance to raise its UVRs (Unit Value Realization) through rising up the value chain, creating value-added goods, and developing a steadily growing number of technologically advanced goods.

Threats

Decline in the fashion cycle: The number of seasons per year has increased, shortening the cycle of fashion as a result.

Formation of trading blocks: The world trade environment has changed as a result of trading blocs like NAFTA, SAPTA, etc. If there were bilateral agreements, Indian exports would suffer significantly.

Phasing out of quotas: India would have to expose its closed local market to global competitors, which will hurt the domestic market.

Company review

Sutlej Textiles and Industries Limited stands as one of India's largest integrated textile manufacturing companies, encompassing the entire value chain from yarn production to home textiles. A flagship within the multi-business conglomerate established by the late Dr. K. K. Birla, the Company operates manufacturing units in Rajasthan, Jammu and Kashmir, Himachal Pradesh, and Gujarat. By the close of FY 2023-24, it boasts an aggregate spinning capacity of approximately 4.26 lakh spindles. The Company specializes in producing synthetic, natural and blended yarns, a diverse range of spun yarns, home textile furnishings and polyester staple fiber derived from recycling PET bottles. It holds a significant position as one of India's largest manufacturers of spun-dyed yarn and value-added mélange yarn.

Key ratios

Particulars	FY 24	FY 23
Debt-equity ratio	0.84	0.82
Debtors' turnover (days)	48	40
Inventory turnover (days)	108	164
Debtors' turnover	7.60	9.16
Inventory turnover	3.38	2.23
Interest coverage ratio (x)	-0.08	5.10
Current ratio (x)	1.25	1.31
EBIDTA margin (%)	-0.20	9.51
Net Profit margin (%)	-5.04	0.75
Return on Net Worth (%)	-13.79	2.03

The reduction in inventory turnover days is mainly on account of reduction in finished goods and work in progress inventory followed by improvement in working capital cycle.

The interest coverage, EBITDA margin, net profit margin and return on net worth ratios were impacted during FY 2023-24 as margins remained under pressure on account of increased inflation worldwide followed by tightening of interest rates and withdrawing of liquidity, and recessionary pressure in North America and Europe coupled with geopolitical tensions between Russia - Ukraine, Israel - Hamas and red sea crisis.

Risk Management

The effective risk management approach of the Company derives from the expertise and proactive engagement of the management team. The Risk Management Committee plays a pivotal role in swiftly identifying and addressing potential risks. Acknowledging risk as an integral part of business, we are dedicated to implementing proactive and efficient risk management strategies.

Quality risk: The performance of the business could encounter challenges stemming from insufficient product quality and inefficiencies in manufacturing processes.

Mitigation: Significant investments in state-of-the-art technologies ensure peak efficiency throughout the Company's manufacturing facilities while maintaining uncompromising standards of quality.

Raw material risk: The business could be negatively affected by fluctuations in the costs of raw materials.

Mitigation: The Company tracks the market for its raw material procurement and takes proactive measures to minimize the impact of price fluctuations.

Trend risk: The Company's growth trajectory could be hindered by its inability to align with evolving consumer preferences.

Mitigation: With a steadfast commitment to technological advancement and relevance, the Company continues to allocate resources toward product development and innovation. In FY 2023-24, 39% of spindle capacity was dedicated to producing value-added yarn.

Competition risk: The emergence of new competitors could potentially affect the Company's profitability.

Mitigation: Exporting to approximately 60 countries and catering to pan India customers, the Company mitigates potential risks through continuous product innovation, robust brand recognition, and operational efficiency.

Customer attrition risk: Customer retention is pivotal as it directly influences both revenue generation and profitability for the Company.

Mitigation: As a comprehensive textile solutions provider, the Company continuously introduces innovative yarns like cotton blended dyed yarn, cotton mélange, and specialty blends. In FY 2023-24, Company's total yarn sales reached 1,08,472 metric tonnes, showcasing its commitment to evolving market demands.

Internal control systems and adequacy

The Company has implemented thorough internal control systems and processes tailored to its unique business characteristics and operational complexities. With robust policies and procedures, it prioritizes business integrity, asset protection, accurate financial reporting, and fraud prevention. Regular evaluations are conducted to refine and improve these systems continuously.

Human resources

The Company values its dedicated and motivated employees as its most valuable asset. It ensures a healthy work environment and competitive compensation while recognizing employee performance through a structured reward and recognition program. To foster a workplace where every employee can realize their full potential, the Company encourages individuals to engage in voluntary projects beyond their assigned responsibilities, fostering creative thinking and learning opportunities. As of 31st March, 2024, the Company had a permanent employee strength of 15,982.

Annexure-II

Conservation of Energy

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of The Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

1) Energy Conservation measures taken:

Conservation of energy is an essential step towards overcoming energy crisis, environmental degradation and global competitiveness.

The Company is giving due importance to conservation of energy and makes continuous efforts to conserve energy by effecting process & machinery modifications, implementation of technological advancements, development of newer methods, energy audit, proper and timely maintenance, and waste heat recovery, etc., amongst others. These measures lead to savings in terms of energy, money and time.

Besides continuing the measures taken in earlier years, following additional steps were taken during the financial year 2023-24 with a view to reduce cost of energy and consequently, the cost of production:

A. Spinning

a) Installed :

i. 13 Pressure Transducer on Polor Autoconer Machines to maintain pressure at a capital cost of Rs. 1.95 lakhs resulting in saving 257 Kwh/day and Rs. 6.71 lakhs per annum;

ii. 3 APFC panel with Harmonic Filters at a capital cost of Rs. 33.00 lakhs resulting in saving 1,099 Kwh/day and Rs. 28.72 lakhs per annum;

iii. 1 Inverter for 30 HP Mono Block Pump resulting in saving 95 Kwh/day and Rs. 2.48 lakhs per annum;

iv. 22 VFD on Humidification Plant at a capital cost of Rs. 18.00 lakhs resulting in saving 544 Kwh/day and Rs. 14.21 lakhs per annum;

v. 17 energy saving Motor IE3 at a capital cost of Rs. 8.55 lakhs resulting in saving 118 Kwh/day and Rs. 3.08 lakhs per annum;

vi. Cyclic Timer on Ring Frame and Comber Card resulting in saving 90 Kwh/day and Rs. 2.34 lakhs per annum;

vii. 2 Inverters on Espro Autoconer and Ring Frame to optmize frequency resulting in saving 48 Kwh/day and Rs. 1.24 lakhs per annum;

viii. VFD on WCS to optmize frequency resulting in saving 124 Kwh/day and Rs. 3.23 lakhs per annum;

ix. 30 HP Mono Block Pump resulting in saving 40 KL water/day and Rs. 8.03 lakhs per annum;

x. Harmonics Filter Panel in Cotton section at a capital cost of Rs. 54.00 lakhs resulting in saving 800 Kwh/day and Rs. 17.28 lakhs per annum; and

xi. VFD Compressor at a capital cost of Rs 4.64 lakhs resulting in saving 400 Kwh/day and Rs. 8.65 lakhs per annum.

b) Optimized / Converted

i. Modified conveyer duct of Boiler and reduced 2 motors resulting in saving 150 Kwh/day and Rs. 3.81 lakhs per annum;

ii. Modified 17 Unispray at Mixing Blender at a capital cost of Rs. 0.51 lakhs resulting in saving 594 Kwh/day and Rs. 15.09 lakhs per annum; and

iii. Optimized WRS resulting in saving 700 Kwh/day Rs. 10.50 lakhs per annum.

c) Replaced

i. 1 energy saving motor IE3 with IE4 at a capital cost of Rs. 2.90 lakhs resulting in saving 39 Kwh/day and Rs. 1.01 lakhs per annum;

ii. 3 Electric Heater with Solar Water Heater at a capital cost of Rs. 9.00 lakhs resulting in saving 180 Kwh/day and Rs. 4.70 lakhs per annum;

iii. 2 Old Transformers with 1 Kryfs make 3300 KVA Transformer at a capital cost of Rs. 58.00 lakhs resulting in saving 236 Kwh/day and Rs. 6.16 lakhs per annum;

iv. 5 motor connection Delta to Star on Card to optmize electric current resulting in saving 127 Kwh/day and Rs. 3.31 lakhs per annum;

v. 14 Prerna TFO with 10 Savio TFO with higher efficiency motors at a capital cost of Rs. 290 lakhs resulting in saving 800 Kwh/day and Rs. 17.28 lakhs per annum;

vi. 3" air line with 6" line between synthetic section and cotton section to reduce pressure drop resulting in saving 135 Kwh/day and Rs. 2.90 lakhs per annum; and

vii. 6 Ring-Frame with higher efficiency motors at a capital cost of Rs. 336 lakhs resulting in saving 214 Kwh/day and Rs. 4.62 lakhs per annum.

Various other measures taken in earlier years are continuing.

B. Home Textiles

a) **Installed :**

i. PPPPU Pump with a capacity of 900 Kg/hr at a capital cost of Rs. 1.80 lakhs resulting in saving 5 KLD of hot water and Rs. 1.31 lakhs per annum;

ii. 4 VFD in the process house jet dyeing at a capital cost of Rs. 2.00 lakhs resulting in saving 180 Kwh/day and Rs. 6.00 lakhs per annum; and

iii. Insulation of main condensate steam header to 12 TPH feed water tank to increase water temperature at a capital cost of Rs. 8.00 lakhs resulting in approx. saving of 1 ton fuel/day and Rs. 33.00 lakhs per annum.

FORM – A

(A) Power and Fuel Consumption:

Particulars	2023-2024	2022-2023
1. Electricity:		
(a) Purchased:		
Units (in lakhs)	4,371.80	4,647.72
Total Cost (Rs. in lakhs)	24,170.94	23,599.51
Rate/Unit (Rs.)	5.53	5.08
(b) Own Generation:		
(i) Through Diesel Generators		
Units (in lakhs)	5.88	16.45
Units per litre of Diesel Oil (Kwh/Ltr.)	3.47	3.49
Cost/Unit (Rs.)	24.05	24.79
(ii) Through Furnace Oil Generators		
Units (in lakhs)	0.00	0.84
Units per litre of Furnace Oil	2.10	4.00
Cost/Unit (Rs.)	20.35	10.68
(iii) Through Thermal Power Plant		
Units (in lakhs)	-	-
Units per MT of Coal (including lignite)	-	-
Cost/Unit (Rs.)	-	-
(iv) Through Solar Power Plant		
Units (in lakhs)	38.65	41.27
Total Cost (Rs. in lakhs)	28.64	36.44
Cost/Unit (Rs.)	0.74	0.88
2. Coal :		
(a) Steam Coal		
Quantity (Tons)	23,256.12	25,960.42

Particulars	2023-2024	2022-2023
Total Cost (Rs. in lakhs)	2,116.55	3,147.90
Average Rate (Rs.)/Ton	9,101.05	12,125.77
(b) Wooden Chips		
Quantity (Tons)	3,526.13	1,984.58
Total Cost (Rs. in lakhs)	222.62	123.42
Average Rate (Rs.)/Ton	6,313.47	6,218.88
(c) Pet Coke		
Quantity (Tons)	15,612.65	16,265.02
Total Cost (Rs. in lakhs)	2,711.46	3,742.87
Average Rate (Rs.)/Ton	17,367.06	23,011.79
3. Furnace Oil :		
Quantity (Kilo Litres)	0.85	20.89
Total Cost (Rs. in lakhs)	0.63	8.93
Average Rate (Rs. per Kilo Litre)	73,844.71	42,746.58
4. HSD Oil :		
Quantity (Kilo Litres)	176.35	471.76
Total Cost (Rs. in lakhs)	148.05	407.79
Average Rate (Rs. per Kilo Litre)	83,953.79	86,439.72

(B) Consumption per unit of production:

Particulars	2023-2024	2022-2023
Production :		
Electricity per Ton of Yarn Production (Units) @	2,953	2,960
Electricity per Ton of Knitting Fabric Production (Units) €	233	197
Coal per Ton of Yarn Production (Tons) #	0.394	0.361
Pet Coke per Ton of Yarn Production (Tons) #	0.132	0.134
Electricity per thousand meters of Processed Fabrics (Units) €	501	543
Electricity per thousand meters of Home Furnishings (Units) $	1,375	1,000
Coal per thousand meters of Processed Fabrics (Tons)	0.82	0.84

@ depends on count, ply, dyed or grey, etc.
# depends on quantum of dying.
€ depends on weight/meter of fabrics.
$ depends on picks/meter.

2. Energy Conservation plan for 2024-2025

A. Spinning

Following measures are contemplated to save energy consumption during the financial year 2024 - 2025:

Install :

Pressure powered packing pumping unit to improve flash steam and condensate recovery to increase packed water temperature; back pressure turbine along with reciprocating grate boiler; 27 inverters on humidification plant; 8 ventilator fans in blow room – carding; phneuma fan on 90 ring frames; VFD / pressure transducer and piston in 42 cards; rotary drum filter at new humidification plant; AC drive on suction fan of 10 ring frame machines; and inverters on main motor WCS, ring frame phneuma fan, humidification plant SAF/RAF and humidification plant pump all at a capital cost of Rs. 937 lakhs which is expected to save 8,972 tons coal/annum, 7,162 Kwh electricity/day and Rs. 299.48 lakhs per annum.

Optimize / Convert :

Change of steam and condensate line route; reduction of compressed air leakage; harmonic mitigate levels; use of STP water in flush system of labour colony; arrest compressed air leakages; steam energy audit and steam saving installations all at a capital cost of Rs. 162 lakhs which is expected to save 2,850 kgs. coal/day; 4,530 Kwh electricity/day; 7,200 KL water/annum and Rs. 151.68 lakhs per annum.

Replace :
80 re-winded / low efficiency motors with energy efficient motors; 3 low capacity transformers with 1 higher capacity transformer; old cables with new power cables; air compressor 1070 CFM capacity with new energy efficient make compressor; 9 existing old pumps with new energy efficient pumps; balancing and WCS with advanced technology fan and energy efficient motors all at a capital cost of Rs. 140.30 lakhs which is expected to save 2,145 Kwh electricity/day and Rs. 45 lakhs per annum.

B. Home Textiles

Following measures are contemplated to save energy consumption during the financial year 2024-2025:

Install :
Drive in 5 motors of ETP and turbine all at a capital cost of Rs. 8 lakhs which is expected to save 2,298 Kwh electricity/day; 1 ton coal/day and Rs. 36.8 lakhs per annum.

Optimize / Convert :
Energy optimization in dyeing machines, automization of boiler, etc. through audit by forbes marshall in steam section, water section and machine upgradation at a capital cost of Rs. 646.86 lakhs which is expected to save Rs. 479.30 lakhs per annum.

Replace :
TMT machine compressor with energy efficient compressor; 10 low efficiency motors with high efficiency motors; and old transformer with energy efficient transformer all at a capital cost of Rs. 28 lakhs which is expected to save 748 Kwh electricity/day and Rs. 22.50 lakhs per annum.

3. Impact of measures at (A) & (B) for reduction of energy consumption and consequent impact on the cost of production of goods:

The estimated savings are mentioned against each item of (A) & (B).

FORM – B

Disclosure of particulars with respect to technology absorption (to the extent possible)

1. Technology Absorption

1) Research and Development (R&D)

A. Specific areas in which R&D is carried out by the Company

a) **Spinning**
The Company has well equipped Lab for testing of the raw materials, in process as well as final products (finished goods), dyes & chemicals and all kind of packing materials, etc. The Company also has a full-fledged dedicated development team for value addition in the product; Our new product development team is engaged in new development activities along with development of various innovative and sustainable products from time to time based on market trends and customer/market requirements. Our R&D lab has latest generation and state of the art technological equipment like Uster - 6 Evenness Tester, HVI 1000, Tenso Jet-Advance Fiber Information System, i.e. AFISPRO 2, UTR 4, Classimat - 5 Yarn Fault Classifying System, Premier IQ2 & Premier Tensomaxx 700, Online Monitoring System, Lab Expert System, etc. (all from Uster), Auto Dispenser System, Beaker Dyeing Machines, etc. which help in fulfilling stringent market requirements as well as achieving customer satisfaction. Recently, the Company has been accredited with prestigious IMS (Integrated Management System) Certification consisting of ISO 9001-2015 (QMS), ISO 14001-2015 (EMS) and ISO 45001/2018 (OHSAS). Apart from these, the Company has 14 different certifications comprising of Usterised Lab, Oeko-Tex, FSC, SVCOC, GOTS / GRS / OCS / RCS, Fair Trade and SA 8000 certifications amongst others, from various certification bodies; continuous improvement and development of new innovative and sustainable products for achieving enhanced customer satisfaction is the core strength and success factor for the Company.

b) **Home Textiles**
The Company has a well-equipped and state of the art design and development center with required hardware and designing software facilities for development of new designs for home textile product and furnishing fabrics.

B) Benefits derived as a result of above R&D

These measures have helped in production of value added new products, reduction of cost, etc. Besides various studies and experiments are undertaken to save energy, improve productivity and quality, control costs, etc.

The Company has installed machines for developing small samples of yarn to expedite fabric development and to capture market share.

C) Future plan for action

The Company intends to install latest generation Uster Quantum Clearer 4 (EYC) for Autoconer for better monitoring and clearing of Classimat Objectionable Faults and achieving improved yarn quality. It is also planned to install friction tester for checking the co-efficient of friction in cotton melange yarn. Flexi Cleans are also planned for enhancing productivity and quality of yarns.

It is also planned to upgrade machines, install a 3,300 KVA transformer, Splicer 690 L for Orion Autoconer, Assembly Cheese Winding Versa - A 72 Drums with overhead blower, Core Spun Lycra attachment, Roving Stop Motion & Spindle Monitoring System, Colour Dispensing System, New ZLD Agitated Thin Film Dryer (ATFD), New ZLD Screw Press for Sludge dewatering and New Steam & Condensate Line. In MIDC / product development cell, it is planned to install latest generation Knitting Machine as well as a Miniature Loom for ensuring better infrastructure in product development for enhanced penetration in the market.

It is proposed to launch a shade book of Sustainable Fibre Product, Linenworld containing all Linen blend products and all function fibre product and develop a new range of sustainable products to meet future requirement.

2) Expenditure incurred towards R&D

(Rs. in lakhs)

Sr. No.	Particulars	2023-24	2022-23
a	Capital	1,229.89	107.97
b	Recurring	661.64	704.51
c	Total	1,891.53	812.48
d	Total R&D expenditure as a percentage of total turnover	0.718%	0.272%

2. Technology Absorption, Adaptation and Innovation

A. Spinning

The Company is having latest state of the art plant and machinery and has a policy of continuous modernization and upgradation of machines. We have installed latest technology plant & machinery in replacement of old technology machine to achieve higher productivity, efficiency and better quality namely Uster Quantum 4.0 OPT, Card LC 363/361 Fine Feed Chute LA7/6, High Speed Precision Assembly Winder, Ring Frame LR9 SX SXL, HTHP Vertical Dyeing Machine, ISM & RSM Premier Stop Motion System for improving productivity and quality of our product. The following capital expenditure has been incurred during the year:

a) Invested Rs. 2,765 lakhs on replacement of old technology, plant, machinery and equipment.

b) Invested Rs. 2,377 lakhs on addition and modifications of existing plant and machinery.

c) Invested Rs. 481 lakhs on purchase of machines and equipment for debottlenecking.

B. Home Textiles

The Company is having latest state of the art plant and machinery with plans for continuous modernization and upgradation of machines. For technology absorption, adoption and innovation the following capital expenditure has been incurred:

a) Invested Rs. 69.93 lakhs on replacement of old technology, machinery and equipment.

b) Invested Rs. 43.60 lakhs on addition and modifications of existing plant and machinery.

c) Invested Rs. 274.51 lakhs on purchase of machines and equipment for debottlenecking.

3. Foreign Exchange Earnings & Outgo

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

   The Company has taken effective steps for exports. During the year, the Company achieved satisfactory export performances. The Company is conscious of the challenges in export market and will continue to take steps towards developing exports and will concentrate on products having higher per unit realization.

2. Total foreign exchange earned and used

(Rs. in crore)

Sr. No.	Particulars	2023-24	2022-23
i)	Foreign Exchange Earned	1,015.11	1,170.36
ii)	Foreign Exchange Used	52.81	87.71

Annexure-III

Report on Corporate Governance

A. CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is a systematic process, driven by ethical conduct of the business and affairs of an organization aimed at promoting sustainable business and enhancing shareholder value in the long term. Corporate governance therefore, in essence, is a referral paradigm, comprising a mechanism to benchmark company's business and affairs to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a company meets its obligations with the objective to optimize shareholder value and fulfill its responsibilities to the stakeholder community, comprising of customers, employees, shareholders, government and other societal segments.

Sutlej's Governance philosophy is based on trusteeship and for promoting and maintaining integrity, transparency and accountability, across all business practices. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures are aimed at building trust of all stakeholders, such as shareholders, employees, customers, suppliers, financiers, government and the community. This philosophy is built upon a rich legacy of fair, transparent and effective governance, and led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The Company believes that a sound governance discipline also enables the Board to direct and control the affairs of the Company in an effective manner and maximize stakeholder value, including the society at large. We at Sutlej believe that this is an ongoing journey for sustainable value creation for all stakeholders and we continuously endeavor to improve upon our practices in line with the changing demands of the business. Sutlej adopts innovative approaches for leveraging all its resources; and encourages a spirit of conversion of opportunities into achievements. The Company's Code of Business Conduct and Code for Prevention of Insider Trading are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances. The Company's governance structures and systems are a product of self-desire, reflecting the culture of trusteeship that is deeply ingrained in our value system and strategic thought process and are the foundation which nurtures ramping up of healthy and sustainable growth through empowerment and motivation.

Keeping in view the Company's size, reach, complexity of operations and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domain;
- Timely and adequate flow of information to the members of the Board and its Committees for meaningful and focused discussion at the meetings to enable them discharge their fiduciary duties;
- Strategic supervision, monitoring and guidance by the Board of Directors which is made up of appropriate size, experience and commitment to discharge their responsibilities;
- Independent verification of Company's financial reporting from time to time and on quarterly basis;
- Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders and equitable and fair treatment to all the stakeholders (including employees, customers, vendors and investors);
- Sound systems and processes for internal control and risk management framework to mitigate perceived risk;
- Compliance with applicable laws, rules, regulations and guidelines with transparency and defined accountability; and
- Proper business conduct by the Board members, senior management and employees.

In line with this philosophy, the Company and its Board of Directors continuously strive for excellence through adoption of best governance and disclosure practices. The Board of Directors continuously strive to play an active role in fulfilling its fiduciary obligation to shareholders by efficiently overseeing management functions to ensure their effectiveness in delivering shareholder value and societal expectations, with ethical and responsible business conduct. The governance framework ensures its effectiveness through an efficient system of timely disclosures and transparent business practices.

Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations, 2015), the details of which for the financial year ended 31st March, 2024 is as set out hereunder:

B. BOARD OF DIRECTORS

The Board of Directors which is a body formed to serve and protect the overall interest of all the stakeholders, provides and evaluates the strategic direction of the Company; formulates and reviews management policies and ensures their effectiveness. The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large.

Composition of the Board

The Company has a balanced and diverse Board which includes independent professionals and conforms to provisions of the Companies Act, 2013 (the Act) and the Listing Regulations, 2015. Your Company's Board represents an optimum combination of experience and expertise in diverse areas such as banking, finance, law, general management, administration and entrepreneurship and comprises of Executive and Non-Executive Directors, including independent professionals, who play a crucial role in Board processes and provide independent judgment on issues of strategy and performance. The Company's Board of Directors presently comprises of nine Directors; five of whom are Independent Directors (including a Woman Director); two of whom are Non-Executive Directors; and two Executive Directors viz., Executive Chairman and Wholetime Director. The Non-Executive Directors account for more than 75 percent of the Board's strength as against the minimum requirement of 50 percent as per Listing Regulations, 2015. All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of stakeholders and the Company. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company. None of the Directors are inter-se related to each other.

None of the Directors on the Company's Board are members of more than 10 (ten) committees and chairpersons of more than 5 (five) committees (being, Audit Committee and Stakeholders' Relationship Committee) across all the companies, in which he / she is a Director. All the Directors have made necessary disclosures regarding committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March, 2024. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations, 2015.

DETAILS OF DIRECTORSHIPS / COMMITTEE POSITIONS / SHARES HELD

The composition of the Board of Directors, number of other Directorships / Board level committee positions held by them in other Indian public companies as on 31st March, 2024, number of shares held in the Company are as follows:

Name of Director	Category	Number of shares held in Sutlej	Names of other public companies (including listed entities#) in which directorships are held [other than Sutlej]	* Number of other companies' Board Committee(s)		Skills/ Expertise/ Competencies identified by the Board
				Chair-person	Member	
Mr. C. S. Nopany (DIN 00014587)	ED / PG	1,10,000	1. #Chambal Fertilizers & Chemicals Limited - Non-Executive Director 2. #SIL Investments Limited - Non- Executive Chairman 3. #New India Retailing & Investment Limited - Non-Executive Chairman	1	0	Leadership experience of leading operations of large organizations with deep understanding of complex

Name of Director	Category	Number of shares held in Sutlej	Names of other public companies (including listed entities#) in which directorships are held [other than Sutlej]	* Number of other companies' Board Committee(s) Chair-person	* Number of other companies' Board Committee(s) Member	Skills/ Expertise/ Competencies identified by the Board
			4. #Magadh Sugar & Energy Limited - Non-Executive Chairman 5. #Avadh Sugar & Energy Limited - Non-Executive Co-Chairman 6. Yashovardhan Investment & Trading Company Limited - Director 7. Ronson Traders Limited - Non-Executive Director 8. Morton Foods Limited - Director			business processes, regulatory and governance environment, risk management and ability to visualize and manage change.
Mr. U. K. Khaitan (DIN 01180359)	I	Nil	1. #Modi Rubber Limited - Independent Director 2. Combine Overseas Limited - Director 3. Cremica Food Industries Limited - Director 4. Ghaziabad Investments Limited - Director 5. Metro Tyres Limited - Director	0	2	Understanding of the changing legal and regulatory landscape of the country from time to time. Governance and Regulatory requirements of large companies.
Mr. Amit Dalal (DIN 00297603)	I	Nil	1. #Tata Investment Corporation Limited -Executive Director 2. Simto Investment Company Limited - Director	0	1	Financial Management and Accounting. Business Strategies and innovations.
Mr. Rajan A. Dalal (DIN 00546264)	I	Nil	1. #Century Textiles and Industries Limited - Independent Director 2. #Hindustan Composites Limited - Director	1	1	Financial Management and Accounting. Business Strategies and innovations.
Mr. Rajiv K. Podar (DIN 00086172)	I	Nil	1. Podar Infotech & Entertainment Limited - Director 2. Sports Education Development India Limited - Director	0	0	Financial Management and Accounting. Knowledge and expertise of Trade and Economic policies and risk management.

Name of Director	Category	Number of shares held in Sutlej	Names of other public companies (including listed entities#) in which directorships are held [other than Sutlej]	* Number of other companies' Board Committee(s)		Skills/ Expertise/ Competencies identified by the Board
				Chair-person	Member	
Mrs. Sonu Bhasin (DIN 02872234)	I	Nil	1. #NIIT Limited - Independent Director 2. #Triveni Turbine Limited - Independent Director 3. #Berger Paints India Limited - Independent Director 4. #Indus Towers Limited - Independent Director 5. #Multi Commodity Exchange of India Limited - Independent Director 6. Max Life Pension Fund Management Limited - Independent Director 5. PNB MetLife India Insurance Company Limited - Independent Director 7. Mahindra First Choice Wheels Limited - Independent Director	1	5	Financial Management and Accounting. Business Strategies and governance.
Mr. Rohit R. Dhoot (DIN 00016856)	NED	Nil	1. #Dhoot Industrial Finance Limited-Managing Director 2. #Hindustan Oil Exploration Company Limited-Non Executive Non Independent Director 3. Aakarshak Synthetics Limited - Director 4. Young Buzz India Limited - Director	0	2	Financial Management and Accounting. Business Strategies and innovations.
Mr. Ashok Mittal (DIN 00016275)	NED	Nil	Nil	0	0	Financial Management, Banking and Accounting. Business Strategies and innovations.
Mr. Rajib Mukhopadhyay (DIN 02895021)	ED	Nil	Nil	0	0	Financial Management and Accounting.

ED – Executive Director; PG – Promoter Group; I – Independent; NED – Non Executive Director

Notes:

i. The directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, companies under Section 8 of the Act and private limited companies, which are not the subsidiaries of public limited companies.

ii. *Represents membership / chairmanship of only two Committees viz. Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of Listing Regulations, 2015.

iii. As on 31st March, 2024, none of the Directors of the Company were related to each other.

Except Mr. C. S. Nopany, none of the Directors of the Company hold any shares of the Company.

BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Board members possess the required qualification, integrity, expertise and experience for the position. They also possess deep expertise and insights in sectors / areas relevant to the Company and ability to contribute to Company's growth. The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business requirements.

List of Core Skills / Expertise / Competencies of the Directors of the Company

1. Strategy planning and execution;
2. Management and leadership;
3. Functional and managerial experience;
4. Legal and risk management;
5. Corporate governance systems and practices; and
6. Finance, banking and accounts.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Regulation 16(b) of the Listing Regulations, 2015 and Section 149(6) of the Act. Due to promulgation of Section 149 of the Act and Regulation 25 of the Listing Regulations, 2015, Independent Directors can be appointed for 2 fixed terms of maximum five years and they shall not be liable to retire by rotation. Therefore, the Company has appointed/ re-appointed all the existing Independent Directors for a fixed term of five consecutive years in compliance with the aforesaid provisions. The Company has issued formal letters of appointment to all the Independent Directors as prescribed under the provisions of the Act and the terms and conditions of their appointment have been uploaded on the website of the Company.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Section 149(6) of the Act and applicable provisions of Listing Regulations, 2015 and that they are qualified to act as Independent Directors.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations, 2015 and are independent of the management.

As required under the Act, the Independent Directors held a separate meeting to assess the functioning of the Board and its Committees and to evaluate the performance of the Chairman and the Executive Directors.

The maximum tenure of the Independent Directors is in compliance with the provisions of the Listing Regulations, 2015 and the Act. No Independent Director of the Company has resigned or was re-appointed during the financial year under review.

FAMILIARIZATION OF BOARD MEMBERS

As an onboarding process, all new Directors inducted on the Board are taken through a familiarization process whereby information of the Company, its various units, products and financials is shared and explained to the Director.

The provision of an appropriate induction programme for the Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. All new Directors inducted on the Board are introduced to the Company's culture through appropriate orientation sessions or at the meeting of Board of Directors. Presentations are shared to provide an overview of the Company's operations and to familiarize the new Directors with our operations. They are also introduced to our organization structure, our products, Board procedures, matters reserved for Board and our major risk and risk management strategy. The Independent Directors, from time to time, request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of the Board of Directors or otherwise.

The induction process is designed to:

a. build an understanding of Sutlej, its businesses and the markets and regulatory environment in which it operates;

b. provide an appreciation of the role and responsibilities of the Director;

c. fully equip Directors to perform their role on the Board effectively; and

d. develop understanding of the Company's people and its key stakeholder relationships.

The Directors are also kept informed about market and sectoral trends, changes in governing laws and regulations, etc.

The details of familiarization programme is available on the website of the Company at the weblink:https://www.sutlejtextiles.com/pdf/csr/FamiliarisationProgramme-2023-24.pdf

BOARD MEETINGS AND PROCEDURE

The Board meets at least once in every quarter inter alia, to review the quarterly financial results, operations and other items on the agenda and minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by way of circulation, as permitted by law, which is confirmed in the subsequent Board meeting. The meetings are held as per the requirements of business; and maximum interval between any two Board meetings is within the permissible limits.

During the year under review, five Board meetings were held on 05th May, 2023, 24th July, 2023, 10th August, 2023, 06th November, 2023 and 08th February, 2024. The necessary quorum was present in all the Board meetings. Leave of absence was granted to the concerned Director who had requested for leave of absence due to their inability to attend the respective Board meeting. The details of attendance of Directors at the Board meetings and at the last Annual General Meeting (AGM) are as under:

Name of Director	Number of Board meetings		Attendance at last AGM (through Video Conference and Other Audio Visual Means)
	Held	Attended	
Mr. C. S. Nopany	5	5	Yes
Mr. U. K. Khaitan	5	5	No
Mr. Amit Dalal	5	4	Yes
Mr. Rajan A. Dalal	5	4	Yes
Mr. Rajiv K. Podar	5	4	Yes
Mrs. Sonu Bhasin	5	5	No
Mr. Rohit Dhoot	5	5	Yes
Mr. Ashok Mittal	5	5	Yes
Mr. Rajib Mukhopadhyay	5	5	Yes

BOARD SUPPORT

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees except Independent Directors meeting, advises / assures the Board on compliance and governance principles and ensures appropriate recording of Minutes of the meetings.

INFORMATION TO THE BOARD

The internal guidelines for Board / Board Committee meetings facilitate the decision making process at the meetings of the Board / Committees in an informed and efficient manner. Board meetings are governed by structured agenda. The Company Secretary in consultation with the Chairman and senior management prepares the detailed agenda for the meetings. All major agenda items are backed by comprehensive background information, notes and supporting papers containing all the vital information, to enable the Board to have focused discussion at the meeting and take informed decisions.

Agenda papers and notes on agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is circulated along with agenda papers for facilitating meaningful and focused discussions at the meeting. In case of sensitive agenda matters, or where it is not practicable to attach or circulate relevant information or document as part of the agenda papers, the same are tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are taken up for discussion with the permission of the Chairman and Independent Directors. Video conferencing facilities are also made available to enable the participation of Directors at meetings of the Board / Committees. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

A detailed agenda is sent to each Director in advance of the Board meetings, covering inter alia, the required information as enumerated in Part A of Schedule II to Regulation 17(7) of the Listing Regulations, 2015. As a policy, all major decisions involving business plan, allocation and deployment of funds, investments and capital expenditure, in addition to matters which statutorily require the approval of the Board, are placed before the Board for its consideration and directions.

Inter alia, the following information, as may be applicable and required, is provided to the Board as a part of the agenda papers:

- Annual operating plans and revenue budgets
- Capital expenditure budgets
- Quarterly, half yearly and annual results of the Company
- Minutes of the Audit and other Committees of the Board
- Information relating to recruitment and remuneration of senior level officers just below the Board
- Materially important legal or taxation issues
- Status of financial obligations to and by the Company
- Any significant development in human resources or industrial relations
- Details of risk exposure and steps taken by management to limit or restrain the risk
- Compliance status with any regulatory, statutory or Listing Regulations related requirements or in relation to any shareholder services
- Action taken report in respect of the decisions arising out of the previous meeting

The Board is also briefed on areas covering industry environment, project implementation, project financing and operations of the Company. Senior executives are invited to provide additional inputs at the Board meeting, as and when necessary. The members of the Board / Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

The draft minutes of each Board / Committee meetings are circulated to all Directors for their comments within 15 days of the meeting. After incorporating comments, if any, received from Directors, the Company Secretary records the minutes of each Board / Committee meeting within 30 days from conclusion of the meeting. The important decisions taken at the Board / Committee meetings are communicated to concerned departments promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.

The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any.

Separate Independent Directors' Meeting

The Independent Directors met on 08th February, 2024 without the presence of Executive Directors or management representatives and inter alia discussed:

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

Board Evaluation / Performance Evaluation

In terms of the requirements of the Act and Listing Regulations, 2015, the Board has evaluated its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was circulated, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

Code of Conduct and Ethics

The Company has laid down a Code of Conduct (the Code) for the entire Board of Directors and senior management to avoid conflict of interest. The Code is derived from three inter linked fundamental principles, namely: good corporate governance, good corporate citizenship and exemplary personal conduct. The Directors and senior management have affirmed compliance with the Code for the financial year 2023 - 24. A declaration to this effect signed by the Executive

Chairman is attached and forms part of this report. The Code is available on the Company's website www.sutlejtextiles.com

There were no material, financial and commercial transactions in which the senior management had personal interest, leading to a potential conflict of interest during the year under review.

Directors and Officers Insurance ('D&O')

In line with the requirements of Regulation 25(10) of the Listing Regulations, 2015, the Company has taken D&O for all its Directors and members of the senior management for such quantum and for such risks as is commensurate with the size and nature of operations of the Company.

C. SUBSIDIARY COMPANIES

The Company has one wholly owned subsidiary viz. Sutlej Holdings, Inc. and a wholly owned step-down subsidiary viz. American Silk Mills, LLC. During the financial year 2023 - 24, the Audit Committee reviewed the financial statements of the subsidiary. Minutes of the Board meetings of the subsidiaries were regularly placed before the Board. The Board / Audit Committee periodically reviews the statement of all significant transactions and arrangement, if any, entered into by the subsidiaries.

D. COMMITTEES OF THE BOARD

Pursuant to Listing Regulations, 2015 and provisions of the Act, the Board of Directors have constituted six permanent Committees of Directors viz.:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee;
- Corporate Social Responsibility Committee;
- Risk Management Committee; and
- Finance & Corporate Affairs Committee.

The details of these Committees are as follows:

I. AUDIT COMMITTEE

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of three Independent and one Non-Executive Director and is headed by Mr. Rajan A. Dalal. The other members of the Committee are: Mr. Amit Dalal, Mr. Rajiv K. Podar and Mr. Rohit Dhoot.

TERMS OF REFERENCE

The terms of reference of Audit Committee are in conformity with Section 177 of the Act and Regulation 18 of the Listing Regulations, 2015. The brief terms of reference inter alia are as follows:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.
- Approve payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the quarterly and annual financial statements and auditors report thereon before submission to the Board for approval.
- Approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, if any, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit, etc.

MEETINGS AND ATTENDANCE

During the year under review, the Audit Committee met four times on 04th May, 2023; 09th August, 2023; 03rd November, 2023 and 07th February, 2024.

The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Rajan A. Dalal	Chairman	Independent	4
Mr. Amit Dalal	Member	Independent	4
Mr. Rajiv K. Podar	Member	Independent	2
Mr. Rohit Dhoot	Member	Non - Executive	3

The constitution of the Audit Committee meets the requirements of Section 177 of the Act. The Committee reviews various aspects of the internal audit control system and financial and risk management policies. The requirements in respect of Regulation 18 of the Listing Regulations, 2015 are also reviewed by the Committee. The management makes a presentation before the Audit Committee on the observations and recommendations of the Statutory and Internal Auditors to strengthen controls and compliance. The internal auditors and statutory auditors are permanent invitees to the Committee meeting. The Company Secretary acts as the Secretary of the Committee.

II. STAKEHOLDER'S RELATIONSHIP COMMITTEE

COMPOSITION

The Stakeholders' Relationship Committee constituted as a mandatory Committee of the Board presently comprises of three Independent Directors and one Executive Director of the Company. The Committee is headed by Mr. Amit Dalal. The other members of the Committee are Mr. Rajiv K. Podar, Mrs. Sonu H. Bhasin and Mr. Rajib Mukhopadhyay.

TERMS OF REFERENCE

The Committee inter alia oversees the Redressal of shareholder and investor complaints / requests for transmission of shares, sub-division and consolidation of share certificates, issue of duplicate share certificates, requests for dematerialization and rematerialization of shares, non-receipt of declared dividend and non-receipt of Annual Report. It also recommends measures for improvement in investor services. The Committee also keeps a close watch on the performance of Link Intime India Private Limited, the Registrar & Share Transfer Agent (RTA) of the Company. The Committee also reviews various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensures timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company. Mr. Manoj Contractor, Company Secretary designated as Compliance Officer acts as the Secretary of the Committee. The Committee meets as often as is necessary for resolution of important matters within its mandate.

MEETINGS AND ATTENDANCE

During the year under review the Committee met thrice on 04th May, 2023; 03rd November, 2023 and 07th February, 2024. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Amit Dalal	Chairman	Independent	3
Mr. Rajiv K. Podar	Member	Independent	3
Mrs. Sonu Bhasin	Member	Independent	2
Mr. Rajib Mukhopadhyay	Member	Executive	3

Minutes of the meeting of the Stakeholders' Relationship Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

INVESTOR COMPLAINTS RECEIVED AND RESOLVED DURING THE YEAR

During the year under review, no complaints were received by the Company from the shareholders. The average period of redressal of grievances is 7 (seven) days from the date of receipt of complaints.

III. NOMINATION AND REMUNERATION COMMITTEE

COMPOSITION

The Nomination and Remuneration Committee of the Company comprises of three Independent Directors, namely, Mr. U. K. Khaitan, Mr. Rajan A. Dalal and Mr. Rajiv K. Podar. The Committee is headed by Mr. U. K. Khaitan.

TERMS OF REFERENCE

The terms of reference of Nomination and Remuneration Committee are in conformity with Section 178 of the Act and Regulation 19 of the Listing Regulations, 2015. The terms of reference are as follows:

1) determine the compensation package of the Executive Directors, President, Key Managerial Personnel and other senior management personnel.
2) formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.
3) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
4) devise a policy on diversity of Board of Directors.
5) identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
6) decide on whether to extend or continue the term of appointment of Independent Directors, on the basis of the performance evaluation report of Independent Directors.

MEETINGS AND ATTENDANCE

During the year under review, the Committee met once on 24th July, 2023. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. U. K. Khaitan	Chairman	Independent	1
Mr. Rajan A. Dalal	Member	Independent	0
Mr. Rajiv K. Podar	Member	Independent	1

Minutes of the meeting of the Nomination and Remuneration Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

COMPOSITION

The Corporate Social Responsibility Committee (CSR) presently comprises of three Independent Directors and is headed by Mr. U. K. Khaitan. Other members of the Committee are Mr. Amit Dalal and Mrs. Sonu H. Bhasin.

TERMS OF REFERENCE

The terms of reference of the CSR Committee includes but is not limited to the following:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on CSR activities;
- formulate and recommend to the Board, an annual action plan in pursuance of CSR policy;
- monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- oversee ESG initiatives and business responsibility and sustainability reporting.

MEETINGS AND ATTENDANCE

During the year under review, the CSR Committee met thrice on 04th May, 2023; 25th July, 2023 and 05th January, 2024.

The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. U. K. Khaitan	Chairman	Independent	3
Mr. Amit Dalal	Member	Independent	2
Mrs. Sonu H. Bhasin	Member	Independent	3

A report on CSR activities as prescribed under the Act and Rules made thereunder is annexed to the Board Report.

Minutes of the meeting of the Corporate Social Responsibility Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

V. RISK MANAGEMENT COMMITTEE

COMPOSITION

The Risk Management Committee comprises of four members, Mr. Rajiv K. Podar, Independent Director being the Chairman. Other members of the Committee are Mr. Rohit Dhoot, Mr. Ashok Mittal, and Mr. Suresh Kumar Khandelia, Senior Management Personnel.

TERMS OF REFERENCE

The Committee is entrusted with the task of monitoring, reviewing and managing the risks to which the Company is exposed, preparation of Company-wide framework for risk management, fixing roles and responsibilities, communicating the risk management objective, allocating resources, drawing action plan, determining criteria for defining major and minor risks, deciding strategies for escalated major risk areas, updating Company-wide risk register and preparing MIS report.

MEETINGS AND ATTENDANCE

During the year under review, the Committee met twice on 25th April, 2023 and 12th October, 2023. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. Rajiv K. Podar	Chairman	Independent	2
Mr. Rohit Dhoot	Member	Non-Executive	2
Mr. Ashok Mittal	Member	Non-Executive	2
Mr. Updeep Singh Chatrath*	Member	President and CEO	1
Mr. Suresh Kumar Khandelia**	Member	Senior Management Personnel	1

* resigned w.e.f. 21st July, 2023.

** appointed w.e.f. 24th July, 2023.

Minutes of the meeting of the Risk Management Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

VI. FINANCE AND CORPORATE AFFAIRS COMMITTEE

COMPOSITION

The Finance and Corporate Affairs Committee presently comprises of two Executive Directors and three Independent Directors and is headed by Mr. C. S. Nopany, Executive Chairman of the Board. Other members of the Committee are Mr. U. K. Khaitan, Mr. Rajiv K. Podar, Mrs. Sonu Bhasin and Mr. Rajib Mukhopadhyay.

TERMS OF REFERENCE

The Committee inter alia decides upon matters relating to inter corporate loans / deposits, investments, opening and closing of bank accounts and various matters related thereto, in terms of the powers delegated to it by the Board from time to time.

MEETINGS AND ATTENDANCE

During the year under review, the Committee met once on 22nd January, 2024. The attendance of the members of the Committee was as follows:

Name of the member	Status	Category	Number of meetings attended
Mr. C. S. Nopany	Chairman	Executive	1
Mr. U. K. Khaitan	Member	Independent	1
Mr. Rajiv K. Podar	Member	Independent	0
Mrs. Sonu Bhasin	Member	Independent	1
Mr. Rajib Mukhopadhyay	Member	Executive	1

Minutes of the meeting of the Finance and Corporate Affairs Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

E. SENIOR MANAGEMENT

a) Mr. Suresh Kumar Khandelia was appointed as an Advisor (Senior Management Personnel) of the Company w.e.f. 24th July, 2023.

b) Mr. Rohit Arora was appointed as Executive President - Birla Textile Mills (Unit I and II) w.e.f. 11th December, 2023.

c) Mr. Sachin Kulkarni resigned from the position of Executive President - Birla Textile Mills (Unit I and II) w.e.f. 13th December, 2023.

F. DETAILS OF REMUNERATION PAID TO DIRECTORS

The Executive Chairman receives salary, allowances, sitting fees, perquisites and commission; the Wholetime Director receives salary, allowances and perquisites, while all the Non-Executive Directors receive sitting fees, allowances, if applicable, and annual commission within the prescribed limits as set out in the Act.

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Directors during the year.

i. Remuneration paid to Non-Executive Directors of the Company

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and Committees thereof. They are also entitled to a fixed commission, payable proportionately to their tenure in office as Directors of the Company.

The commission to all the Non-Executive Directors of the Company is determined after taking into account their valuable guidance in the various business initiatives and decisions at the Board level and also profitability of the Company. The details of commission and sitting fees (including for Committee meetings) paid to the Non-Executive Directors during FY 2023 - 24 is as follows:

Sr. No.	Name of Director	Commission (Rs.)	Sitting Fees (Rs.)
1.	Mr. U. K. Khaitan	10,00,000	3,75,000
2.	Mr. Amit Dalal	10,00,000	4,50,000
3	Mr. Rajan A. Dalal	10,00,000	3,00,000
4.	Mr. Rajiv K. Podar	10,00,000	4,00,000
5.	Mrs. Sonu Bhasin	10,00,000	4,00,000
6.	Mr. Rohit Dhoot	10,00,000	3,75,000
7.	Mr. Ashok Mittal	10,00,000	3,25,000
	Total	**70,00,000**	**26,25,000**

ii. Remuneration paid / payable to the Executive Directors of the Company for the year ended 31st March, 2024 is as under:

(Rs.)

Executive Chairman and Wholetime Director	Salary, etc.	Perquisites	Retirement Benefits	Sitting Fees	Total
Mr. C. S. Nopany	3,00,00,000	-	-	2,83,000	3,02,83,000
Mr. Rajib Mukhopadhyay	1,29,49,839	9,20,403	8,28,285	-	1,46,98,527

G. COMPANY POLICIES

i. WHISTLE BLOWER POLICY

The Company is committed to adhere to high standards of corporate governance. The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer / Chief Ethics Counsellor for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower policy of the Company are subject to review by the Audit Committee. The Whistle Blower Policy is available on the website of the Company at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Whistle%20Blower%20Policy.pdf

ii. REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management Personnel and determination of remuneration payable to them. The policy contains, inter alia, criteria's for appointment and remuneration including determining qualifications, positive attributes, independence of a director, etc. The Remuneration Policy is available on the website of the Company at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Remuneration%20Policy.pdf

iii. POLICY ON RELATED PARTY TRANSACTIONS

In line with requirement of the Act and Listing Regulations, 2015, your Company has formulated a policy on Related Party Transactions which is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Policy-on-Related-Party-Transactions.pdf

The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

This policy specifically deals with the review and approval of material related party transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained on an annual basis for transactions with related parties which are of repetitive nature and / or entered in the ordinary course of business and on an arm's length basis.

iv. CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility (CSR) Policy is formulated in consultation with the CSR Committee and as envisaged under Section 135 of the Act and the Rules framed thereunder and is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/CSR%20Policy2022.pdf

The CSR Policy outlines the Company's philosophy and responsibility as a corporate citizen of India and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the communities across the country.

v. MATERIAL SUBSIDIARY POLICY

In line with requirement of Regulation 46(2)(h) of the Listing Regulations, 2015, your Company has formulated a policy on Material Subsidiaries which is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Material%20Subsidiary%20Policy.pdf

The objective of this policy is to determine Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

vi. BOARD DIVERSITY

Pursuant to Listing Regulations, 2015, the Company has formulated a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The Board Diversity Policy sets out the approach for diversity of the Board of your Company. The Company recognizes and embraces the benefits of having a diverse Board. A truly diverse Board with an inclusive culture will make good the differences in skills, experience, education, gender, age, race, geography, ethnicity, background and other distinctions between the Directors. This policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Board%20Diversity%20Policy.pdf

The objective of this policy is to ensure an optimum composition of the Board such that the talent of all members of the Board blend together to be as effective as possible.

vii. BUSINESS RESPONSIBILITY POLICY

Business Responsibility and Sustainability Report for the year under review, describing the initiatives taken by the Company from an Environment, Social and Governance perspective as stipulated under Regulation 34(2)(f) of the Listing Regulations, 2015 forms part of the Annual Report. A Business Responsibility Policy has also been framed. This policy is available on the Company's website at the weblink:

https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Business-Responsibility-Policy.pdf

H. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis is given in a separate section in this Annual Report and forms part of the Directors' Report.

I. DISCLOSURES

(a) Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All related party transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The actual transactions entered into pursuant to the omnibus approval so granted are placed at quarterly meetings of the Audit Committee for their review.

Details of related party transactions between the Company and the Promoters, Management, Directors or their relatives, etc. are disclosed in Note No. 46 of the Annual Financial Statements in compliance with the Indian Accounting Standard relating to "Related Party Disclosures". Details of all such transactions are provided to the Board at the Board meetings and interested Directors neither participate in the discussion, nor vote on such matters.

There is no materially significant related party transaction that may potentially conflict with the interests of the Company at large.

(b) Confirmation by the Board of Directors on acceptance of Recommendation of Mandatory Committees

In terms of the amendments made to the Listing Regulations, 2015 the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

(c) Accounting treatment in preparation of financial statements

The financial statements have been prepared to comply in all material respects with the applicable Accounting Standards notified under Section 133 and the relevant provisions of the Act and generally accepted accounting principles in India.

(d) Details of non-compliance with regard to the capital markets

There has been no instance of non-compliance by your Company and no penalties or strictures have been imposed by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets.

(e) Proceeds from public issues, rights issues, preferential issues, etc.

During the year under review, no proceeds were raised by the Company from public issue, rights issue, preferential issue, etc.

(f) Insider Trading

In order to regulate trading in securities of the Company by the Designated Persons, your Company has adopted the Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders (Insider Trading Code) and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) which, inter alia, prohibits trading in shares by an 'insider' when in possession of Unpublished Price Sensitive Information (UPSI). The Insider Trading Code prevents misuse of UPSI and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Designated Persons.

The Board of Directors have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the Prohibition of Insider Trading Regulations.

(g) Compliance with the mandatory Corporate Governance requirements as prescribed under Listing Regulations, 2015

The Board of Directors periodically review the compliance of all applicable laws. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, 2015.

(h) Certificate on Corporate Governance

The Company has obtained a certificate from its Practicing Company Secretary regarding compliance of the conditions of Corporate Governance, as stipulated in Regulation 34(3) read with Part E of Schedule V of the Listing Regulations, 2015 which together with this Report on Corporate Governance is annexed to the Director's Report and shall be sent to all the shareholders of the Company and the Stock Exchanges along with the Annual Report of the Company.

(i) Compliance with Discretionary Requirements

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as prescribed in Regulation 27 of the Listing Regulations, 2015:

a) The statutory financial statements of your Company are unqualified; and

b) Reporting of Internal Auditor is directly to the Audit Committee.

(j) Risk Management

As required under Regulation 17 of Listing Regulations, 2015, the Company has established a well documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are classified as strategic risks, business risks or reporting risks. Strategic risks are those which are associated with the long term interests of the Company. Reporting risks are associated with incorrect or un-timely financial and non-financial reporting.

The Risk Management Committee and the Board of Directors review the risk management strategy of the Company to ensure effectiveness of the risk management policy and procedures. The Board of Directors of the Company are regularly apprised on the key risk areas and a mitigation mechanism is recommended.

(k) Corporate Ethics

As a responsible corporate citizen, the Company consciously follows corporate ethics in business and corporate interactions. The Company has framed codes and policies providing guidance for carrying business in an ethical manner. Some of these policies are:

a) Code for Prevention of Insider Trading;

b) Code of Conduct;

c) Whistle Blower Policy;

d) Safety, Health and Environment Policy in each of the units;

e) Equal Opportunity Policy;

f) Human Rights Policy;

g) ESG Policy; and

h) Sustainable Procurement Policy.

In conformity with the recent statutory changes, the codes and policies have been revised accordingly.

(l) Prevention of Sexual Harassment at Workplace

Your Company has constituted Internal Complaints Committee as per the requirement of the Act to redress complaints relating to sexual harassment at its workplaces. No complaints were received by the Internal Complaints Committee during the financial year 2023-24.

(m) Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

As per the requirement of Regulation 17(8) of Listing Regulations, 2015, a certificate duly signed by the Executive Chairman and CFO of the Company, regarding the financial statements for the year ended 31st March, 2024, was placed before the Board at its meeting held on 09th May, 2024.

(n) Remuneration to the Statutory Auditor

Details of the total fees paid to the Statutory Auditors by your Company are disclosed in Note No. 38 of the Annual Financial Statements in compliance with the Listing Regulations, 2015.

(o) Loans and advances in the nature of loans to firms / companies in which the Directors are interested

The Company has not advanced any amount in the nature of loans to firms / companies in which the Directors of the Company are interested during the financial year 2023-24.

(p) Details of material subsidiaries of the Company

The Company had no material subsidiary during the financial year 2023-24.

J. UNPAID / UNCLAIMED DIVIDENDS

As per Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, shares pertaining to shareholders who have not en-cashed / claimed dividends for seven consecutive years from the date of declaration were required to be transferred to the demat account of the Investor Education and Protection Fund (IEPF) Authority. The shareholders whose dividend / shares are transferred to the IEPF Authority can claim their dividend / shares from the Authority.

In accordance with the IEPF Rules, the Company had sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and published requisite advertisement in the newspaper prior to transfer of the shares pertaining to such shareholders of the Company who have not en-cashed / claimed dividends for seven consecutive years.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2024 and the list of shareholders whose shares have been transferred to the IEFP Authority on the Company's website: www.sutlejtextiles.com

K. SHAREHOLDER INFORMATION

(i) Means of communication

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

The quarterly and annual audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are normally published in Business Standard in English and Rajasthan Patrika / Dainik Bhaskar in Hindi in terms of Regulation 47 of the Listing Regulations, 2015. The results are also hosted on the website of the Company - www.sutlejtextiles.com

The Company organizes / participates in press meets / analyst's meets to apprise and make public the information relating to the Company's working and future outlook. The same is also available on the website of the Company.

The presentations on the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders after the financial results are communicated to the Stock Exchanges.

Annual Reports, notice of the meetings and other communications to the Members are sent through e-mail, post or courier.

In accordance with Regulation 46 of the Listing Regulations, 2015, the Company has maintained a functional website at www.sutlejtextiles.com containing information about the Company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance norms, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

Further, the Company disseminates to the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited wherein the equity shares of the Company are listed, all mandatory information and price sensitive / such other information which in its opinion are material and / or have a bearing on its performance / operations and issues press releases wherever necessary for the information of the public at large. For the benefit of the shareholders, a separate email id has been created for shareholder correspondence viz. investor.relations@sutlejtextiles.com.

(ii) General Body Meetings of the Company

Details of the last three Annual General Meetings of the Company are as under:

AGM	Financial Year	Date	Time	Venue	Special business/s if any, passed
18th	2022-23	21st August, 2023	3.00 p.m.	Through Video Conference / Other Audio Visual means (Deemed venue: Registered Office:Pachpahar Road, Bhawanimandi, Rajasthan)	1. Ratification of remuneration paid to M/s. K. G. Goyal & Associates, Cost Auditors.
17th	2021-22	30th August, 2022	3.00 p.m.	Through Video Conference / Other Audio Visual means (Deemed venue: Registered Office:Pachpahar Road, Bhawanimandi, Rajasthan)	1. Re-appointment of M/s. B S R & Co. LLP, as Statutory Auditors for a second term and fixing their remuneration. 2. Ratification of remuneration paid to M/s. K. G. Goyal & Associates, Cost Auditors. 3. Appointment of Mr. Rajib Mukhopadhyay as a Director of the Company. 4. Appointment of Mr. Rajib Mukhopadhyay as the Wholetime Director.

AGM	Financial Year	Date	Time	Venue	Special business/s if any, passed
16th	2020-21	31st August, 2021	3.00 p.m.	Through Video Conference / Other Audio Visual means (Deemed venue: Registered Office:Pachpahar Road, Bhawanimandi, Rajasthan)	1. Ratification of remuneration paid to M/s. K. G. Goyal & Associates, Cost Auditors. 2. Re-appointment of Mr. C. S. Nopany as the Wholetime Director of the Company designated as Executive Chairman.

Postal Ballot:

During the financial year 2023 - 24, no Postal Ballot activity was conducted by the Company.

(iii) Details of unclaimed shares in terms of Regulation 39 of Listing Regulations, 2015

Regulation 39(4) of the Listing Regulations, 2015 read with Schedule VI pertaining to "Manner of dealing with Unclaimed Shares", which came into effect from 1st December, 2015, has directed companies to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. National Securities Depository Limited (NSDL) or Central Depository Services Limited (CDSL).

All corporate benefits on such shares viz. bonus, etc. shall be credited to the Unclaimed Suspense Account as applicable for a period of seven years and will thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

The details of shares transferred to 'Unclaimed Suspense Account' of your Company during the year are as under:

Particulars	No. of folios	No. of shares
Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on 01st April, 2023	26	56, 000
Shares transferred to Unclaimed Suspense Account during the year	0	0
Number of shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense account upon receipt and verification of necessary documents	0	0
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	5	17,590
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on 31st March, 2024	21	38, 410*

*Voting Rights in respect of the aforesaid 38,410 shares held in the Unclaimed Suspense Account are frozen till the time such shares are claimed by the concerned shareholders and the shares are re-transferred in their names.

(iv) Suspense Escrow Demat Account

As per SEBI guidelines, after verifying investor service requests in case of shareholders holding shares in physical form, companies/RTAs issue Letters of Confirmation (LOC) instead of physical share certificates. LOCs are valid for 120 days, during which shareholders must request dematerialization of their shares through a Depository Participant (DP). If the demat request is not made within this period, the shares are transferred to a Suspense Escrow Demat Account (SEDA) of the Company. Shareholders can later claim their shares from SEDA by submitting required documents to the RTA as per SEBI Advisory dated 30th December, 2022.

(v) General Shareholders' information

a) 19th Annual General Meeting:

Date	30th July, 2024
Day	Tuesday
Time	3.00 p.m.
Mode	Through video conference / other audio video means Deemed Venue: Registered Office: Pachpahar Road, Bhawanimandi, Rajasthan.

b) Tentative financial calendar:

Next financial year	1st April, 2024 to 31st March, 2025
First Quarter Results & Limited Review	mid August, 2024
Second Quarter Results & Limited Review	mid November, 2024
Third Quarter Results & Limited Review	mid February, 2025
Audited Annual Results (2024-25)	mid May, 2025

(vi) Listing on Stock Exchanges and stock codes:

The names of the Stock Exchanges on which the Company's equity shares are listed with the respective stock codes are as under:

Sr. No.	Name of the Stock Exchange	Stock Code
1.	BSE Ltd. P. J. Towers, Dalal Street, Mumbai - 400 001	532782
2.	National Stock Exchange of India Ltd. Exchange Plaza, Block G, C1, Bandra Kurla Complex, Bandra East, Mumbai - 400 051	SUTLEJTEX

Listing fees for the year 2024-25 has been paid to the Stock Exchanges within the stipulated time.

(vii) Corporate Identification Number

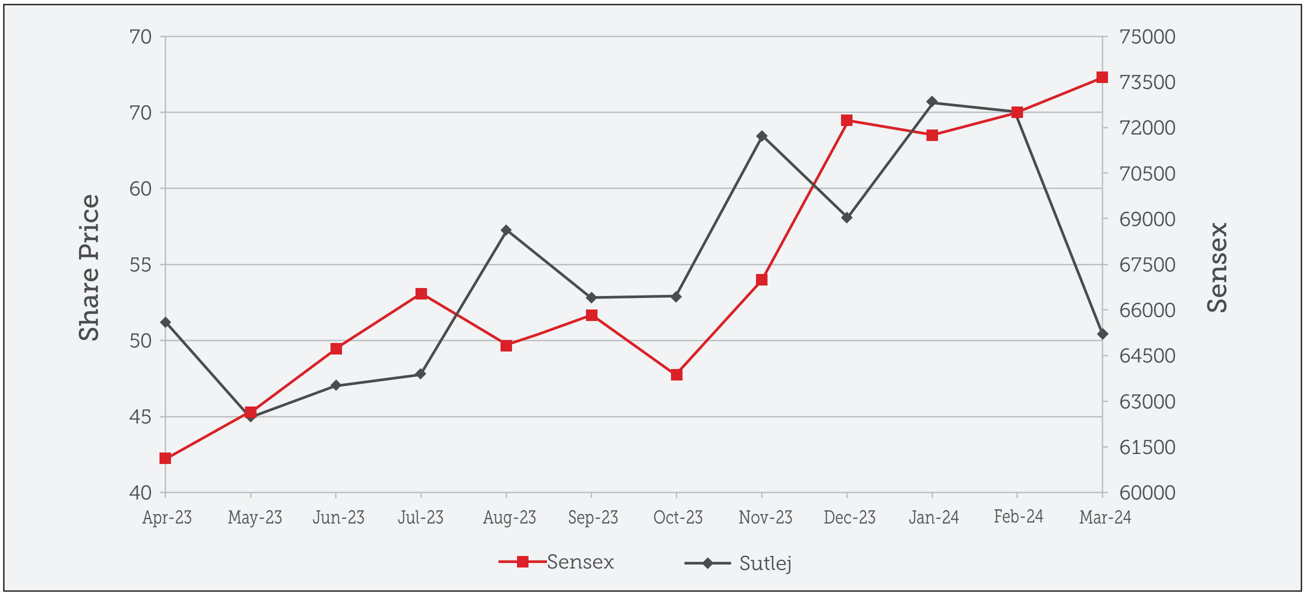
Corporate Identification Number of the Company allotted by the Ministry of Corporate Affairs, Government of India is L17124RJ2005PLC020927.

(viii) Market price data

High / low market price of the Company's equity shares traded on stock exchanges where the equity shares are listed during the last financial year are as follows:

Months	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April, 2023	52.40	40.00	52.40	41.30
May, 2023	53.19	44.50	53.25	44.10
June, 2023	50.70	43.90	50.80	45.00
July, 2023	51.50	45.82	51.25	45.65
August, 2023	62.80	45.16	62.30	45.10
September, 2023	61.05	51.25	61.00	52.15
October, 2023	61.25	48.40	61.40	48.50
November, 2023	65.79	52.55	65.80	52.80
December, 2023	70.00	57.00	70.00	57.30
January, 2024	68.17	58.15	68.30	57.70
February, 2024	73.40	54.00	73.45	54.15
March, 2024	66.90	50.30	67.95	50.00

BSE Sensex v/s Sutlej share price



(ix) Distribution of shareholding:

The distribution of shareholding as on 31st March, 2024 was as follows:

Sr. No.	Number of equity shares	Number of shares held	% of total shares
1.	Up to 1000	56,00,970	3.42
2.	1001 to 5000	58,28,482	3.56
3.	5001 to 10000	26,48,764	1.62
4.	10001 to 50000	54,41,372	3.32
5.	50001 to 100000	28,66,665	1.75
6.	100001 to 1000000	64,18,146	3.92
7.	1000001 to 5000000	1,83,59,691	11.20
8.	5000001 and above	11,66,64,530	71.21
	TOTAL	16,38,28,620	100.00

(x) Details of shareholding as on 31st March, 2024 was as under:

Sr. No.	Particulars	As on 31st March, 2024	
		No. of shares	%
1.	Promoters / Promoter Group	10,47,78,660	63.96
2.	Financial Institutions / Banks / Mutual Funds / UTI / Insurance Cos. / NBFCs	40,300	0.02
3.	Central Government / State Government(s) / IEPF	13,56,341	0.83
4.	Indian Public :		
a.	Bodies Corporate - LLP	2,71,70,137	16.58
b.	Individuals / HUF / Trusts	2,82,75,362	17.26
c.	Stock Exchange / Clearing Members	2,537	0.00
5.	FIIs and FPIs	14,14,696	0.86
6.	NRI / Foreign Nationals	7,49,207	0.46
7.	Unclaimed shares	41,380	0.03
	TOTAL	**16,38,28,620**	**100.00**

(xi) Dematerialization of shares and liquidity

The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited. The Company has an agreement with NSDL and CDSL for providing depository services for holding the shares in dematerialized mode. As a result, as on 31st March, 2024, 99.69% of the total equity share capital of the Company was held in dematerialized form. The Company has paid the requisite fees to all these authorities for the year 2024 - 25.

(xii) Communication to Members

As per circulars issued by SEBI from time to time, it is mandatory for holders of physical securities to furnish PAN, KYC and Nomination / Opt-out of Nomination details before getting any investor service request processed. Security holders holding securities in physical form, and who have not updated / submitted PAN, KYC or Nomination / Opt-out of Nomination, shall be eligible to receive dividend only through electronic mode with effect from 1st April, 2024. Members may refer to the FAQs for investor awareness, provided by SEBI on its website at https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf

Members who are yet to update details in their physical folios are, therefore, urged to furnish PAN, KYC and Nomination / Opt-out of Nomination by submitting the prescribed forms duly filled, to the RTA by email from their registered email id to rnt.helpdesk@linkintime.co.in or by sending a physical copy of the prescribed forms duly filled and signed by the registered holders to Link Intime India Private Limited at C-101,1st Floor, Embassy, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083.

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17th May, 2023.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the companies to issue securities in demat form only while processing service requests viz. issue of duplicate securities certificate, claim from Unclaimed Suspense Account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website under the link :

https://www.sutlejtextiles.com/pdf/ISR/FORM-ISR-4-Request%20for%20issue%20of%20Duplicate%20Certificate.pdf

Members holding shares in physical form are requested to dematerialize their holding at the earliest to get inherent benefits of dematerialization and also considering that physical transfer of equity shares / issuance of equity shares in physical form has been disallowed by SEBI.

(xiii) Restriction on transfer of shares held in physical form

The attention of members is drawn to SEBI Circular no. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 whereby companies have been directed not to effect transfer of securities w.e.f. 01st April, 2019, unless the same are held in dematerialized form with a Depository (except in case of transmission or transposition of securities).

Members holding shares in physical form are requested to dematerialize their holding at the earliest in case they want to effect any transfer of shares.

(xiv) Share transfer system

To expedite share transfer, authority has been delegated to the Stakeholders Relationship Committee of the Board. The Committee considers requests for transmission, issue of duplicate certificates, issue of certificates on split / consolidation / renewal, etc. and the same are processed and delivered within 15 days of lodgment, if the documents are complete in all respects. In compliance with the Listing Regulations, 2015, every year, the share transfer system is audited by a Company Secretary in practice and a certificate to that effect is issued by him. The Company Secretary of the Company has also been authorized to approve requests for transmission, effecting change of name, etc. to expedite requests from Members.

As per provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website through the weblink:

https://www.sutlejtextiles.com/pdf/ISR/FORM-SH-13-Nomination%20Form.pdf

Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

(xv) Address for Shareholders' Correspondence

Members of the Company are requested to correspond with the RTA at the below given address on all matters relating to transmission, duplicate issue of shares, dematerialization of shares, payment of dividend and any other query relating to the equity shares of the Company.

(xvi) Registrar and Transfer Agent

The Company has appointed Link Intime India Private Limited, as Registrar & Share Transfer Agent (RTA) of the Company from 01st April, 2016 for handling share registry (physical and electronic mode). Accordingly, all correspondence, requests for transmission, demat / remat and other communication in relation thereto should be mailed / hand delivered to the said RTA directly at the following address:

Link Intime India Private Limited
C-101, 1st Floor, Embassy, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai 400 083.
Tel. (+91) 810 811 6767
Fax: 022 - 4918 6060
Email Id: rnt.helpdesk@linkintime.co.in

(xvii) Compliance Officer's Details:

Mr. Manoj Contractor
Company Secretary and Compliance Officer
seated at Mumbai office at:
E Wing, 6th Floor, Lotus Corporate Park, Graham Firth Steel Compound,
Jay Coach, Goregaon (East), Mumbai - 400 063.
Tel : 022 - 4219 8800
E-mail ID: manojcontractor@sutlejtextiles.com

(xviii) Investor Relations:

In order to facilitate investor servicing, the Company has designated an e-mail id - investor.relations@sutlejtextiles.com mainly for registering complaints by investors.

(xix) The Company has managed the foreign exchange risk arising from foreign currency transactions, with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with no material residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposure relating to firm commitment. The Company is exposed to the risk of price fluctuations of its key raw materials, dyes and chemicals, etc. The Company manages its commodity price risk by maintaining adequate inventory of such raw materials, dyes and chemicals as per policies of the Company. The Company does not undertake any commodity hedging activities.

K. COMPLIANCE

(i) Statutory Compliance, Penalties and Strictures

The Company continues to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market. There were no cases of penalties or strictures imposed on the Company by any Stock Exchange or SEBI or any other statutory authorities for any violation related to capital market during the last three years.

(ii) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

As on date there are no outstanding warrants or any convertible instruments. The Company has not issued GDRs/ADRs.

(iii) Disclosure under Regulation 30 of the Listing Regulations, 2015 regarding certain agreements with media companies

Pursuant to the requirement of Regulation 30 of the Listing Regulations, 2015, the Company would like to inform that no agreement(s) have been entered into with media companies and / or their associates which has resulted in / will result in any kind of shareholding in the Company and consequently any other related disclosures viz. details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the Company entered into any other back to back treaties / contracts / agreements / MoUs or similar instruments with media companies and / or their associates.

(iv) Disclosure of certain types of agreements binding listed entities

There are no agreements that require disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

(v) Certificate from Practicing Company Secretary

The Company has obtained a certificate from its Practicing Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified by SEBI / Ministry of Corporate Affairs or any such statutory authority, from being appointed or acting to continue as a Director of the Company.

L. INVESTOR SAFEGUARDS AND OTHER INFORMATION

(i) Dematerialization of Shares

Shareholders are requested to convert their physical holdings to demat / electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

(ii) National Electronic Clearing Services (NECS) / Electronic Clearing Services (ECS) mandate

NECS / ECS facility ensures timely remittance of dividend without possibility of loss / delay in postal transit. Shareholders holding shares in electronic form may register their NECS / ECS details with the respective DPs and shareholders holding shares in physical form may register their NECS / ECS details with Registrar and Share Transfer Agents to receive dividends, if declared, via the NECS / ECS mode.

(iii) Timely Encashment of Dividends

In respect of the shareholders who have either not opted for NECS / ECS mandate or do not have such a facility with their banker, are requested to encash dividends promptly to avoid the inconvenience of writing to Company's RTA thereafter for revalidation of dividend warrants.

(iv) Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Under the Act, dividends which remain unclaimed for a period of seven consecutive years are required to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Dates of declaration of dividends since 2016 - 17 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government, are given in the table below:

Financial Year ended	Date of Declaration of Dividend	Amount remaining unclaimed/unpaid as on 31.03.2024 (Rs.)	Last date for claiming unpaid Dividend amount (on or before)	Date when amount becomes due for transfer to IEP Fund
31.03.2017	31.08.2017	22,79,095.00	07.10.2024	06.11.2024
31.03.2018	31.08.2018	14,17,843.70	07.10.2025	06.11.2025
31.03.2019	22.08.2019	5,69,466.95	28.09.2026	28.10.2026
31.03.2020	16.09.2020	2,00,166.64	22.10.2027	22.11.2027
31.03.2021	31.08.2021	1,62,010.21	07.10.2028	06.11.2028
31.03.2022	30.08.2022	6,59,818.60	06.10.2029	05.11.2029
31.03.2023	21.08.2023	4,04,329.00	27.09.2030	27.10.2030

The members are once again requested to utilize this opportunity and get in touch with Company's RTA - Link Intime India Private Limited for encashing the unclaimed dividends standing to the credit of their account.

Members are further requested to note that after completion of seven years, no claims shall lie against the Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claim by the Company. Those shareholders whose dividends are transferred to IEPF authority can claim their dividend from the concerned Authority in the prescribed manner.

(v) Update Address / Bank Details

To receive all communications / corporate actions promptly, shareholders holding shares in dematerialized form are requested to please update their address / bank details with the respective DPs and in case of physical shares, the details have to be intimated to the RTA.

(vi) Registered email address

The Ministry of Corporate Affairs has taken steps to encourage a 'Green Initiative in Corporate Governance' by issuing various circulars whereby companies are permitted to send Notice / documents including Annual Report in electronic mode (hereinafter 'Documents'), provided the company has obtained email address of its members for sending these Documents through email by giving an advance opportunity to every shareholder to register their email addresses and changes therein from time to time with the Company.

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email addresses along with the details such as name, address, folio no., no. of shares held to the RTA - Link Intime India Private Limited.

In respect of shares held in electronic form, the email address along with DP ID / Client ID and other shareholder details as mentioned above should be registered by the shareholders with their respective DP's. Upon registration of the email address, the Company proposes to send notices and documents, in electronic form to such shareholders.

(vii) Addresses for correspondence:

Sutlej Textiles and Industries Limited
Pachpahar Road, Bhawanimandi - 326 502 (Rajasthan).
Telephones: 07433 - 222052 / 222082 / 222090
Fax: 07433 - 222354
E-mail: investor.relations@sutlejtextiles.com

Link Intime India Private Limited
C-101, 1st Floor, Embassy, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli West,
Mumbai 400 083.
Tel. (+91) 810 811 6767
Fax: 022 - 4918 6060
E-mail: rnt.helpdesk@linkintime.co.in

(viii) Location of the Plants:

Units	Location	Products
Chenab Textile Mills	Kathua 184 102 (Jammu & Kashmir)	Cotton and Manmade Fibre Yarn
Rajasthan Textile Mills	Pachpahar Road, Bhawanimandi 326 502 (Rajasthan)	
Birla Textile Mills	Baddi, Solan 173 205 (Himachal Pradesh)	
Damanganga Home Textiles	Village Daheli, Near Bhilad, Umbergaon, District: Valsad 396 105 (Gujarat)	Home Textiles
Sutlej Green Fibres (Birla Textile Mills Unit II)	Baddi, Solan 173 205 (Himachal Pradesh)	Recyled Polyester Staple Fibre

CEO & CFO Certificate

[As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Date: 02nd May, 2024

To
The Board of Directors
Sutlej Textiles and Industries Limited
Bhawanimandi - 326 502 (Rajasthan)

We hereby certify to the Board that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2024 and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

  (i) significant changes, if any, in internal control over financial reporting during the year;

  (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sutlej Textiles and Industries Limited

Sd/-
(C. S. Nopany)
Executive Chairman
DIN 00014587

For Sutlej Textiles and Industries Limited

Sd/-
(Rajib Mukhopadhyay)
Wholetime Director & CFO
DIN 02895021

Declaration under Regulation 26 of the Listing Regulations, 2015

To
The members of
Sutlej Textiles and Industries Limited

The Company has framed a specific Code of Conduct for the members of the Board and Senior Management Personnel of the Company pursuant to Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2024.

Sd/-
Chandra Shekhar Nopany
Executive Chairman
DIN 00014587

Place: Kolkata
Dated: 30th April, 2024

Auditor's Certificate on Corporate Governance

To,
The Members,
Sutlej Textiles and Industries Limited
CIN: L17124RJ2005PLC020927
Pachpahar Road, Bhawanimandi,
Jhalawar, Rajasthan.

We have examined the compliance of conditions of Corporate Governance by Sutlej Textiles and Industries Limited ('the Company'), as stipulated under Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the financial year ended 31st March, 2024.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended 31st March, 2024.

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

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)

Sd/-
RAJENDRA CHOUHAN - PROPRIETOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No.: 5118
C P No.: 3726

Place : JAIPUR
Date : 09.05.2024
UDIN: F005118F000336240

Certificate of Non-Disqualification of Directors

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

To
Sutlej Textiles and Industries Limited
Pachpahar Road, Bhawanimandi
Jhalawar - 326 502, Rajasthan.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sutlej Textiles and Industries Limited** having **CIN-L17124RJ2005PLC020927** and having registered office at Pachpahar Road, Bhawanimandi, Jhalawar, Rajasthan (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para - C Sub-clause 10 (i) of the Securities Exchange Board of India (LODR) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal (www.mca.gov.in)] as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company given below for the F.Y. ending on 31.03.2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Chandra Shekhar Nopany	00014587	19/09/2006
2	Mr. Umesh Kumar Khaitan	01180359	01/06/2006
3	Mr. Rajan Arvind Dalal	00546264	19/11/2008
4	Mr. Amit Dalal	00297603	01/06/2006
5	Mr. Rajiv Kantikumar Podar	00086172	21/07/2009
6	Mrs. Sonu Halan Bhasin	02872234	07/05/2015
7	Mr. Rohit Rajgopal Dhoot	00016856	25/10/2017
8	Mr. Ashok Mittal	00016275	05/02/2019
9	Mr. Rajib Mukhopadhyay	02895021	11/06/2022

Ensuring the eligibility of every Director on the Board for the appointment / continuity is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)

Sd/-
RAJENDRA CHOUHAN - PROPRIETOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW NO.: 868/2020
FCS No.: 5118
C P No.: 3726

Place : JAIPUR
Date : 09.05.2024
UDIN: F005118F000336231

Annexure-IV

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company:

The CSR initiatives of the Company are undertaken with people at the core of all our activities. The focus areas identified by the Company for its CSR activities are education, development of rural infrastructure, conservation of environment, health and sanitation and promotion of sports and cultural activities.

The Company is committed to building a sustainable enterprise for the benefit of its present and future generation of stakeholders. The Company shall integrate and follow responsible practices in its business strategies and operations, to manage the three challenges - economic prosperity, social development and environmental integrity.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. U. K. Khaitan	Chairman / ID	3	3
2.	Mr. Amit Dalal	Member / ID	3	2
3.	Mrs. Sonu Bhasin	Member / ID	3	3

ID - Independent Director

3. The weblink where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

   These details are disclosed on the Company's website at www.sutlejtextiles.com.http://sutlejtextiles.com/pdf/Policies%20&%20Codes/CSR%20Policy.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014: N. A.

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

(Rs. in lakhs)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1.	2021 - 2022	12.60	-
2.	2022 - 2023	0.05	-
3.	2023 - 2024	-	12.60

6. Average net profit of the Company as per Section 135(5): Rs. 11,452 lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs. 229 lakhs

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

   (c) Amount required to be set off for the financial year, if any: Rs. 12.60 lakhs

   (d) Total CSR obligation for the financial year (7a + 7b - 7c): Rs. 216.40 lakhs

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

Total amount spent for the financial year (in Rs.)	Amount Unspent (in Rs.)				
	Total amount transferred to unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of Fund	Amount	Date of transfer
Rs. 217.10 lakhs	Nil	N. A.	N. A.	Nil	N. A.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per section 135(6)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency
-	-	-	-	-	-	-	-	-	-	-

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

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Provided Drinking Water facility in Primary School	Health Care and Sanitation	Yes	Kathua, J&K		2.59	Yes	N.A.	N.A.
2.	Contributed to Shri Mata Vaishno Devi Charitable Society- Super Speciality Hospital		No	Reasi, J&K		1.50	No	Through Shri Mata Vaishno Devi Charitable Society	CSR00039740
3.	Provided blankets to Kushth Rog Hospital		Yes	Solan, Himachal Pradesh		0.50	Yes	N.A.	N.A.
4.	Provided a CPR dummy (full body) to District Medical Officer, Civil Hospital		Yes	Baddi, Solan, Himachal Pradesh		0.50	Yes	N.A	N.A.
5.	Provided furniture for Civil Hospital		Yes	Baddi, Solan, Himachal Pradesh		1.63	Yes	N.A.	N.A.

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
6.	Contributed towards construction of ground floor of wing of N.R. Agarwal Rotary Hospital		Yes	Valsad, Gujarat		21.00	No	Through Rotary Shaikshanik & Tabibi Seva Sahayak Mandal	CSR00007428
7.	Contributed to Police Martyrs North Zone T-20 Cricket Tournaments	Promotion of Sports Activities	Yes	Kathua, J&K		3.93	Yes	N.A.	N.A.
8.	Co-sponsored sports event organised by Kathua Police		Yes	Kathua, J&K		2.69	Yes	N.A.	N.A.
9.	Sponsored State Level games competition organised by Pradhan -Acharya Govt. Girls Senior Secondary School		Yes	Jhalawar, Rajasthan		2.00	Yes	N.A.	N.A.
10.	Renovation of Chhat Pooja Ground Road	Rural Development and Social Welfare	Yes	Kathua, J&K		8.61	Yes	N.A.	N.A.
11.	Constructed Brick drain in Ramnagar		Yes	Kathua, J&K		5.67	Yes	N.A.	N.A.
12.	Constructed 2 ghats at Canal Site in Chhat Pooja ground		Yes	Kathua, J&K		0.80	Yes	N.A.	N.A.
13.	Installed 50 LED lights in Ramnagar		Yes	Kathua, J&K		2.80	Yes	N.A.	N.A.
14.	Constructed sitting benches in various villages of Kathua		Yes	Kathua, J&K		3.50	Yes	N.A.	N.A.
15.	Constructed Passenger Shed at Pathwal		Yes	Kathua, J&K		2.01	Yes	N.A.	N.A.
16.	Distributed blankets amongst handicapped soldiers		Yes	Kathua, J&K		3.40	Yes	N.A.	N.A.
17.	Constructed sitting area and other basic facilities at cremation site in Bhatauli Kalan		Yes	Solan, Himachal Pradesh		6.22	Yes	N.A.	N.A.

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementa-tion - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
18.	Constructed Cow Shed at Radhey Gaushala in Baddi	Animal Welfare	Yes	Solan,Himachal Pradesh		7.44	Yes	N.A.	N.A.
19.	Sponsorship of world environment day and festival of education organized by Rajasthan Environment & Energy Conservation Centre	Promotion of Education	No	Jaipur, Rajasthan		3.00	Yes	N.A.	N.A.
20.	Donation to Ek Shikshak Ek Vidhyalaya - Ekal Vidyalala Movement		Yes	Kathua, J&K		1.01	No	Through Mata Vaishno Devi Lok Sewa Trust	CSR00015452
21.	Constructed Computer Laboratory in Senior Secondary Girls School at Bhawanimandi		Yes	Jhalawar, Rajasthan		26.54	Yes	N.A.	N.A.
22.	Distributed note books in Government Schools		Yes	Bhatauli Kalan, Solan, Himachal Pradesh		1.80	Yes	N.A.	N.A.
23.	Renovation in Government School		Yes	Bhatauli Kalan, Solan, Himachal Pradesh		2.96	Yes	N.A.	N.A.
24.	Contributed towards promotion of education		No	Ranchi, Jharkhand		52.50	No	Through Manav Vikas Vidyalaya Trust	CSR00046106
25.	Contributed towards promotion of education		No	Kolkata, West Bengal		52.50	No	Through Nopany Education Trust	CSR00019941
	TOTAL					217.10			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: N. A.

(f) Total amount spent for the financial year (8b + 8c + 8d + 8e): Rs. 217.10 lakhs

(g) Excess amount for set off, if any: Rs. 0.70 lakhs

(Rs. in lakhs)

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	216.40*
(ii)	Total amount spent for the financial year	217.10
(iii)	Excess amount for the financial year [(ii)-(i)]	0.70
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.70

*2% of average net profit of the Company stands at Rs. 229 lakhs, however, after claiming a set off of Rs. 12.60 lakhs, the said amount aggregates to Rs. 216.40 lakhs.

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
-	-	-	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting financial year (in Rs.)	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project - Completed / Ongoing
-	-	-	-	-	-	-	-	-

10. Details relating to the asset created or acquired through CSR spent in the financial year (asset-wise details): N. A.

(a) Date of creation or acquisition of the capital asset(s): N. A.

(b) Amount of CSR spent for creation or acquisition of capital asset: N. A.

(c) Details of the entity or public authority or beneficiary under whose name capital asset is registered, their address: N. A.

(d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N. A.

11. Reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

Sd/-
C. S. Nopany
Executive Chairman
DIN 00014587

Sd/-
U. K. Khaitan
Chairman
CSR Committee
DIN 01180359

Annexure-V

Business Responsibility and Sustainability Report

SECTION A : GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the listed entity** - L17124RJ2005PLC020927
2. **Name of the listed entity** - SUTLEJ TEXTILES AND INDUSTRIES LIMITED
3. **Year of incorporation** - 2005
4. **Registered office address** - Pachpahar Road, Bhawanimandi, Jhalawar, Rajasthan 326 502
5. **Corporate address** - E-601, Lotus Corporate Park, 185/A, Graham Firth Compound, Goregaon East, Mumbai 400 063
6. **E-mail** - hoffice@sutlejtextiles.com
7. **Telephone** - 07433-222 052 / 082 / 090 / 115
8. **Website** - www.sutlejtextiles.com
9. **Financial year for which reporting is being done** - 2023-24
10. **Name of the Stock Exchange(s) where shares are listed** - BSE Limited and National Stock Exchange of India Limited
11. **Paid-up Capital** - Rs. 16,38,28,620/-
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** -

    Name : Manoj Contractor, Company Secretary and Compliance Officer

    Telephone No.: 022-4219 8800

    Email ID: manojcontractor@sutlejtextiles.com
13. **Reporting boundary** - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) - Standalone Basis
14. **Name of assurance provider** - N.A.
15. **Type of assurance obtained** - N.A.

II. Products/services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Cotton; Cotton melange; Synthetic and Synthetic Blended yarns	Manufacturer & Trading	80.08
2	Recycled Polyester Staple Fibre	Manufacturer	11.24

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

Sr. No.	Product/Service	NIC Code	% of total turnover contributed
1	Preparation and spinning of man-made fibre including blended man-made fibre	13114	53.70
2	Preparation and spinning of cotton fibre including blended cotton	13111	26.38
3	Recycled Polyester Staple Fibre	20302	11.24

III. Operations

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

Location	Number of Plants	Number of Offices	Total
National	5	8	13
International	0	0	0

19. Markets served by the entity:

a. **Number of locations**

Locations	Number
National (No. of States)	11
International (No. of Countries)	60

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

39.55%

c. **A brief on types of customers**

The Company is present in two major yarn segments i.e. Cotton Melange and Synthetic Dyed Yarn. Cotton Melange Yarn is mostly marketed and sold to garment exporters for end use in knitting fabric, while the PV-dyed yarn is used for manufacturing suiting fabric. 100% Poly Dyed Yarn is used for sweater making and PA Dyed Yarn is used for dress material and saree manufacturing. Home Textile products i.e. upholstery and curtains are sold in the B2B and B2C segments.

IV. Employees

20. Details as at the end of Financial Year

a. **Employees and workers (including differently abled):**

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
	Employees					
1	Permanent (D)	1,438	1,390	96.66%	48	3.34%
2	Other than Permanent (E)	109	105	96.33%	4	3.67%
3	Total Employees (D + E)	1,547	1,495	96.64%	52	3.36%
	Workers					
1	Permanent (F)	11,461	9,344	81.53%	2,117	18.47%
2	Other than Permanent (G)	2,974	2,291	77.03%	683	22.97%
3	Total Workers (F + G)	14,435	11,635	80.60%	2,800	19.40%

b. Differently Abled Employees and Workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
	Differently Abled Employees					
1	Permanent (D)	2	2	100.00%	0	0.00%
2	Other than Permanent (E)	0	0	0.0%	0	0.0%
3	Total Employees (D + E)	2	2	100.00%	0	0.00%
	Differently Abled Workers					
1	Permanent (F)	49	48	97.96%	1	2.04%
2	Other than Permanent (G)	8	7	87.50%	1	12.50%
3	Total Workers (F + G)	57	55	96.49%	2	3.51%

21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	1	11.11%
Key Management Personnel	3	0	0.00%

22. Turnover rate for permanent employees and workers:

Particulars	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.60	24.00	22.65	19.59	3.41	19.4	20.38	1.66	20.07
Permanent Workers	43.69	19.33	39.48	51.07	22.2	46.17	53.62	21.36	47.48

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

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

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes / No)
1	Sutlej Holdings, Inc.	Subsidiary	100	No
2	American Silk Mills, LLC	Step down subsidiary	100	No

VI. CSR Details

24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: - Yes

(ii) Turnover (in Rs.) - 26,71,72,03,915/-

(iii) Net worth (in Rs.) - 9,76,24,78,099/-

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. The link can be accessed at: https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/GrievanceRedressalPolicy.pdf	0	0	Nil	0	0	Nil
Investors (other than shareholders)		0	0	Nil	0	0	Nil
Shareholders		0	0	Nil	0	0	Nil
Employees and workers		0	0	Nil	0	0	Nil
Customers		398	0	All complaints have been attended to and resolved satisfactorily	279	0	All complaints have been attended to and resolved satisfactorily
Value Chain partners		0	0	Nil	0	0	Nil

26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Greenhouse Gas Emissions & Energy Management	Opportunity	We have embraced lowering our environmental and carbon footprint as part of our mission. The Company continuously reviews its process and manufacturing practices, and embraces newer technologies. These initiatives have not only led to a reduction in our carbon footprint, but also resulted in significant cost savings and a reduction in our energy intensity. We prepare an Energy Conservation Plan every year in order to bring down the energy expenditure, and subsequently lower the cost of production. This year also we have undertaken several energy saving initiatives to reduce our electricity consumption by 5,461 kWh/day, and our fuel consumption by 1 Tonne/day.	-	Positive
2	Water Management	Risk	Water is a key part of the textile business, with every step in the manufacturing process being water intensive. Thus, water scarcity is a risk that can significantly affect business continuity and profits.	We mitigate this risk by conducting awareness programmes and installing efficient technologies. We aim to recycle as much waste water as possible. We currently have two fully operational Zero Liquid Discharge Plants with 90% water recovery. We have rain water harvesting facilities at all our plant locations. In addition, we have recently installed PPPU and Mono Block Pumps to reduce our water consumption by 45 KLD.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste Management	Risk	Due to the use of dyes and various chemicals, improper waste management practices can have a damaging effect on the environment, as well as have a regulatory impact on the business.	The Company has a waste management policy based on the 5 R's, and SOPs that are adhered to at all of its locations. Proper waste segregation practices are carried out, with an emphasis on reclamation rather than disposal. Majority of our waste is sold for re-use and recycling purposes. We ensure that the dyes and chemicals used are Azo free, NPEO and APEO phenyls, formaldehyde free (Oeko-Tex and GOTS certified).	Negative
4	Raw Material Sourcing	Risk	Fluctuations in raw material availability due to irregular weather patterns or plant disease can affect the production of cotton impacting operations.	The Company has a diversified range of products which are made from plant material as well as polyester based, thus reducing this risk. In addition, the Company has also set up a plant (backward integration) for manufacture of Polyester Fibre by recycling waste PET bottles (green fibre). Our manufacturing unit in Baddi is dedicated to manufacturing green fibre which has a capacity of 120 tonnes per day (4.8 mn PET bottles are recycled per day).	Negative
5	Diversity, Equity & Inclusion (DEI)	Opportunity	The Company is committed to promoting diversity and inclusion in the workplace to create a harmonious workplace for all employees. Promoting DEI in the workplace leads to better employee engagement which not only enhances productivity and reduces attrition, but also allows the Company to access a wider talent pool.	-	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Employee Well Being	Risk	Neglecting employee well-being can reduce productivity, lead to high turnover rates and lead to legal and reputational issues.	One of the top HR priorities at Sutlej is to protect the well-being of its employees as well as their families. The Company conducts several health and wellness programmes for its employees on a periodic basis.	Negative
7	Training & Development	Opportunity	Providing training and development opportunities to our workforce increases employee engagement, creates a richer workplace, and empowers employees to take on initiatives to strengthen the business. Sutlej has been investing in formal, informal as well as on the job training for its employees, which has led to increased efficiency and retention as well.	-	Positive
8	Occupational Health & Safety	Risk	Due to the nature of the business, stringent protocols and processes for health and safety need to be in place, otherwise this could lead to injuries and incidents, as well as legal issues.	We strictly adhere to the recommended health and safety protocols. In addition, we conduct regular safety and awareness training for our employees and workers, as well as organize occupational medical health tests for them. Periodic checks of equipment are carried out and detailed logs are maintained.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Community Relations & Engagement	Risk	The way in which a company engages with the community affects its social licence to operate, which may also affect business continuity and its brand image.	Sutlej is committed to being a socially responsible Company, and CSR is a core part of our business strategy. Our aim is to create a sustainable way of life for everyone, and provide holistic development opportunities for the communities where we work. We support several projects in the domain of education, health and sanitation, rural development, animal welfare, sports, etc.	Negative
10	Product Safety & Quality	Opportunity	We pride ourselves on producing high quality products, and are constantly ideating and innovating to improve the product. Adhering to strict standards of quality management sets us as a primary choice for both national and international customers. We are also ISO 9001:2015 certified.	-	Positive
11	Supply Chain Management	Risk	Textile companies often have complex and fragmented supply chains which can often be prone to disruptions. In addition, not following ethical and sustainable practices can lead to reputational risks as well as financial loss.	We have robust and transparent supply chain management practices where we conduct proper due diligence to identify risks and vulnerabilities. In addition, we are strongly focused on sustainable and ethical procurement, and are accredited with international standards to ensure that our supply chain management practices are in line with global standards.	Negative

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
	b. Has the policy been approved by the Board? (Yes/No)	Yes								
	c. Web Link of the Policies, if available	https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Business-Responsibility-Policy.pdf								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	P1	P2	P3	P4	P5	P6	P7	P8	P9
		-	Our production locations hold a number of certifications with respect to their procurement practices. As an organization, Sutlej holds the OEKO-TEX® Standard 100 as well as the Global Organic Textile Standard (GOTS), OCS-IN (Organic Content Standard). Damanganga Home Textiles, as as well as Birla Textile Mills also hold the Global Recycled Standard (GRS)	We are SA8000:2014 certified by BSI for our Social Accountability Management System. In addition, our units at Kathua, Bhawanimandi and Baddi are all ISO 45001:2018 certified.	-	We are SA8000:2014 certified by BSI for our Social Accountability Management System.	Sustainability is embedded in our organization's DNA and business model. As an organization, Sutlej holds the OEKO-TEX® Standard 100 as well as the Global Organic Textile Standard (GOTS), OCS-IN (Organic Content Standard). Damanganga Home Textiles, as well as Birla Textile Mills also hold the Global Recycled Standard (GRS) (Version 4.0)	-	Our CSR activities and disclosures are in line with Section 135 of the Companies Act, 2013.	We are ISO 9001 certified to ensure top quality products for our customers. Additional certifications that are held by different units include certifications from Uster Technologies.

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
			(Version 4.0) Recycled Claim Standard (RCS). Birla Textile Mills also holds the Fairtrade FLORCERT certification, as well as the IS 17625:2023. In addition, we ensure that the cotton procured is as per international standards such as the BCI (Better Cotton Initiative).				Recycled Claim Standard (RCS). Birla Textile Mills also holds ISO 50001:2018, ISO 14001:2015, IS 17625:2023 and the Fairtrade FLORCERT certification. In addition, we ensure that the cotton procured is as per international standards such as the BCI (Better Cotton Initiative).			
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	During the year 2023-24, a Materiality Assessment was done to identify our materials topics, following which our current performance and gaps were identified. We are currently in the process of identifying the commitments and targets to be set.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Once the targets are identified, processes and tasks will be developed to monitor the organization-wise performance.								
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Dear Stakeholders, Since our last BRSR, our ESG journey has gained significant momentum. Despite facing challenging market conditions, we are delighted to report that our commitment to our core principle of sustainable growth has only deepened. Our green fibre manufacturing unit now produces 45,012 MT/annum of yarn from recycled PET bottles, effectively reducing the amount of plastic waste that ends up in landfills. 36.25% of our inputs are responsibly sourced, underscoring our dedication to sustainability. Embracing circularity and sustainability, we are actively working on maximizing waste recovery, reducing energy inefficiencies, and promoting eco-friendly chemicals in our operations. Our Materiality Assessment has amongst others identified Training and Development, Occupational Health & Safety, and Product Quality & Safety as our top priorities. This reaffirms our commitment to delivering premium-quality products while fostering the growth and development of our employees and workers at Sutlej. It is imperative that we address industry risks and transform them into opportunities, thereby making a positive impact. Continuously striving to set higher benchmarks, we aim to elevate our performance and enhance the value we offer to our stakeholders. We extend our heartfelt gratitude to all our stakeholders for their unwavering support in our journey of sustainable growth.								

Governance, leadership and oversight

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Corporate Social Responsibility Committee of the Board. 1. Shri U. K. Khaitan, Chairman (DIN 01180359) 2. Shri Amit Dalal, Member (DIN 00297603) 3. Smt. Sonu Bhasin, Member (DIN 02872234)								
9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Corporate Social Responsibility Committee of the Board.								

10. Details of Review of NGRBCs by the Company: Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / any other Committee									Frequency (Annually / Half yearly / Quarterly / any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Wholetime Director - Management Team updates									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Corporate Social Responsibility Committee									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

Sr. No.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	NO								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	N.A.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C- PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	3	Principles 1 to 3 of National Guidelines on Responsible Business Conduct (NGRBC). These trainings are intended to provide a deeper understanding of the principles to equip the Board to effectively steer our organization towards a culture of ethical and responsible business practices, ensuring informed decision-making that safeguards our operations and shapes a sustainable future for the business.	100%
Key Managerial Personnel	5	Our training program encompasses a comprehensive range of crucial topics, including the principles outlined in the National Guidelines on Responsible Business Conduct (NGRBC), as well as policy frameworks concerning occupational health and safety, water management, waste management, and product quality and safety. Each of these areas is pivotal for ensuring our Company's compliance with regulatory standards, mitigating risks, and enhancing our overall operational efficiency. By prioritizing training in these key domains, we fortify our organizational resilience, foster a culture of accountability, and uphold our commitment to ethical and responsible business practices.	100%
Employees other than BoD and KMPs	159	Code of Conduct, the Art of Living, POSH training, Industrial Rules such as PF, ESI, etc., 5S & Kaizen Methodologies, Company Quality Policies & Certifications (ISO, GOTS, GRS, FSC, SA8000), Stress Management, Skill Upgradation & Transition Assistance Programmes, Team Building, Conflict Resolution, Leadership Training, Human Rights Policies & Procedures, Sustainable Practices, Health & Safety. The topics are chosen to inculcate the principles of responsible business conduct across our operations. In addition, topics are chosen to empower our employees by enhancing their skills as well as teaching them the leadership and mindset skills required for them to grow their career. Some of our units have also adopted the Werner Training Methodology in their training routines.	62.14%

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Workers	2009	5S & Kaizen Training, Equipment Handling, Yarn Manufacturing Process Trainings, Colour Theory, First Aid Training, PPE Awareness Training, Chemical Handling, Fire & Safety Training, Skill Development Training, Industrial Rules (PF, ESI, etc.), SA8000, Waste Reduction & Energy Conservation Training, Customer Satisfaction, Health, Hygiene & Yoga, Nasha Mukti, POSH Training, etc. The trainings conducted ensure that our workers are able to conduct operations using proper safety protocols, while reducing the impact on the environment which also promotes opportunities for their growth and career development.	76.80%

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

Monetary

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

Non-Monetary

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

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

Sr. No.	Case Details	Name of the regulatory / enforcement agencies / judicial institutions
1	-	-

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

Yes, Sutlej Textiles has a zero-tolerance policy for bribery and corruption in any form at all levels and dealings. We believe in conducting our business with integrity, responsibility, transparency and honesty. Anti-bribery and Anti-corruption policies are part of our Code of Conduct which inter alia provides guidance on ethical conduct and fair dealing in our business practices.

The Code of Conduct can be accessed through the weblink: https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Code%20of%20Conduct.pdf

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

Category	FY2023-24	FY2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

Category	Number (FY2023-24)	Remarks (FY2023-24)	Number (FY2022-23)	Remarks (FY2022-23)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Not applicable, as we do not have any instances of corruption / conflicts of interest against Directors and KMPs.

8. **Number of days of accounts payables ((Accounts payable *365) / (Cost of goods/services procured)) in the following format:**

Particulars	FY2023-24	FY2022-23
Number of days of accounts payables	26	21

9. **Open-ness of business. Provide details of concentration of purchases with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format. Concentration of Purchases-**

Parameter	Metrics		FY2023-24	FY2022-23
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	22.00%	29.94%
	b.	Number of trading houses where purchases are made from	2	2
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	22.00%	29.94%
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	-	-
	b.	Number of dealers / distributors to whom sales are made	-	-
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	0	0
	b.	Sales (Sales to related parties / Total Sales)	0.09%	0.12%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d.	Investments (Investments in related parties / Total Investments made)	100.00%	95.39%

Remarks: For purchases from Trading Houses, we have considered vendors who are certified as Export Houses by the Directorate General of Foreign Trade. For the purposes of this year's BRSR Reporting, we have considered two of our biggest vendors, who are registered Export Houses. Additionally, for the future, we are working on developing processes to determine which of our other vendors are also registered as Export Houses.

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

Essential Indicators

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

Category	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	0%	0.25%	In FY 2022-23, for enhanced testing procedure, new instruments were added for conducting testing of yarn parameters, which improves accuracy, reduces time, and thus energy consumption as well.
Capex	15.56%	6.15%	This year, various energy saving measures have been incorporated in order to decrease Sutlej's per day electricity consumption by 5,461 kWh/day. This includes the installation of harmonic filter panels, VFDs, replacement of existing motors and transformers with more energy efficient ones, as well as the replacement of an electric heater with a solar water heater. A main condensate steam header has also been installed, to reduce the fuel usage by 1 tonne/day. These energy saving measures will help to decrease Sutlej's overall carbon footprint as well. With respect to water saving measures, a PPPU Pump with a 900kg/hr capacity has been installed, which will reduce the water consumption by 5 KLD.

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

   Yes

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

   36.25% of inputs were sourced sustainably overall. Of this, Green Fibre Unit had the highest percentage of sustainably sourced inputs, at 88.59%.

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

   As a yarn and textile manufacturer, we do not have processes in place to reclaim our products for reusing, recycling, and disposing at the end of life. However, we have robust waste management processes which are aimed at maximum recovery of generated waste. These processes are further detailed in Principle 6.

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

   No, this does not apply to us. However, our Sutlej Green Fibre Unit in Himachal Pradesh is registered on CPCB's PWP portal as recyclers, wherein they sell EPR credits to PIBOs.

Leadership Indicators

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

Indicate input material	Recycled or re-used input material to total material	
	FY2023-24	FY2022-23
PSF Recycle	14.79%	21.05%
ASF Recycle	0.69%	1.48%
Cotton Recycle	0.03%	0.03%
Recycle Fibre	29.66%	32.17%
PET Bottles	74.40%	74.40%
RM Flaks	0.00%	1.87%
PET Popcorn	22.89%	21.15%
PET Chips + Sheet	2.71%	2.59%

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1,390	469	33.74	1,272	91.51	0	0.00	0	0.00	1,297	93.31
Female	48	28	58.33	45	93.75	48	100.00	0	0.00	11	22.92
Total	**1,438**	**497**	**34.56**	**1,317**	**91.59**	**48**	**100.00**	**0**	**0.00**	**1,308**	**90.96**
Other than permanent Employees											
Male	105	103	98.10	103	98.10	0	0.00	0	0.00	81	77.14
Female	4	4	100.00	4	100.00	4	100.00	0	0.00	3	75.00
Total	**109**	**107**	**98.17**	**107**	**98.17**	**4**	**100.00**	**0**	**0.00**	**84**	**77.06**

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	9,344	9,335	99.90	9,338	99.94	0	0.00	0	0.00	9,344	100.00
Female	2,117	2,117	100.00	2,117	100.00	2,117	100.00	0	0.00	2,117	100.00
Total	**11,461**	**11,452**	**99.92**	**11,455**	**99.95**	**2,117**	**100.00**	**0**	**0.00**	**11,461**	**100.00**
Other than permanent Workers											
Male	2,291	2,291	100.00	2,291	100.00	0	0.00	0	0.00	2,291	100.00
Female	683	683	100.00	683	100.00	683	100.00	0	0.00	683	100.00
Total	**2,974**	**2,974**	**100.00**	**2,974**	**100.00**	**683**	**100.00**	**0**	**0.00**	**2,974**	**100.00**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

Particulars	FY2023-24	FY2022-23
Cost incurred on well-being measures as a % of total revenue of the Company	15.32%	14.06%

2. **Details of retirement benefits, for current and previous financial year:**

Benefits	FY2023-24			FY2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	N	100%	100%	N
ESI	100%	100%	Y	100%	100%	Y

Note: For PF and Gratuity, the reporting has been done for our Permanent Employees and Workers. For ESI, 100% of eligible employees and workers are covered. The Company has Gratuity trusts that manage the obligations under Payment of Gratuity Act.

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

Yes. Sutlej believes in safe and secure working environment for all individuals. The entity's premises are accessible as per the requirements of the Rights of Persons with Disabilities Act, 2016, and are equipped with lifts, ramps and adequate slopes to enable easy movement to differently-abled persons.

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

Yes. The Policy can be accessed through the weblink:
https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/EqualOpportunityPolicy.pdf

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	65.11	100
Total	NA	NA	65.11	100

Remarks: Only Permanent Female workers have gone on maternity leave this year.

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

Category	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes - Grievance Redressal Committee has been constituted. In addition, procedures are in place for redressal of grievances which include discussions with IR officers, redressal committees, etc.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY2023-24			FY2022-23		
	Total employees / workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union(B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s)or Union(D)	% (D/C)
Total Permanent Employees	**1,438**	**0**	**0.00**	**1,490**	**0**	**0.00**
- Male	1,390	0	0.00	1,438	0	0.00
- Female	48	0	0.00	52	0	0.00
Total Permanent Workers	**11,461**	**9,305**	**81.19**	**12,815**	**8,375**	**65.35**
- Male	9,344	7,380	78.98	10,583	6,957	65.74
- Female	2,117	1,925	90.93	2,232	1,418	63.53

8. Details of training given to employees and workers:

Category	FY2023-24					FY2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,495	1,098	73.44	1,141	76.32	1,532	1,151	75.13	793	51.76
Female	52	38	73.08	46	88.46	57	48	84.21	18	31.58
Total	**1,547**	**1,136**	**73.43**	**1,187**	**76.73**	**1,589**	**1,199**	**75.46**	**811**	**51.04**
Workers										
Male	11,635	9,078	78.02	9,948	85.50	13,456	8,701	64.66	6,368	47.32
Female	2,800	2,387	85.25	2,078	74.21	3,030	1,553	51.25	878	28.98
Total	**14,435**	**11,465**	**79.43**	**12,026**	**83.31**	**16,486**	**10,254**	**62.20**	**7,246**	**43.95**

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

Category	FY2023-24			FY2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,495	1,420	94.98	1,532	1,438	93.86
Female	52	49	94.23	57	52	91.23
Total	**1,547**	**1,469**	**94.96**	**1,589**	**1,490**	**93.77**
Workers						
Male	11,635	5,256	45.17	13,456	10,583	78.65
Female	2,800	1,188	42.43	3,030	2,232	73.66
Total	**14,435**	**6,444**	**44.64**	**16,486**	**12,815**	**77.73**

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

Yes, an Occupational Health and Safety Management System has been implemented and the same extends to the entire organization. Four of our units also have ISO 45001:2018 (OHSAS) certifications.

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

The general process of identifying work-related hazards and assessing risk at Sutlej covers:

1. Identifying Hazards - By regular inspection of the workplace to identify potential hazards such as machinery, chemicals, or environmental factors.
2. Assessing Risks - By evaluating the likelihood and severity of potential harm that may be caused by each identified hazard considering factors like frequency of exposure, potential consequences and existing control measures.
3. Control Measures - By implementing measures to eliminate or mitigate identified hazards. This includes engineering controls, administrative controls and personal protective equipment.
4. Monitor and Review - By continuously monitoring the effectiveness of control measures and regularly reviewing and assessing risks. Procedures are updated, as necessary, based on changes in the workplace or the identification of new hazards.
5. Training and Communication - By ensuring that all employees and workers are covered in training of hazard identification, risk assessment and control measures. Open communication about safety concerns is encouraged.

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

Yes, to ensure that all potential hazards are promptly addressed, we have well-established procedures for workers to report any work-related concerns they may encounter. This reporting process is designed to be accessible and straightforward, encouraging open communication about safety issues. These include Safety Committee meetings on a quarterly basis with the sharing of subsequent reports and recording formal minutes of meetings, conducting Health and Safety Internal Audits, along with near misses, unsafe conditions, unsafe work, and safety suggestion reporting system for workers. In addition, the Daily Inspection Report is shared on WhatsApp groups that have been formed in each unit for safety. Workers also form a part of our Safety Committees.

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

Yes

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

Safety Incident / Number	Category	FY2023-24	FY2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.25
	Workers	0.85	0.72
Total recordable work-related injuries	Employees	0	1
	Workers	25	23
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

The Company employs a wide variety of measures to establish a safe and healthy workplace. Routine health and safety trainings are conducted, and new employees go through an induction training program to learn basic safety guidelines. Essential facilities such as canteens and restrooms have been set up for employee use, in addition to a first aid treatment dispensary and 24/7 ambulance service. Safety measures against fires include on-site fire-fighting equipment, emergency exits, and sprinkler systems. Key steps have been taken towards preventing occupational hazards and improving overall workplace safety, including formations of health and safety committees, regular internal safety audits, and implementation of work permit systems for particularly risky operations.

Further more, the Company has placed strong emphasis on emergency preparedness through regular checks of emergency equipment and pathways, and the establishment of designated assembly points for employees during emergencies. Daily equipment checks are conducted, with special focus given to machine guarding and electrical panels to ensure they are functioning properly and pose no threat to employee safety. Regular meetings with department heads are conducted to discuss and remedy potential safety risks identified within the workplace.

The entity also operates standardized safe work systems such as the "Permit to Work" and "Log Out Tag Out" systems, alongside material safety data sheets and checklists. Regular health and safety audits, fire drills, and training programs are conducted, along with the inspection of machinery to identify and swiftly address potential safety hazards. Occupation Medical Health tests are given to monitor potential occupational hazards, alongside the provision of Personal Protection Equipment (PPE) to employees and awareness initiatives regarding their usage. Lastly, the Company also maintains a strict system of reporting and investigating incidents to ensure that similar events can be avoided in the future.

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

Particulars	FY2023-24			FY2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

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

Internal and external assessments on different parameters help the Company streamline its processes wherever required. All recordable incidents are investigated to identify the root causes and corrective measures are implemented to avoid repeat incidents. We ensure closure of all gaps identified during internal and external audits / assessments in a timely manner. Various corrective actions have been taken such as installing machine safety devices, safety interlocking systems, machine guarding, provision of toe guards, eye showers, relocation of machines for better fire safety, installation of sensors, performing hazard identification and preventive measures, and providing health check-ups for workers.

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

Essential Indicators

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

   Sutlej continuously engages with its internal and external stakeholders through various processes and identifies key stakeholder groups on the basis of importance, dependency and ability to influence the business.

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

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	Newsletters, meetings	Quarterly and continuous	Feedback, product launches, information on products, timely delivery, service level.
2	Our People	No	Townhalls with leadership team, in-house magazines, training, induction programmes and performance appraisal	Continuous	Update on developments within the Company and industry, career development, health and safety, skill upgradation, learning and development and grievance redressal.
3	Investors / shareholders	No	Conference calls, meetings, stock exchange updates, notices and intimations, Annual Report, website, etc.	Quarterly and continuous	Investors engage with the management of the Company through earnings call every quarter wherein they are briefed on the performance and business strategy. Dedicated email IDs facilitates engagement of the shareholders with the Investor Relations department. Shareholders communicate directly with the Board of Directors and the Management at the Annual General Meeting.
4	Suppliers / Contractors	No	Phone, email, meetings, etc.	Continuous	Supply chain management and addressing concerns, if any.
5	Community	Yes	CSR initiatives at all locations	Continuous	Addressing community needs, access to quality education and healthcare requirements.
6	Government and regulators	No	Need basis participation in industry level consultation groups, participation in forums	Continuous	Compliance, Sustainable practices, Inclusive growth.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	FY2023-24			FY2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total(C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,438	1,019	70.86	1,490	784	52.62
Other than permanent	109	89	81.65	99	28	28.28
Total Employees	**1,547**	**1,108**	**71.62**	**1,589**	**812**	**51.10**
Workers						
Permanent	11,461	8,826	77.01	12,815	8,681	67.74
Other than permanent	2,974	1,426	47.95	3,671	1,587	43.23
Total Workers	**14,435**	**10,252**	**71.02**	**16,486**	**10,268**	**62.28**

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

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,438	0	0.00	1,438	100.00	1,490	0	0.00	1,490	100.00
Male	1,390	0	0.00	1,390	100.00	1,438	0	0.00	1,438	100.00
Female	48	0	0.00	48	100.00	52	0	0.00	52	100.00
Other than Permanent	109	0	0.00	109	100.00	99	5	5.05	94	94.95
Male	105	0	0.00	105	100.00	94	5	5.32	89	94.68
Female	4	0	0.00	4	100.00	5	0	0.00	5	100.00
Workers										
Permanent	11,461	1,727	15.07	9,734	84.93	12,815	1,723	13.45	11,092	86.55
Male	9,344	1,503	16.09	7,841	83.91	10,583	1,545	14.60	9,038	85.40
Female	2,117	224	10.58	1,893	89.42	2,232	178	7.97	2,054	92.03
Other than Permanent	2,974	1,453	48.86	1,521	51.14	3,671	1,726	47.02	1,690	46.04
Male	2,291	1,096	47.84	1,195	52.16	2,873	1,352	47.06	1,291	44.94
Female	683	357	52.27	326	47.73	798	374	46.87	399	50.00

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

(Amount in Rs.)

Category	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	8	10,00,000	1	10,00,000
Key Managerial Personnel	3	1,30,75,000	0	0
Employees other than BoD and KMP	1,494	4,17,000	52	4,92,975
Workers	11,635	1,80,622	2,800	1,20,514

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	11.81%	11.70%

Remarks: The calculations have been done on the basis of employee and worker wages.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

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

We are committed to providing an inclusive environment, where people are treated with dignity and respect with documented Grievance Redressal Policy and Human Rights Policy. Grievance Redressal Committee addresses any human rights grievances in a fair, timely and consistent manner. Works and ICC / SPT Committees are organized periodically to address any issues. Regular meetings with employees and workers are held to discuss any grievances they may have, and the importance of statutory mechanisms to redress them is also highlighted.

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

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

   The Company believes in providing a safe, non-hostile and harassment-free work environment at all its workplaces. We have formulated and implemented a Whistle-blower Policy, gender-neutral Prevention of Sexual Harassment (POSH) Policy, and Human Rights Policy to effectively prevent adverse consequences in discrimination and harassment cases. Our policies provide a work environment that ensures every person at the workplace is treated with respect and dignity and is afforded equal treatment.

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

10. **Assessments for the year:**

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	0

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

    No corrective actions were required to be taken as no significant risks or concerns have arisen from the assessments.

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

Essential Indicators

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

Particulars	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	13,914.00	14,857.20
Total fuel consumption (B)	47,955.37	26,990.29
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	61,869.37	41,847.49
From non-renewable sources		
Total electricity consumption (D)	15,73,848.00	16,73,179.20
Total fuel consumption (E)	11,30,902.39	12,33,556.11
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	27,04,750.39	29,06,735.31
Total energy consumed (A+B+C+D+E+F)	**27,66,619.75**	**29,48,582.80**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	**1035.52 GJ / Crore**	**970.19 GJ / Crore**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	**23,196.28 GJ /$ Crore**	**21,506.80 GJ / $ Crore**
Energy intensity in terms of physical output (Production in Tonnes)	**27.98 GJ / Tonne**	**27.49 GJ / Tonne**

Remarks: For PPP adjustment, the conversion factors have been taken from the International Monetary Fund. The link for the same can be found here: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDCF

Over the past year, we have been taking several measures, including digitization, to improve our data collection and verification process. Thus, we are also taking the initiative to amend the values that were reported for FY 2022-23, which will ensure that more accurate values are reflected in our latest report.

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

Yes, for our unit in Bhawanimandi, an independent assessment was carried out by Greendash Environomical Solution Pvt. Ltd., Jaipur. For the Damanganga unit, an independent assessment was carried out by M/s Aditya Environ under Environmental Audit. For our unit in Kathua, third-party audits are carried out every two years, wherein the last audit was done in FY 2021-22 by North Star Systems Pvt. Ltd., and the next audit is scheduled in FY 2024-25. For our unit in Baddi, every three months an audit is carried out by Eco Molecule, a NABL approved agency.

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

Yes. Three of our sites are identified as DCs under the PAT Scheme.

Baddi Unit: The unit achieved the FY 22-23 target of 0.4871 TOE which was given by BEE. The target for FY 2024-25 is 0.4960 TOE.

Bhawanimandi Unit: SEC reduction by 1.8623 to 1.7655 target received from BEE for FY 2022-23 to 2024-25. For the same the unit is undertaking various energy conservation steps taken like energy efficient motors replacement, VFD installation, use of wood chips in boiler, compressed air leakage arresting, etc.

Damanganga Unit: The unit has set targets to achieve in 3 years as per guidelines of BEE for PAT Cycle (2023-2026). For the same it has developed an action plan for 3 years.

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

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	4,31,259	2,68,644
(ii) Groundwater	21,87,311	21,67,621.07
(iii) Third-party water	0	1,53,641
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**26,18,570**	**25,89,906.07**
Total volume of water consumption (in kilolitres)	**29,68,667**	**29,39,308.24**
Water intensity per rupee of turnover (Water consumed / turnover)	**1,111.14 KL / Crore**	**967.14 KL / Crore**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	**24,890.31 KL /Crore**	**21439.16 KL / Crore**
Water intensity in terms of physical output (Production in Tonnes)	**30.02 KL / MT**	**27.41 KL / MT**
Water Withdrawal intensity (KL withdrawn/ Production in Tonnes)	**26.48 KL Withdrawn/Tonne**	**24.15 KL Withdrawn/Tonne**

Remarks: This year, 18,25,740 KL of recycled water was also used in our operations, whereas last year, 17,91,473.57 KL was used, contributing to our water consumption. Over the past year, we have been taking several measures, including digitization, to improve our data collection and verification process. Thus, we are also taking the initiative to amend the values that were reported for FY 2022-23, which will ensure that more accurate values are reflected in our latest report.

For PPP adjustment, the conversion factors have been taken from the International Monetary Fund. The link for the same can be found here: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDCF

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

Yes, for our unit in Bhawanimandi, an independent assessment was carried out by Greendash Environomical Solution Pvt. Ltd., Jaipur. For the Damanganga unit, an independent assessment was carried out by M/s Aditya Environ under Environmental Audit. For our unit in Kathua, third-party audits are carried out every two years, wherein the last audit was done in FY 2021-22 by North Star Systems Pvt. Ltd., and the next audit is scheduled in FY 2024-25. For our unit in Baddi, every three months an audit is carried out by Eco Molecule, a NABL approved agency.

4. **Provide the following details related to water discharged: Water discharge by destination and level of treatment (in kilolitres):**

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment	14,75,643 Primary and Secondary Treatment. The water is treated by the STPs and ETPs that are there in the units, and then sent to third parties	14,42,071.4 Primary and Secondary Treatment. The water is treated by the STPs and ETPs that are there in the units, and then sent to third parties
(v) Others		
- No treatment	0	0
- With treatment	0	0
Total water discharged (in kilolitres)	**14,75,643**	**14,42,071.4**

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

Yes, for our unit in Bhawanimandi, an independent assessment was carried out by Greendash Environomical Solution Pvt. Ltd., Jaipur. For the Damanganga unit, an independent assessment was carried out by M/s Aditya Environ under Environmental Audit. For our unit in Kathua, third-party audits are carried out every two years, wherein the last audit was done in FY 2021-22 by North Star Systems Pvt. Ltd., and the next audit is scheduled in FY 2024-25. For our unit in Baddi, every three months an audit is carried out by Eco Molecule, a NABL approved agency.

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

Yes. In all of our units, there are initiatives to reuse water to the maximum extent possible in the manufacturing process as well as in other areas on site (such as for gardening, etc.). We have two fully operational ZLDs, with capacities of 1,150 KLD, 1,370 KLD, and 3,000 KLD. In addition, we also have Effluent Treatment Plants with varying capacities, in order to treat wastewater. In some units, the sewage water is also recycled and the treated water is used in process houses in boilers, humidification plants, wash lines, flushing of toilets, gardening, etc.

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

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	µg/Nm3	80.91	82.95
SOx	µg/Nm3	26.10	41.30
Particulate matter (PM)	µg/Nm3	76.27	91.60
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	µg/Nm3	690	370
Others – please specify	-	-	-

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

Yes, for our unit in Bhawanimandi, an independent assessment was carried out by Greendash Environomical Solution Pvt. Ltd., Jaipur. For the Damanganga unit, an independent assessment was carried out by M/s Aditya Environ under Environmental Audit. For our unit in Kathua, third-party audits are carried out every two years, wherein the last audit was done in FY 2021-22 by North Star Systems Pvt. Ltd., and the next audit is scheduled in FY 2024-25. For our unit in Baddi, every three months an audit is carried out by Eco Molecule, a NABL approved agency.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) in MTCO2E & its intensity, in the following format:**

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	1,09,789.75	1,19,348.27
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	3,10,397.8	3,76,465.32
Total Scope 1 and Scope 2 emission intensity per rupee of turnover	**tCO_2e / rupee of turnover**	**157.27 tCO_2e / Crore**	**163.14 tCO_2e / Crore**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	**tCO_2e / dollar-crore**	**3522.99 tCO_2e / $ Crore**	**3616.44 tCO_2e / $ Crore**
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Production in Tonnes)	**tCO_2e / Tonne**	**4.25 tCO_2e / Tonne**	**4.62 tCO_2e / Tonne**

Remarks: Over the past year, we have been taking several measures, including digitization, to improve our data collection and verification process. Thus, we are also taking the initiative to amend the values that were reported for FY 2022-23, which will ensure that more accurate values are reflected in our latest report.

For PPP adjustment, the conversion factors have been taken from the International Monetary Fund. The link for the same can be found here: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDCF

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

No

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

Sutlej is committed to reducing the emissions that it produces during its manufacturing process, and utilizing renewable energy as well as undertaking energy efficiency initiatives to achieve this. The unit in Bhawanimandi has two roof top solar plants with 2,171 kWp and 599 kWp capacity each. In addition, all units conduct technology upgrades, replacing older, less efficient equipment with those that are more energy efficient. Initiatives are also being taken to improve the efficiency of the boilers, as well as to reduce the energy losses occurring during the manufacturing process. All units have developed energy saving targets to reduce the fuel and electricity consumption that forms the bulk of Sutlej's Scope 1 and 2 emissions.

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

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	5,396.94	6,369.5
E-waste (B)	2.50	0.31
Bio-medical waste (C)	0.00508	0.171
Construction and demolition waste (D)	24	24
Battery waste (E)	0.271	1.13
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	833.13	283.97
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,3991.71	13,485.6
Total (A + B + C + D + E + F + G + H)	**20,248.56**	**20,164.68**
Waste intensity per rupee of turnover (Total Waste Generated / Revenue from operations)	**7.5788 MT / Crore**	**6.6349 MT / Crore**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste Generated / Revenue from operations adjusted for PPP)	**169.7707 MT / $ Crore**	**147.0801 MT / $ Crore**
Waste intensity in terms of physical output (Production in Tonnes)	**0.2048 MT / Tonne**	**0.1880 MT / Tonne**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Plastic		
(i) Recycled	5,189.30	594.5
(ii) Re-used	64.9	0
(iii) Other recovery operations	65.31	5,775
Total	**5,319.51**	**6,369.5**
Category of waste - E-Waste		
(i) Recycled	0.97	0.3
(ii) Re-used	0	0
(iii) Other recovery operations	1.53	0
Total	**2.5**	**0.3**
Category of waste - Bio-medical waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**

Parameter	FY 2023-24	FY 2022-23
Category of waste - Construction and demolition waste		
(i) Recycled	0	0
(ii) Re-used	24	0
(iii) Other recovery operations	0	0
Total	**24**	**0**
Category of waste - Battery waste		
(i) Recycled	0.27	1.13
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0.27**	**1.13**
Category of waste - Radioactive waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - Other Hazardous waste		
(i) Recycled	11.93	1.83
(ii) Re-used	0	0
(iii) Other recovery operations	212.17	170.05
Total	**224.1**	**171.88**
Category of waste - Other Non-Hazardous waste		
(i) Recycled	1,122.75	0
(ii) Re-used	405.14	664.03
(iii) Other recovery operations	10,421.73	8,766.27
Total	**11,949.62**	**9,430.30**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Plastic		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**
Category of waste - E-Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0.01
Total	**0**	**0.01**
Category of waste - Bio-medical Waste		
(i) Incineration	0.00038	0.171
(ii) Landfilling	0	0
(iii) Other disposal operations	0.0047	0
Total	**0.00508**	**0.171**
Category of waste - Construction and demolition waste		
(i) Incineration	0	0
(ii) Landfilling	0	24
(iii) Other disposal operations	0	0
Total	**0**	**24**

Parameter	FY 2023-24	FY 2022-23
Category of waste - Battery		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**
Category of waste - Radioactive		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**
Category of waste - Other Hazardous waste. Please specify, if any		
(i) Incineration	0	0
(ii) Landfilling	68.87	0
(iii) Other disposal operations	582.85	112.089
Total	**651.72**	**112.089**
Category of waste - Other Non-hazardous waste generated		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	4,055.3
Total	**0**	**4,055.3**

Remarks: Due to the development of additional data collection processes, such as data digitization, the accuracy of our reporting has increased this year. For our plastic waste, hazardous and non-hazardous waste, the waste generated varies from the amount sent for recovery or disposal. This is due to the fact that the waste generated at the end of 2023-24 has been sent for recovery or disposal in April of 2024, thus it won't factor in the recovery or disposal amounts above.

For PPP adjustment, the conversion factors have been taken from the International Monetary Fund. The link for the same can be found here: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDCF

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

Yes, for our unit in Bhawanimandi, an independent assessment was carried out by Greendash Environomical Solution Pvt. Ltd., Jaipur. For the Damanganga unit, an independent assessment was carried out by M/s Aditya Environ under Environmental Audit. For our unit in Kathua, third-party audits are carried out every two years, wherein the last audit was done in FY 2021-22 by North Star Systems Pvt. Ltd., and the next audit is scheduled in FY 2024-25. For our unit in Baddi, every three months an audit is carried out by Eco Molecule, a NABL approved agency.

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

At Sutlej, we have a documented Waste Management Policy and each unit has SOPs in place for proper segregation, reuse, recovery, and disposal of waste. We are constantly trying to optimize our processes to reduce the amount of waste generated. Some of the practices are outlined below:

1. As much as possible, waste, including plastic waste, packaging, hazardous waste, and e-waste are sold to authorized vendors for safe reuse, recycling or disposal.

2. Non-hazardous waste such as process waste (fibres, yarn residuals), old cables, bearings, pallis, other scraps, etc. are sold in the market for reuse and recycling. The process waste generated by Sutlej becomes raw material for making carpets.

3. For ETP Sludge, we are taking active measures to utilize volute dewatering press, driers, and chemicals to reduce the volume of sludge generated. In our Kathua and Damanganga units, the ETP sludge is sold off for co-processing in the cement industry. Our other units send the ETP sludge to authorized agencies for further disposal. The same is done for other hazardous waste.
4. 60-100% boiler ash is recycled.
5. Sewage water is recycled and the treated water is used in process houses like boilers, humidification plants, flushing of toilets, gardening, etc. We have ZLDs, STP's and ETPs.
6. Chemical dispensers have been installed to reduce wastage.
7. To reduce the amount of e-waste, units are procuring equipment with longer battery life, as well as purchasing electronics under buy-back schemes.
8. PPE is used for handling of chemicals.
9. Sedimentation processes are utilized to reduce TSS.
10. Development of waste-related targets in the units: In order to reduce the usage of hazardous and toxic chemicals in our processes and products, we have documented SOPs to reduce use of hazardous and toxic chemicals. All units use azo-free dyes in the dyeing process. In addition, our units are also undertaking activities such as replacement of sodium hydrosulfite with less hazardous chemicals, and replacing quantities of caustic soda with other chemicals. We continuously optimize chemical doses and conduct trials of eco-friendly chemicals and other alternatives to hazardous chemicals.

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

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

Remarks: The Company does not have operations or offices in and around ecologically sensitive areas

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

Sr. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	No EIAs were conducted during the period of reporting.					

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

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

Remarks: Yes, we are complying with all applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   Eight

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

Sr. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Confederation of Indian Textile Industry (CITI)	
3	The Cotton Textiles Export Promotion Council (TEXPROCIL)	
4	Federation of Indian Export Organisations (FIEO)	
5	The Synthetic and Rayon Textiles Export Promotion Council (SRTEPC)	
6	Indian Spinners' Association (ISA)	
7	IMC Chamber of Commerce and Industry	
8	British Safety Council (India)	

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:**

Sr. No.	Name of authority	Brief of the case	Corrective action taken
	NA		

Remarks: During the year, there were no adverse orders from regulatory authorities relating to anti-competitive conduct.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Sr. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	NA					

Remarks: During FY 2023-24, we have not undertaken any projects that require Social Impact Assessments (SIA)

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
	NA					

Remarks: During FY 2023-24, we have not undertaken any projects that require Rehabilitation and Resettlement (R&R)

3. **Describe the mechanisms to receive and redress grievances of the community.**

We are committed to developing communities around our manufacturing facilities and redressing their grievances and concerns. Our people regularly engage with communities living around the sites to understand their concerns, and in case of any specific grievance, it is duly investigated and acted upon.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Category	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	15.79%	10.69%
Sourced directly from within India	92.99%	92.88%

5. **Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost. (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan):**

Location	FY 2023-24	FY 2022-23
Rural	10.203%	7.789%
Semi-urban	83.446%	84.698%
Urban	0.012%	0.002%
Metropolitan	6.339%	7.511%

Remarks: The calculations have been done on the basis of worker wages, and employee's basic salaries.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

Customers can submit complaints and feedback through our website, hotline number, or email. Complaints from customers are monitored through Customer Complaint Module in the ERP system. Complaints received by the marketing department are uploaded to the ERP system. QC department analyses the complaints, conducts root cause analysis and responds back with corrective and preventive action, which is thereafter communicated by the marketing department with QC analysis to the customers. Based on customer feedback, the complaint is resolved and closed. Our customer service team also conducts periodic surveys to gather feedback from customers and take necessary actions to improve our products and services. All complaints and feedbacks received are documented and reviewed for continuous improvement purposes.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	0
Safe and responsible usage	0
Recycling and/or safe disposal	0

3. **Number of consumer complaints in respect of the following:**

Particulars	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	0	0	-	0	0	-

4. **Details of instances of product recalls on account of safety issues:**

Category	Number	Reasons for recall
Voluntary recalls	0	Nil
Forced recalls	0	Nil

Remarks: No products of the Company were recalled on account of safety issues.

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes. The weblink of the policy can be accessed at: https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/Sutlej_IT_Policy.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   There have been no instances of corrective actions taken or underway on issues related to advertising or delivery of essential services, cyber security and data privacy of customers, re-occurrence of product recalls, or any penalties or actions taken by regulatory authorities on the safety of products or services.

7. **Provide the following information relating to data breaches**

   a. Number of instances of data breaches along-with impact - Zero.

   b. Percentage of data breaches involving personally identifiable information of customers - 0%

   c. Impact, if any, of the data breaches - Not applicable as we did not have any data breaches.

Annexure-VI

Particulars of Employees

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 are as under:

Sr. No.	Name of Director / KMP	Remuneration of Director/ KMP for FY 2023-24 (Rs. in lakhs)	Designation	Percentage increase in Remuneration	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. C. S. Nopany	498.00	Executive Chairman	0.00	277.97
2.	Mr. U. K. Khaitan	10.00	Non-Executive Director	0.00	5.58
3.	Mr. Amit Dalal	10.00	Non-Executive Director	0.00	5.58
4.	Mr. Rajan Dalal	10.00	Non-Executive Director	0.00	5.58
5.	Mr. Rajiv K. Podar	10.00	Non-Executive Director	0.00	5.58
6.	Mrs. Sonu Bhasin	10.00	Non-Executive Director	0.00	5.58
7.	Mr. Rohit Dhoot	10.00	Non-Executive Director	0.00	5.58
8.	Mr. Ashok Mittal	10.00	Non-Executive Director	0.00	5.58
9.	Mr. Rajib Mukhopadhyay	131.00	Whole-time Director & Chief Financial Officer	0.00	73.12
10.	Mr. Manoj Contractor	99.00	Company Secretary & Compliance Officer	0.00	N.A.
11.	Mr. Updeep Singh Chatrath*	254.00	President & Chief Executive Officer	N.A.	N.A.

* Note: Mr. Updeep Singh Chatrath resigned from the position of President & Chief Executive Officer w.e.f. 21/07/2023.

2. In the financial year, there was increase of 6.03% in the median remuneration of employees.

3. There were 15,982 permanent employees on the rolls of Company as on 31st March, 2024.

4. During the year, there was no increase in the salaries of employees and managerial personnel.

5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Notes:

i. The remuneration of non-executive directors is exclusive of sitting fees.

B. Information pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(1) Top 10 employees in terms of remuneration drawn during the year

Sr. No.	Employee Name	Designation	Remuneration in FY 2024 (Rs.)	Qualifications	Experience (in years)	Nature of Employment	Date of commencement of employment	Age (in years)	Last Employment held before joining the company
1.	Mr. C. S. Nopany	Executive Chairman	4,98,00,000	C.A., Master Degree in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA	33	Regular	1st July, 2015	58	Oudh Sugar Mills Ltd.
2.	Mr. Rajib Mukhopadhyay	Wholetime Director and Chief Financial Officer	1,30,75,022	B.Com., C.A.	29	Regular	11th June, 2022	54	Indofil Industries Limited
3.	Mr. Umesh Gupta	Executive President	1,29,35,355	B. Text. (Textile Technology), Post Graduate Diploma in Marketing Management	40	Regular	04th March, 2019	61	Ginni International Ltd.
4.	Mr. Hari Mohan Vashisth	Executive President	1,17,64,599	B. Tech, MBA	33	Regular	15th March, 2018	55	RSWM Limited
5.	Mr. Manoj Contractor	Company Secretary and Compliance Officer	99,38,467	B. Com, C.S., LL.B.	32	Regular	25th October, 2017	53	Essar Ports Ltd.
6.	Mr. Dhiraj Banka	Sr. Vice President (Exports)	93,78,983	B.Com.	22	Regular	07th July, 2008	48	RSR Mohta Spg. & Wvg. Mills
7.	Mr. Deepak Bhala	Sr. Vice President (Marketing)	92,61,841	B. Com and PGDMMT - SASMIRA	21	Regular	03rd March, 2020	51	RSWM Ltd.
8.	Mr. Jitender Kumar	Vice President (Raw Material - Fibres)	63,01,665	B. Sc., Masters in Agribusiness	31	Regular	17th August, 2020	53	Sintex Industries Ltd.
9.	Mr. Deepak Sood	Sr. Vice President (Commercial)	60,35,857	M.Com, MBA (Finance)	35	Regular	25th June, 2018	56	Vardhman Textiles Ltd.
10.	Mr. Sunil Sharma	Sr. Vice President	60,32,740	C.A.	35	Regular	14th October, 1988	60	S. R. Batliboi & Co, Chartered Accountants

(2) Employed throughout the financial year and were in receipt of remuneration aggregating not less than Rs.1,02,00,000/- per annum

Name & Designation of the Employee	Remuneration received (Rs.)	Qualifications & Experience	Nature of Employ-ment	Nature of duties	Date of commence-ment of employment	Age (Yrs.)	Last Employment held before joining the Company
Mr. C.S.Nopany Executive Chairman	4,98,00,000	C.A., Master Degree in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA 33 years	Regular	Executive Management	1st July, 2015	58	Chairman and Managing Director of Oudh Sugar Mills Ltd.
Mr. Rajib Mukhopadhyay Wholetime Director and Chief Financial Officer	1,30,75,022	B.Com, C.A. 29 years	Regular	Overall Financial Management	11th June, 2022	54	Indofil Industries Limited
Mr. Umesh Gupta Executive President	1,29,35,355	B. Text. (Textile Technology), Post Graduate Diploma in Marketing Management 40 years	Regular	Overall Management of Chenab Textile Mills, Kathua.	04th March, 2019	61	Ginni International Limited
Mr. H.M.Vashisth Executive President	1,17,64,599	B. Tech, MBA 33 years	Regular	Overall Management of Rajasthan Textile Mills, Bhawanimandi.	15th March, 2018	55	RSWM Ltd.

(3) Employed for part of the financial year and were in receipt of remuneration aggregating not less than Rs.8,50,000/- per month.

Name & Designation of the Employee	Remuneration received (Rs.)	Qualifications & Experience	Nature of Employ-ment	Nature of duties	Date of commence-ment of employment	Age (Yrs.)	Last Employment held before joining the Company
Mr. Updeep Singh Chatrath* President & Chief Executive Officer	2,53,53,872	BSC, MBA (Mktg. & HR) 35.5 years	Regular	Overall Management	24th January, 2018	59	ITEMA Weaving India Pvt. Ltd.
Mr. Suresh Kumar Khandelia** Advisor (Senior Management Personnel)	4,12,90,323	B.Com., FCA, 48 years.	Regular	Overall Management	24th July, 2023	73	Blend Financial Solutions Private Limited

*upto 21/07/2023
** w.e.f. 24/07/2023

Notes:

1. Other Terms & Conditions: As per Company's Rules and Regulations.
2. Remuneration received includes Salary, Reward, Encashment of Leave, Medical Expenses, Premium on Personal Accident Policy, Perquisites and Company's contribution to Provident Fund and Superannuation Fund; but excludes Gratuity.
3. Above employees are not a relative of any Director of the Company.
4. Percentage of shares held:

Name of Director	No of Shares	% of Shares
Mr. C. S. Nopany	1,10,000	0.07

Annexure-VII

Form No. MR-3
Secretarial Audit Report

for the Financial Year ended on 31st March, 2024

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

To,
The Members,
Sutlej Textiles and Industries Limited
CIN: L17124RJ2005PLC020927
Pachpahar Road, Bhawanimandi,
Jhalawar, Rajasthan.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SUTLEJ TEXTILES AND INDUSTRIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024, and made available to me, according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [not applicable during audit period];

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October, 2014) [not applicable during audit period];

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [not applicable during audit period];

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [not applicable during audit period];

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [not applicable during audit period].

VI The following other laws as applicable to the Company:

a. Employees Provident Fund and Miscellaneous Provisions Act, 1952.

b. Employees State Insurance Act, 1948.

c. Environment Protection Act, 1986 and other environmental laws.

d. Equal Remuneration Act, 1976.

e. Factories Act, 1948.

f. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003.

g. Income Tax Act, 1961 and Goods and Service Tax Act, 2017 and the rules made thereunder.

h. Industrial Dispute Act, 1947.

i. Maternity Benefits Act, 1961.

j. Minimum Wages Act, 1948.

k. Payment of Bonus Act, 1965.

l. Payment of Gratuity Act, 1972.

m. Payment of Wages Act, 1936.

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

(b) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- During the year Mr. Updeep Singh Chatrath has resigned from the office of Chief Executive Officer (CEO) and his resignation was accepted with effect from 21.07.2023.
- The Company has maintained statutory registers as required under the Companies Act, 2013.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent with proper time gap in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views (if any) are captured and recorded as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act, where required and applicable; and
- As informed by the management, there was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
- The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
- I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye laws framed thereunder by the Depositories with regard to dematerialization / rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
- The Company has complied with the requirements under the Equity Listing Agreements and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with BSE Limited and National Stock Exchange of India Limited.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report during the audit period there were no specific event / actions having a major bearing on Company's affairs in pursuance of the above referred law/ rules / regulations / guidelines, etc.

I further report that during the audit period, there were no instances of:

I. Public / Right / Preferential issue of shares / debentures / sweat equity or any other securities.

II. Redemption / buy-back of securities.

III. Merger / amalgamation / reconstruction, etc.

IV. Foreign technical collaborations.

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)
UDIN: F005118F000336218

RAJENDRA CHOUHAN - PROPREITOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW No.: 868/2020
FCS No.: 5118
C P No.: 3726

Place: JAIPUR
Date: 09.05.2024

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report

Annexure-A

To,
The Members,
Sutlej Textiles and Industries Limited
CIN L17124RJ2005PLC020927
Pachpahar Road, Bhawanimandi,
Jhalawar, Rajasthan

My report of even date is to be read along with this letter:-

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

For R. CHOUHAN & ASSOCIATES
(ICSI Unique Code: S2001RJ036300)
UDIN: F005118F000336218

RAJENDRA CHOUHAN - PROPREITOR
COMPANY SECRETARY IN PRACTICE
PEER REVIEW No.: 868/2020
FCS No.: 5118
C P No.: 3726

Place: JAIPUR
Date: 09.05.2024

Annexure-VIII

FORM NO. AOC - 2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2024, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis.

   There were no material contracts or arrangements or transactions entered into during the year ended 31st March, 2024.

For and on behalf of the Board

C. S. Nopany
Executive Chairman
DIN 00014587

Place : Mumbai
Dated: 09th May, 2024

Annexure-IX

FORM NO. AOC - I

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries / associate companies /joint ventures

Part "A": Subsidiaries (in Rs.)

Sr. No.	Particulars	Sutlej Holdings, Inc.	American Silk Mills, LLC.
1.	Reporting Period	FY 2023-2024	FY 2023-2024
2.	Reporting Currency	INR	INR
3.	Exchange Rate	83.29	83.29
4.	Share Capital	51,30,49,458	33,63,54,895
5.	Reserves and Surplus	(29,98,07,731)	(59,00,31,910)
6.	Total Assets	21,33,42,070	27,83,03,583
7.	Total Liabilities	1,00,343	53,19,80,598
8.	Investments	-	-
9.	Turnover	-	33,81,48,159
10.	Profit / (Loss) before Taxation	1,26,03,689	(12,71,09,587)
11.	Exceptional item (see note Note-1)	(10,51,00,000)	-
12.	Tax (expense)/reversal	(69,206)	-
13.	Profit & Loss after Taxation	(9,25,65,516)	(12,71,09,587)
14.	Proposed Dividend	-	-
15.	% of Shareholding	100%	100%

Note: Sutlej Holdings, Inc. is the subsidiary of the Company and American Silk Mills, LLC. is the step-down subsidiary of the Company.

Note - 1:

Sutlej Holdings, Inc. has performed an impairment assessment on investment made of Rs. 3,363.55 lakhs and loans that were given of Rs. 2,519.43 lakhs (carried at cost) to its wholly owned subsidiary "American Silk Mills, LLC." as at 31st March, 2024. The Company has involved an independent expert for computing recoverable amount as per Ind AS 36. The estimated recoverable amount of the investment is Nil and against the loan is Rs. 2,113.98 lakhs. This resulted in an impairment loss of Rs. 1,051.00 lakhs (31st March, 2023 : Rs. 2,718.00 lakhs).

Part "B": Associates and Joint Ventures

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

The Company does not have any Associates and Joint Venture Company.

For and on behalf of the Board of Directors of

Sutlej Textiles and Industries Limited

Sd/-	Sd/-	Sd/-	Sd/-
Rajan Dalal	**C. S. Nopany**	**Rajib Mukhopadhyay**	**Manoj Contractor**
Director	Executive Chairman	Wholetime Director and CFO	Company Secretary
DIN 00546264	DIN 00014587	DIN 2895021	M. No. A11661
Place: Mumbai	Place: Mumbai	Place: Mumbai	Place: Mumbai
Date: 09th May, 2024	Date: 09th May, 2024	Date: 09th May, 2024	Date: 09th May, 2024

Independent Auditor’s Report

To the Members of
Sutlej Textiles and Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sutlej Textiles and Industries Limited (the “Company”) which comprise the standalone balance sheet as at 31st March, 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Impairment of Damanganga - a cash generating unit (‘CGU’). See Notes 2.8 and 50 to standalone financial statements.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Assessed the appropriateness of accounting policy for impairment as per relevant accounting standard;
The Damanganga cash generating unit (which includes property, plant and equipment with a carrying value of Rs. 124.31 crore as on 31st March, 2024) is incurring losses due to increased input costs, competitive pressure and unfavorable market conditions.	– Evaluated the design and implementation of key internal financial controls with respect to the assessment of impairment of Damanganga CGU including determination of recoverable value and tested the operating effectiveness of such controls;

The key audit matter	How the matter was addressed in our audit
There is a risk that the carrying value of CGU is higher than the recoverable value, thereby triggering impairment. The assessment process of impairment is complex as it involves significant judgement in estimating the recoverable value. The recoverable amount has been determined based on fair value less costs to sell model using work of an independent valuer. This valuation model involves use of several unobservable inputs such as prevailing market rate and replacement cost.	– Evaluated the objectivity, independence and competence of the valuation specialist engaged by the Company. – Discussed changes in key assumptions as compared to previous year with the management in order to evaluate whether the inputs and assumptions used in the valuation models by management's valuer are reasonable, including considerations due to current economic and market conditions;
Given the significant level of judgement involved in making the above estimates and the quantitative significance of the CGU, we have determined this to be a key audit matter	– Performed sensitivity analysis of the key assumptions used to determine the changes to such key assumptions, both individually and in aggregate, which would change the outcome of impairment assessment; – Compared the recoverable amount of the cash generating unit to the carrying amount to determine impairment loss, if any; and – Assessed the adequacy of the disclosures relating to impairment of CGU
Assessment of impairment of unquoted investment in wholly owned subsidiary (including step-down subsidiary). See Notes 2.18(c) and 5 to standalone financial statements The Company has investment (gross value) in wholly owned subsidiary amounting to Rs. 52.83 crore as at 31st March, 2024 which has further invested in its wholly owned subsidiary. In case there is any indicator of impairment, the company adjusts the carrying value of the investment for the consequential impairment loss, if any. The Company has recognised a total impairment loss of Rs. 37.69 crore as at 31st March, 2024. The recoverable amount has been derived from discounted cash flow model prepared by the management with the help of valuation expert. This model uses several key assumptions, including future sales volumes, prices, operating margin, growth rates and the discount rate. We have identified the assessment of impairment in respect of investment in the wholly owned subsidiary as a key audit matter since it involves significant judgement in making the above estimates and is dependent on external factors such as future market conditions and the economic environment.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Assessed the appropriateness of accounting policy for impairment of investment in wholly owned subsidiary (including step-down subsidiary) as per relevant accounting standard. – Evaluated the Company's assessment for identification of indicators of impairment. – Evaluated the design and implementation of key internal financial controls with respect to impairment including determination of recoverable value and tested the operating effectiveness of such controls. – Evaluated the impairment model which is based on discounted cash flows, prepared by management valuer. This included assessing the appropriateness of key assumptions used, with particular attention to revenue projections, discount rate, the long-term growth rate and other assumptions based on approved business plan, historical data, our knowledge of the Company and the industry, observable market data with assistance of our valuation specialist.

The key audit matter	How the matter was addressed in our audit
	– Evaluated the objectivity, independence and competence of the valuation specialist engaged by the Company; – Performed sensitivity analysis of the key assumptions used to determine which changes to assumptions would change the outcome of impairment assessment; – Compared the recoverable amount of the cash generating unit to the carrying amount to determine impairment loss, if any; and – Assessed the adequacy of the disclosures relating to impairment of investment.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and 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) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 with reference to financial statements 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 A. As required by Section 143(3) of the Act, we report that:

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

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01st April, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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:

a. The Company has disclosed the impact of pending litigations as at 31st March, 2024 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 (vi) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 (vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

i. In case of an accounting software used for maintaining the books of account relating to workers payroll, due to system limitation to validate configuration of the feature of recording audit trail (edit log) facility of the said software at application and database level, we are unable to comment (a) whether audit trail feature of the said software was enabled and (b) whether it operated throughout the year for all relevant transactions recorded in the software.

ii. In the absence of an independent auditor's report in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to staff payroll, which is operated by a third-party software service provider, we are unable to comment (a) whether audit trail feature of the said software was enabled and (b) whether it operated throughout the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN:24094549BKBSSN7642

Place: Jaipur
Date: 9th May, 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Sutlej Textiles and Industries Limited for the year ended 31st March, 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment (including right of use assets) by which all property, plant and equipment (including right of use assets) are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment (including right of use assets) were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (in Rs. crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Leasehold land at Kathua*	1.53	Chenab Textiles Mills, Kathua (A unit of Company)	No	Year 2006 to 2008	Company submitted letter to SIDCO, Kathua for execution of lease deed for land allotted in its favour which is pending
Freehold land at Baddi	0.08	Sh. Ashok Kumar & Sh. Ratna	No	1992-93	Revenue department requires fresh agreement with their land owners which could not be arranged due to death of land owners.

*disclosed as right of use assets as per relevant accounting standard

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year.For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows (also Refer note no. 24 to standalone financial statements).

(All amounts are in Rupees crore)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/ statement subsequently rectified
March 23	Punjab National Bank, Jammu & Kashmir Bank, HDFC Bank, DBS Bank, Standard Chartered Bank, DCB Bank, ICICI Bank, Federal Bank, Axis Bank and Kotak Bank	Inventory	656.37	657.25	(0.88)	Yes*
March 23		Trade receivables	290.15	290.11	0.04	Yes*
June 2023		Trade receivables	278.46	280.43	(1.97)	Yes*
September 23		Trade receivables	313.16	312.72	0.44	Yes*
December 2023		Trade Receivables	234.71	233.87	0.84	Yes*

*As informed, the Company submits provisional drawing power (DP) statements on monthly basis to Punjab National Bank (PNB) being the lead bank on 15th of the next month and also to other member banks, in which DP limit is computed as per the terms and conditions of the sanction letter. The difference between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory, debtors and valuation of Finished Good /Work-in-progress is done as per the bank sanction letter. On 31st March, 2024, the Company has submitted revised DP statements tallying with the books of accounts. In FY 23-24, the actual utilization of working capital remained within the bank sanction/DP limits.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments or security or loans or advances in the nature of loans to companies, firms, limited liability partnership or any other parties during the year. The Company has provided guarantee during the year in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loan, stood guarantee, or provided security to any entity except as mentioned below:

(All amounts are in Rupees crore)

Particulars	Guarantees
Aggregate amount given during the year. – Step down subsidiary	20.00
Balance outstanding as at balance sheet date – Step down subsidiary	20.00

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion guarantee provided during the year and the terms and conditions of the guarantee provided during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not made any investment or given security or granted loans or advances in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans and advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans to any party during the year. Accordingly, clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loan or advance in the nature of loan during the year. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, clause 3(iii)(f) of the Order is not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, investment or provided any security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the guarantees provided by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax (GST), Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (net of paid) Rs. In crore*	Period to which the amount relates	Forum where dispute is pending
Himachal Pradesh Tax on entry of goods in local area act, 2010	Entry Tax	5.43	F.Y. 2011-2017	High Court, Himachal Pradesh
The Central Excise Act, 1944	Excise duty	0.53	F.Y. 2010-2011	Central Excise & Service Tax Appellate Tribunal, New Delhi
		0.07	F.Y. 2009-2011	Central Excise & Service Tax Appellate Tribunal, Ahmedabad
		0.04	F.Y. 2003-2004	Central Excise & Service Tax Appellate Tribunal, Jammu
CGST Act, 2017	GST	3.39	F.Y. 2017-2021	Goods & Service Tax Appellate Tribunal
Urban Cess	Urban Cess	1.41	F.Y. 2014-2024	High Court, Jaipur

* Amount as per demand orders includes interest and penalty, wherever indicated in the order and is net of amount deposited.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under

Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has two CIC as part of the Group as detailed in note 51 (x) to the financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has incurred cash losses of Rs. 79.06 Crores in the current financial year; however, no cash loss was incurred in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN:24094549BKBSSN7642

Place: Jaipur
Date: 9th May, 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of Sutlej Textiles and Industries Limited for the year ended 31st March, 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Sutlej Textiles and Industries Limited ("the Company") as of 31st March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2024, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN:24094549BKBSSN7642

Place: Jaipur
Date: 9th May, 2024

Standalone Balance Sheet as at 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

CIN No: L17124RJ2005PLC020927

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,049.33	1,106.18
Capital work-in-progress	3B	7.69	8.60
Right-of-use assets	3C	4.01	3.95
Intangible assets	4	1.31	1.44
Financial assets			
(i) Investments	5	15.14	25.65
(ii) Other financial assets	6	14.92	14.79
Other tax assets (net)	7	3.05	20.30
Other assets	8	18.02	62.07
Total non-current assets		**1,113.47**	**1,242.98**
Current assets			
Inventories	9	497.33	733.81
Financial assets			
(i) Investments	10	-	1.24
(ii) Trade receivables	11	345.07	326.46
(iii) Cash and cash equivalents	12	2.64	3.65
(iv) Bank balances other than (iii) above	13	2.94	2.47
(v) Other financial assets	14	91.00	58.68
Other assets	15	36.89	40.17
Assets classified as held for sale	16	7.78	11.31
Total current assets		**983.65**	**1,177.79**
Total assets		**2,097.12**	**2,420.77**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	16.38	16.38
Other equity	18	959.87	1,107.32
Total equity		**976.25**	**1,123.70**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	275.41	276.44
(ii) Lease liabilities	46	0.57	0.46
(iii) Other financial liabilities	20	6.68	7.25
Provisions	21	12.87	12.70
Deferred tax liabilities (net)	22 A	33.02	99.92
Other liabilities	23	2.88	4.26
Total non-current liabilities		**331.43**	**401.03**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	548.85	654.78
(ii) Trade payables	25		
(a) Total outstanding dues of micro enterprises and small enterprises and;		15.23	14.08
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		135.76	125.27
(iii) Other financial liabilities	26	57.32	64.71
Other liabilities	27	19.05	21.80
Provisions	28	13.23	15.40
Total current liabilities		**789.44**	**896.04**
Total liabilities		**1,120.87**	**1,297.07**
Total equity and liabilities		**2,097.12**	**2,420.77**
Material accounting policy	2		

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549
Place: Jaipur
Date: 9th May, 2024

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 9th May, 2024

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 9th May, 2024

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 9th May, 2024

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 9th May, 2024

Standalone Statement of Profit and Loss for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue from operations	29	2,671.72	3,039.17
Other income	30	24.23	24.72
Total income		**2,695.95**	**3,063.89**
Expenses			
Cost of materials consumed	31	1,432.36	1,790.30
Purchase of stock-in-trade		68.29	37.97
Changes in inventories of finished goods,	32	178.71	(193.54)
stock-in-trade and work-in-progress			
Employee benefits expense	33	409.25	427.31
Finance costs	34	63.15	56.63
Depreciation and amortisation expense	35	115.33	125.41
Other expenses	36	612.59	712.79
Total expenses		**2,879.68**	**2,956.87**
Profit before exceptional items and tax		**(183.73)**	**107.02**
Exceptional items	37	18.96	56.00
Profit before tax		**(202.69)**	**51.02**
Tax expense:	22B		
Current tax		-	14.34
Tax related to earlier years		0.73	0.23
Deferred tax		(68.81)	13.61
Tax expenses		**(68.08)**	**28.18**
Profit/(loss) for the year		**(134.61)**	**22.84**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	22C	5.45	1.52
Income tax relating to remeasurement of defined benefit plans		(1.91)	(0.53)
Total other comprehensive income for the year, net of tax		**3.54**	**0.99**
Total comprehensive income/ (loss) for the year		**(131.07)**	**23.83**
Earnings per equity share of face value of Rs. 1 each	38		
Basic and diluted (in Rs.)		(8.22)	1.39
Material accounting policy	2		

The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W/W-100022

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajiv Goyal
Partner
Membership No -094549
Place: Jaipur
Date: 9th May, 2024

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 9th May, 2024

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 9th May, 2024

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 9th May, 2024

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 9th May, 2024

Standalone Statement of Cash Flows for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. Cash flow from operating activities		
Profit before tax	**(202.69)**	**51.02**
Adjustments for :-		
Depreciation and amortisation expense	115.33	125.41
Profit on sale/discard of property, plant and equipment (net)	(2.13)	(4.52)
Finance costs (net of interest subsidies)	63.15	56.63
Dividend from preference shares	(1.33)	-
Interest income	(9.08)	(9.44)
Deferred government grants	(1.06)	(1.13)
Net fair value gain on financial assets measured at FVTPL	(0.06)	(0.17)
Loss allowance for doubtful debts	2.11	2.87
Provision for Expected credit loss	0.02	-
Unrealised (gain)/ loss on foreign currency fluctuations (net)	(1.41)	3.35
Fair value (gain)/ loss on derivatives	1.41	(0.36)
Impairment loss on investment in wholly owned subsidiary	10.51	27.18
Expenses on surrender of leasehold land (refer note 37)	8.45	-
Loss on discarded/sale of Captive Co-Generation Power Plant	-	20.51
Sundry credit balances written back (net)	(0.11)	(1.26)
Operating profit before working capital adjustment	**(16.89)**	**270.09**
Decrease/(increase) in inventories	236.48	(137.36)
(Increase)/decrease in trade receivables	(19.53)	108.94
(Increase)/decrease in other financial assets	(2.66)	24.12
Decrease/(increase) in other assets	2.02	(7.77)
Increase/ (decrease) in trade payables	11.82	(10.32)
(Decrease) in other financial liabilities	(5.39)	(5.68)
Increase in provisions	3.45	3.88
(Decrease) in other liabilities	(1.27)	(1.95)
Cash generated from operations	**208.03**	**243.95**
Income tax paid (net of refund)	16.52	(34.13)
Net cash from operating activities	**224.55**	**209.82**
B. Cash flow from investing activities		
Redemption of short term deposits	0.38	0.13
Investment in deposits with banks	(0.85)	-
Interest received	9.07	9.38
Dividend received from preference shares	1.33	-
Purchase of property, plant and equipment	(55.71)	(139.75)
Proceeds from redemption of preference shares	1.30	-
Proceeds from sale of property, plant and equipment #	6.20	15.12
Net cash used in investing activities	**(38.28)**	**(115.12)**
C. Cash flow from financing activities		
Repayment of long term borrowings	(119.75)	(127.57)
Proceeds from term loan	96.40	44.30
Net proceeds/ (repayment) of short term borrowings	(83.46)	78.46
Finance costs (net of interest subsidies)	(64.04)	(58.21)

Standalone Statement of Cash Flows for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Repayment of lease liabilities	(0.05)	(0.04)
Dividend paid	(16.38)	(30.31)
Net cash used in financing activities	**(187.28)**	**(93.37)**
Net increase/ (decrease) in cash and cash equivalents	**(1.01)**	**1.33**
Cash and cash equivalents at the beginning of the year*	3.65	2.32
Cash and cash equivalents at the end of the year*	2.64	3.65
	(1.01)	1.33

Notes:

1 The Cash flow statement has been prepared in accordance with 'Indirect Method' as set out in Ind AS-7- 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

2 Changes in liabilities arising from financing activities

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening balance of borrowings		
Term loan (including current maturities)	394.72	477.99
Current borrowings	536.50	458.50
Cash flows**		
Repayment of term loan	(119.75)	(127.57)
Proceeds from term loan	96.40	44.30
Change in current borrowings (net)	(83.61)	78.00
Closing balance of borrowings		
Term loan (including current maturities)	**371.37**	**394.72**
Current borrowings	**452.89**	**536.50**

* Refer note 12 for details.

** Including impact of foreign exchange

* Cash and cash equivalent include bank overdraft that are repayable on demand and form an integral part of the company cash management.

\# includes advance received against assets held for sales of Rs. 3.14 crore (31st March, 2023 Rs. 4.93 crore).

Material accounting policy (refer note 2)
The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W/W-100022

Rajiv Goyal
Partner
Membership No -094549
Place: Jaipur
Date: 9th May, 2024

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 9th May, 2024

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 9th May, 2024

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 9th May, 2024

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 9th May, 2024

Standalone Statement of Changes in Equity for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

(a) Equity share capital

Particulars	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	**16,38,28,620**	**16.38**	**16,38,28,620**	**16.38**
Change in equity share capital during the current year	-	-	-	-
Balance at the end of the year	**16,38,28,620**	**16.38**	**16,38,28,620**	**16.38**

(b) Other equity

	Reserves and surplus			Total
	General reserve	Retained earnings	Other comprehensive income (Remeasurement of defined benefit plans net of tax) {refer note 18 b(ii)}	
Balance as at 31st March, 2022	**206.06**	**900.51**	**7.23**	**1,113.80**
Changes in accounting policy/prior period errors	**-**	**-**	**-**	**-**
Restated balance at the beginning of the previous reporting period	206.06	900.51	7.23	1,113.80
Profit for the year as per statement of profit and loss	-	22.84	-	22.84
Other comprehensive income for the year	-	-	0.99	0.99
Total comprehensive income for the year	**-**	**22.84**	**0.99**	**23.83**
Transfer to general reserve	2.00	(2.00)	-	-
Dividend paid	-	(30.31)	-	(30.31)
Balance as at 31st March, 2023	**208.06**	**891.04**	**8.22**	**1,107.32**
Changes in accounting policy/prior period errors	-	-	-	-
Restated balance at the beginning of the previous reporting period	**208.06**	**891.04**	**8.22**	**1,107.32**
Profit for the year as per statement of profit and loss	-	(134.61)	-	(134.61)
Other comprehensive income for the year	-	-	3.54	3.54
Total comprehensive income for the year	**-**	**(134.61)**	**3.54**	**(131.07)**
Dividend paid	-	(16.38)	-	(16.38)
Balance as at 31st March, 2024	**208.06**	**740.05**	**11.76**	**959.87**

Material accounting policy (refer note 2)
The accompanying notes form an integral part of these standalone financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W/W-100022

Rajiv Goyal
Partner
Membership No -094549
Place: Jaipur
Date: 9th May, 2024

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
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Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 9th May, 2024

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 9th May, 2024

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

1. Company Information

Sutlej Textiles and Industries Limited (herein after referred to as "the Company") is domiciled in India with its registered office situated at Pachpahar Road, Bhawanimandi - 326502, Rajasthan. The Company has been incorporated under the provisions of Indian Companies Act 2013 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) Limited. The Company, primarily, deals in cotton and man-made fibres yarn and home textiles.

2. Summary of material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of preparation

These standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These standalone financial statements were authorised for issue by the board of directors on their meeting held on 9th May, 2024.

2.2 Basis of measurement

The standalone financial statements have been prepared under the historical cost basis except for the following items: -

- Defined benefit liability/(assets): Fair value of plan assets less present value of defined benefit obligation
- Certain financial assets and liabilities (including financial instrument) – measured at Fair value;
- Other financial assets and liabilities- measured at amortised cost.

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realizable value in inventories or value in use in impairment of assets. The basis of fair valuation of these items is given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described below:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded to the nearest Crores, unless otherwise indicated.

2.3 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements:

- revenue recognition: whether revenue is recognised over time or at a point in time;
- lease term: whether the Group is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions; (note 43)
- Recognition of deferred tax assets: availability of future taxable profit against which Minimum Alternative Tax (MAT) credit can be used (note 2.19 and 22A)
- Useful life and residual value of property, plant and equipment, and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (note 39)
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows (note 45)
- Impairment of non-financial assets: key assumptions used in estimating recoverable amount (note 3, 4 and 50)

2.4 Classification of assets and liabilities as current and non- current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

An liability is treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax liabilities are classified as non-current liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

Material accounting policies

2.5 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of an item of property, plant and equipment's comprises its purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Transition to Ind AS

The cost of property, plant and equipment at 1st April, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on property, plant and equipment is calculated on straight line method and is recognized in the statement of profit and loss. The rates are arrived at based on the estimated useful lives given in schedule II of the Companies Act, 2013 or re-assessed by the Company basis technical assessment, as given below: -

Assets	Useful life as per technical assessment/ management estimate	Useful life as per Schedule II of Companies Act
Non factory buildings	58 years	60 years
Factory buildings	30 years	30 years
Plant and equipment	18 years and 4 months/20 years/15 years/ 3 years and 6 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	5-10 years	10 years
Vehicles	8 years and 10 years	8 years and 10 years

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Additions on rented premises (offices and guest houses) are being amortised over the period of rent agreement.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase as these assets have no significant useful life.

Notes to the Standalone Financial statements for the year ended 31st March, 2024
(All amounts are in Rupees Crore, unless otherwise stated)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Capital work-in-progress
Capital work-in-progress includes assets in the course of construction for production/ and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized.

2.6 Intangible assets
Intangible assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the software is considered as 3 to 6 years (Depend on software licence period) against useful life of 3 years as per Companies Act, 2013.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

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

Transition to Ind AS
The cost of Intangible assets at 1st April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

2.7 Non-current assets (or disposal groups) held for sale
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.8 Impairment of non-financial assets
At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate assets belongs.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Impairment loss in respect of assets is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

2.9 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the effective interest rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.10 Foreign currency transactions

The financial statements are presented in Indian Rupees ('Rs.'), which is also the Company's functional currency. All amounts have been rounded off to the nearest crore, except share data and as stated otherwise.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

Exchange difference on foreign currency borrowings included in the borrowing cost when they regarded as an adjustment to interest costs on those foreign currency borrowings.

Conversion

Foreign currency monetary items are reported using the closing foreign currency exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

2.11 Employee benefits

a. **Short term employee benefits**

   Short-term employee benefits are measured on an 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 plans**

   A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and also towards superannuation scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

c. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution 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.

For defined benefit plan, the cost of providing benefits is determined annually by an independent actuary using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement of net defined benefit liability

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

d. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment 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 the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gains or losses are recognised in statement of profit and loss in the period in which they arise.

2.12 Revenue recognition

Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Sales of goods

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Revenue is recognised when the controls of goods, are transferred to the buyer as per terms of contract i.e., when good are dispatched in case of domestic sales and date of bill of lading for export sales. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Export incentives

Export entitlements in the form of duty drawback, remission of duties and taxes on export products and other schemes are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest is recognised using effective interest rate method on a time proportion basis.

Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Scrap Sales

Income from sale of the scrap is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract.

Insurance claim

Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable, and the ultimate collection is reasonably certain.

2.13 Government grants and subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a systematic basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

2.14 Inventories

Inventories are valued as follows:

Raw materials, Stock in trade, dyes and chemicals, stores and spares and consumables	Lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and an appropriate share of fixed production overheads based on normal operating capacity.
Waste material	At net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.15 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 for pricing adjustments embedded in the contract.

Loss allowance for expected lifetime credit loss is recognised on initial recognition.

2.16 Provisions and contingent liabilities

Provisions

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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

2.17 Measurement of fair value

a Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Fair values are determined with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

b Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on market comparison techniques utilizing significant unobservable data, primarily cash flow based models.

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and Earnings before tax, interest and depreciation (EBITDA) of the investee. The estimate is adjusted for the effect of the non-marketability of the relevant equity securities.

If fair value cannot be measured reliably unlisted shares are recognized at cost.

c Derivatives

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risk respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are recorded directly to statement of profit and loss.

2.18 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and interest rate swaps.

a. 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 profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

A financial asset is measured at amortised cost only if both of the following conditions are met:

a. it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

b. the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised 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 amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

b. Preference share

All preference share instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an preference share investment that is not held for trading, the Company may irrevocably elect to present subsequent

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at fair value through profit and loss (FVTPL).

c. Investments in Subsidiaries

Investments in Subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when: The rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

d. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Notes to the Standalone Financial statements for the year ended 31st March, 2024
(All amounts are in Rupees Crore, unless otherwise stated)

Subsequent measurement

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

Financial liabilities measured at amortised cost

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

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting of financial instruments

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

2.19 Income tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive Income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimates of the tax amount expected to be paid on received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Standalone Financial statements for the year ended 31st March, 2024
(All amounts are in Rupees Crore, unless otherwise stated)

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.20 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date

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(All amounts are in Rupees Crore, unless otherwise stated)

less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability 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. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company have been identified as being the chief operating decision maker by the management of the Company.

The Company's board examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

a) **Yarn:** It comprises of recycle polyester staple fibre, cotton and man made fibres yarn;

b) **Home textiles :** It comprises of home furnishing and fabric processing

Refer note 40 for segment information presented.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

2.23 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

2.24 Dividend

The Company recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.25 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

3A. Property, plant and equipment's

Particulars	Freehold Land	Buildings (refer note 1)	Plant and equipment	Vehicles	Furniture and fixtures	Office equipment's	Total
Gross Block							
Balance as at 31st March, 2022	**54.50**	**577.10**	**1,167.84**	**14.68**	**16.12**	**13.64**	**1,843.88**
Additions	-	2.28	97.07	0.59	1.52	1.45	102.91
Disposals	-	0.55	56.44	0.89	0.01	0.07	57.96
Balance as at 31st March, 2023	**54.50**	**578.83**	**1,208.47**	**14.38**	**17.63**	**15.02**	**1,888.83**
Additions		1.55	56.16	0.47	0.92	1.04	60.14
Disposals		-	11.33	2.69	0.34	0.66	15.02
Balance as at 31st March, 2024	**54.50**	**580.38**	**1,253.30**	**12.16**	**18.21**	**15.40**	**1,933.95**
Accumulated Depreciation							
Balance as at 31st March, 2022	**-**	**87.04**	**565.73**	**7.84**	**8.86**	**8.88**	**678.35**
Additions	-	16.67	104.00	1.31	1.18	1.64	124.80
Disposals	-	0.07	19.67	0.69	0.01	0.06	20.50
Balance as at 31st March, 2023	**-**	**103.64**	**650.06**	**8.46**	**10.03**	**10.46**	**782.65**
Additions		16.69	94.05	1.16	1.17	1.59	114.66
Disposals		-	9.56	2.25	0.30	0.58	12.69
Balance as at 31st March, 2024	**-**	**120.33**	**734.55**	**7.37**	**10.90**	**11.47**	**884.62**
Net Block							
Balance as at 31st March, 2023	**54.50**	**475.19**	**558.41**	**5.92**	**7.60**	**4.56**	**1,106.18**
Balance as at 31st March, 2024	**54.50**	**460.05**	**518.75**	**4.79**	**7.31**	**3.93**	**1,049.33**

Notes:

1. Building, includes share of the company in a premises at Haridwar (jointly owned with others) having carrying value as at 31st March, 2024, Rs. 0.55 crore and 31st March, 2023, Rs. 0.57 crore respectively (Original Cost Rs. 1.23 crore as at 31st March, 2024 and Rs. 1.23 crore as at 31st March, 2023)
2. Borrowing cost capitalized amounting to Rs. 1.06 crore (31st March, 2023 Rs. 1.65 crore) under the head plant and equipment, building and others (refer note no. 42)
3. Property, plant and equipment given as security for borrowings refer note no. 19 (a)
4. Refer note no. 50
5. Refer note no. 16

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

6. Immovable Property not held in name of the Company:- In case of Kathua leasehold land having carrying value as at 31st March, 2024 and 31st March, 2023, Rs. 1.21 crore and Rs. 1.31 crore respectively (Original cost Rs. 1.53 crore as at 31st March, 2024 and 31st March, 2023 : Rs. 1.53 crore) and in case of Baddi units freehold land having carrying value as at 31st March, 2024 and 31st March, 2023 Rs. 0.08 crore (Original cost Rs. 0.08.crore) are pending for registration in the name of the company. Details for the current and previous year are as follows:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company	also indicate if in dispute
Lease hold land	70 Kanal 5 Marla land, Kathua	1.40	Chenab Textile Mills (A unit of Company)	No.	2006-07	The Company submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in Company favour.	No.
Lease hold land	2 Kanal 4 Marla land, Kathua	0.13	Chenab Textile Mills (A unit of Company)	No.	2007-08	The Company submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in Company favour.	No.
Free hold Land	Free hold Land	0.05	Sh Ashok Kumar	No.	1992-93	For registration in the name of Company revenue department required fresh agreement which could not be arranged due to death of land owner.	No.
Free hold Land	Free hold Land	0.03	Sh. Ratna	No.	1992-93	For registration in the name of Company revenue department required fresh agreement which could not be arranged due to death of land owner.	No.
Total		**1.61**					

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

3B. Capital work-in-progress

Capital work-in-progress - Rs. 7.69 crore (31st March, 2023 : Rs. 8.60 crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	8.60	15.65
Addition during the year	60.10	53.92
Less : written off during the year*	0.77	-
Less Capitalised during the year	60.24	60.97
Closing balance	**7.69**	**8.60**

* During the year, the Company has incurred preoperative expenses amounting to Rs. 0.77 crore for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the Company has decided not to proceed with the greenfield expansion project at this time, consequently, these expenses have been written off and presented as an "exceptional item" (refer note no. 37 (a)).

a) CWIP ageing schedule

CWIP	Amount in CWIP for a period of				As at 31st March, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.24	0.02	0.34	-	7.60
Projected temporarily suspended	-	-	-	0.09	0.09
Total	**7.24**	**0.02**	**0.34**	**0.09**	**7.69**

CWIP	Amount in CWIP for a period of				As at 31st March, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.05	0.46	-	-	8.51
Projected temporarily suspended	-	-	-	0.09	0.09
Total	**8.05**	**0.46**	**-**	**0.09**	**8.60**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

3C. Right-of-use assets*

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March, 2023	Additions	Disposals	As at 31st March, 2024	As at 31st March, 2023	Additions	Disposals	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Right-of-use assets (Lease hold land)#	4.38	44.38	44.27	4.49	0.43	0.05	-	0.48	4.01	3.95
	4.38	**44.38**	**44.27**	**4.49**	**0.43**	**0.05**	**-**	**0.48**	**4.01**	**3.95**

Particulars	Gross Block				Depreciation				Net Block	
	As at 31st March, 2022	Additions	Disposal	As at 31st March, 2023	As at 31st March, 2022	Additions	Disposals	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Right-of-use assets (Lease hold land)	4.37	0.01	-	4.38	0.38	0.05	-	0.43	3.95	3.99
	4.37	**0.01**	**-**	**4.38**	**0.38**	**0.05**	**-**	**0.43**	**3.95**	**3.99**

*Refer note no. 46 for lease liability

During the year, the Company created right-of-use of asset amounting to Rs. 44.27 crore for leasehold land acquired for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the leasehold land allocated for the project has been surrendered, leading to the reversal of the aforementioned assets. (refer note no. -37 (a))

4. Intangible assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 31st March, 2023	Additions	Disposals	As at 31st March, 2024	As at 31st March, 2023	Additions	Disposals	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Software	4.15	0.49	-	4.64	2.71	0.62	-	3.33	1.31	1.44
	4.15	**0.49**	**-**	**4.64**	**2.71**	**0.62**	**-**	**3.33**	**1.31**	**1.44**

Particulars	Gross Block				Amortisation				Net Block	
	As at 31st March, 2022	Additions	Disposal	As at 31st March, 2023	As at 31st March, 2022	Additions	Disposals	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Software	4.11	0.04	-	4.15	2.15	0.56	-	2.71	1.44	1.96
	4.11	**0.04**	**-**	**4.15**	**2.15**	**0.56**	**-**	**2.71**	**1.44**	**1.96**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

4. Intangible assets (Contd.)

Additional disclosure as per previous GAAP

Particulars	As at 31st March, 2023			As at 31st March, 2024		
	Gross Block	Accumulated depreciation	Net Block	Gross Block	Accumulated depreciation	Net Block
Tangible assets						
Freehold land	54.51	0.01	54.50	54.51	0.01	54.50
Buildings	634.52	159.33	475.19	636.08	176.03	460.05
Plant and equipment	1,730.27	1,171.86	558.41	1,773.18	1,254.43	518.75
Vehicles	16.14	10.22	5.92	13.94	9.15	4.79
Furniture and fixtures	24.02	16.42	7.60	23.86	16.55	7.31
Office equipment's	20.31	15.75	4.56	20.06	16.13	3.93
Right-of-use assets	4.93	0.98	3.95	5.05	1.04	4.01
Total	**2,484.70**	**1,374.57**	**1,110.13**	**2,526.68**	**1,473.34**	**1,053.34**
Capital work-in-progress	8.60	-	8.60	7.69	-	7.69
Total	**2,493.30**	**1,374.57**	**1,118.73**	**2,534.37**	**1,473.34**	**1,061.03**

Intangible assets

Particulars	As at 31st March, 2023			As at 31st March, 2024		
	Gross Block	Accumulated depreciation	Net Block	Gross Block	Accumulated depreciation	Net Block
Intangible assets						
Software	3.99	2.55	1.44	4.48	3.17	1.31
Total	**3.99**	**2.55**	**1.44**	**4.48**	**3.17**	**1.31**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

5 Non current investments

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Investment in equity instruments (fully paid-up) valued at FVTPL		
Unquoted		
50 (31st March, 2023: 50) equity shares of The Jhalawar Nagrik Sahkari Bank Ltd (JNSB) of Rs. 100 each *	0.00	0.00
	0.00	**0.00**
*The total amount of investments in absolute value is Rs. 5,000 (31st March, 2023: Rs. 5,000), for reporting purpose rounded up to Rs. 0.0 Crores.		
B. Investment in wholly owned subsidiary (fully paid up) valued at cost		
Unquoted		
7,500 (31st March, 2023: 7,500) equity shares of Sutlej Holdings Inc. of USD 1,000 each	52.83	52.83
Less : Impairment loss on valuation of Investment as per Ind-AS-36 (refer note below)	37.69	27.18
	15.14	**25.65**
Total investments cost (A+B) (net of impairment)	**15.14**	**25.65**
Aggregate value of unquoted investment (A+B)	**52.83**	**52.83**
Aggregate value of impairment in the value of investments	**37.69**	**27.18**

Note :

The Company held investments in its wholly owned subsidiary in the United States of America (USA) which has further invested in a step-down subsidiary in USA. The Company assesses at each reporting date if there is an indication, based on either internal or external sources of information, that investments in the subsidiary (including step down subsidiary) may be impaired in accordance with Ind AS 36 "Impairment of Assets". Where such indicators exist, management performs impairment testing.

In performing such impairment assessment, the Company compares the carrying value of each of the identifiable cash-generating units ("CGUs") to which investments in the subsidiary (including step-down subsidiary) have been allocated with their respective recoverable amounts. The recoverable amount of the CGUs, which is based on the value in use derived from discounted forecast cash flow models to determine if any impairment loss should be recognized.

The step down subsidiary of the Company has incurred losses during the current year and previous years which resulted in erosion of its net worth. Accordingly, the Company carried out impairment assessment of the aforesaid CGU using value in use model which is based on the net present value of the future cash flows, after considering current economic conditions, trends, estimated future operating results, growth rates and anticipated future economic conditions, etc.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

5 Non current investments (Contd.)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Long term growth rate	3.00%	3.00%
Revenue growth rate (average of next 5 years)	23.00%	30.00%
Weighted average cost of capital	18.37%	25.00%

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term growth rate, consistent with the assumptions that a market participant would make.

The carrying amount of the CGU was determined to be higher than its recoverable amount and an impairment loss of Rs. 10.51 crore is recognised during the year ended 31st March, 2024 (31st March, 2023: Rs. 27.18 crore) . This impairment loss has been recognised under "Exceptional item" (refer note no. 37 b).

6 Other financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good unless otherwise stated)		
Security Deposits	14.92	14.79
	14.92	**14.79**

7 Others tax assets (net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Income tax receivable (net)	3.05	20.30
	3.05	**20.30**

8 Other assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good unless otherwise stated)		
Capital advances	3.67	49.92
Balances with government authorities	13.14	11.88
Prepaid expenses	1.21	0.27
	18.02	**62.07**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

9 Inventories

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Valued at lower of cost and net realisable value)		
Raw materials (refer note no. 41)	220.38	274.64
Dyes and chemicals	6.34	6.50
Work-in-progress	100.29	131.03
Finished goods	139.07	293.58
Stock in trade	-	0.51
Stores, spare-parts and consumables	18.56	21.91
Wastage material	12.69	5.64
	497.33	733.81
Goods in transit included in above inventories are as under :		
Raw materials	5.54	10.38
Stores, spare-parts and consumables	0.52	0.71

Inventories are hypothecated to secure borrowings (refer note no. 19 and 24).

Inventories of finished goods have been written down to net realisable value by Rs. 13.41 crore (31st March, 2023, Rs. 13.72 crore).

The company has devalued the aged inventory by Rs. 3.76 crore (31st March, 2023, Rs. 3.29 crore).

10 Investment in preference shares valued at FVTPL (fully paid up) [refer note 45(I)]

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unquoted		
As on Nil (31st March, 2023: 1,300,000) 8.5% Non-Convertible Cumulative Redeemable Preference shares in Palash Securities Limited of Rs. 10 each	-	1.24
	-	**1.24**
Movement of investment in preference shares		
Opening balance	1.24	1.07
Change in fair value of preference shares	0.06	0.17
Preference shares redeemed during the year	(1.30)	-
Closing balance	**-**	**1.24**

11 Trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables considered good, Unsecured - Others*	345.07	326.46
Trade Receivables – significant increase in credit risk	0.19	0.19
Trade Receivables credit impaired	6.71	4.60
	351.97	331.25
Less: Loss allowance for credit impairment.	(6.90)	(4.79)
	345.07	**326.46**

Note

*Out of above, trade receivables from Related Party is Rs. 1.10 crore (31st March, 2023, Rs. 2.20 crore) (refer note no. 44)

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

11 Trade receivables (Contd.)

(a) Trade receivables are hypothecated to secure current borrowings (refer note nos. 19 and 24)

(b) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies in which any director is a partner, or director or member.

(c) The Company's exposure to credit and currency risk, and loss allowances related to trade receivables is disclosed in note no. 45.

(d) Trade Receivables ageing schedule

Particulars	As at 31st March, 2024						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 month -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	254.45	78.24	12.38	-	-	-	345.07
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	3.52	1.65	0.49	1.05	6.71
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.01	0.02	0.16	0.19
(vii) Unbilled dues	-	-	-	-	-	-	-
Less :- Provision for Doubtful debts	-	-	(3.52)	(1.66)	(0.51)	(1.21)	(6.90)
Total	**254.45**	**78.24**	**12.38**	**-**	**-**	**-**	**345.07**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

11 Trade receivables (Contd.)

(e) Trade Receivables ageing schedule

Particulars	As at 31st March, 2023						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 month -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	271.02	54.18	1.20	0.04	-	0.02	326.46
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.77	0.84	1.69	0.32	0.98	4.60
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.05	-	0.14	0.19
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Unbilled dues	-	-	-	-	-	-	-
Less :- Provision for Doubtful debts	-	(0.77)	(0.84)	(1.74)	(0.32)	(1.12)	(4.79)
Total	**271.02**	**54.18**	**1.20**	**0.04**	**-**	**0.02**	**326.46**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

12 Cash and cash equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balances with banks:		
- In current accounts	2.50	3.50
Cash on hand	0.14	0.15
	2.64	**3.65**

13 Bank balances other than cash and cash equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Earmarked balances with banks:		
Unpaid dividend account	0.57	0.76
Deposits with remaining maturity for more than 3 months but less than 12 months	2.37	1.71
	2.94	**2.47**

14 Other financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good unless otherwise stated)		
Receivable from SIDCO (refer note -37 (a))	31.21	-
Export benefit receivable - considered good	34.43	30.54
Government subsidies - considered good	18.17	13.27
Government subsidies - credit impaired	1.46	1.44
Less: Allowance for credit impairment	(1.46)	(1.44)
	18.17	**13.27**
Advances recoverable in cash	7.00	13.28
Forward contract receivables	0.09	1.50
Interest accrued on deposits	0.10	0.09
	91.00	**58.68**

15 Other assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities #	24.50	25.67
Duty paid under protest	0.26	0.19
Prepaid expenses	3.58	3.38
Advances to suppliers	8.55	10.93
	36.89	**40.17**

#During the current year, the company has received a notice from Directorate General of Analytics & Risk Management (DGARM) for non-compliance relating to provision of rule 96(10)) of the CGST Rules. In response, the Company has deposited of Rs. 3.21 crore, which is reflected in the aforementioned figure (refer note no. 39 A(5)).

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

16 Assets classified as held for sale

Particulars	As at 31st March, 2024	As at 31st March, 2023
Assets classified as held for sale (refer note below)	7.78	11.31
	7.78	**11.31**

(a) In the previous year, the Plant and Equipment of the Captive Co-Generation Power Plant ('CGPP') were decommissioned and designated as "Assets held for sale" due to its lack of viability for continued operation. According to an agreement to sell with a customer, it was valued at Rs. 15 crore (excluding GST), resulting in an impairment loss of Rs. 20.51 crore recorded during the same period. Subsequently, plant and equipment dispatches totalling Rs. 4 crore (excluding GST) were completed by 31st March, 2023, leaving a remaining balance of Rs. 11 crore categorized under Assets held for sale. In the current year, further dispatches of plant and equipment amounting to Rs. 3.50 crore (Excluding GST) were executed by 31st March, 2024, reducing the balance amount to Rs. 7.50 crore under Assets held for sale. The Company is actively engaged in communication with the vendor to expedite the removal of the remaining assets and has initiated exploration of alternative potential buyers for the remaining assets. No liability is attached to these assets."

(b) The Company decided to sell other obsolete plants & equipment's and building of Rs. 0.28 crore (31st March, 2023, Rs. 0.31 crore), which were originally purchased for production, manufacturing and office. The Company is actively searching for buyers to sell these assets. No liability is attached to these assets.

Non - current fair value measurements :

Assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets was determined using expected market realizable value using past trend and management assessment. fair value measurement of assets held for sale is a level 3 measurement and key inputs under this approach are price per asset comparable for the machine in similar business and technology.

17 Equity Share capital*

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised:		
500,000,000 equity shares of Rs. 1/- each (31st March, 2023: 500,000,000 of Rs. 1/- each)	50.00	50.00
Issued, subscribed and fully paid up:		
163,828,620 equity Shares of Rs. 1/- each (31st March, 2023: 163,828,620 of Rs. 1/- each)	16.38	16.38
	16.38	**16.38**

* All shares are fully paid up

a. Terms and rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, distribution of dividend is subject to the approval of the shareholders in the Annual General Meeting.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

17 Equity Share capital (Contd.)

b. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year :

	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Balance at the end of the year	**16,38,28,620**	**16.38**	**16,38,28,620**	**16.38**

c. Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There are no holding or ultimate holding company of the Company.

d. Shareholders holding more than 5% shares in the company

	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Percentage	No. of shares	Percentage
Ganges Securities Limited	3,04,16,970	18.57%	3,04,16,970	18.57%
Hargaon Investment & Trading Company Limited	1,71,13,960	10.45%	1,71,13,960	10.45%
New India Retailing and Investment Limited	1,70,63,040	10.42%	1,70,63,040	10.42%
Yashovardhan Investment and Trading Company Limited	1,48,68,360	9.08%	1,48,68,360	9.08%
Birla Institute of Technology and Science	1,12,86,580	6.89%	1,12,86,580	6.89%
The Hindustan Times Limited	98,03,690	5.98%	98,03,690	5.98%
Ronson Traders Limited	97,23,730	5.94%	97,23,730	5.94%

e. There are no shares which are issued for consideration other than cash during the period of five years immediately preceding the reporting date.

f. Disclosure of Shareholding of Promoters as below:

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

17 Equity Share capital (Contd.)

Shares held by promoters at the end of the year

S. No.	Promoter name	As at 31st March, 2024			As at 31st March, 2023		
		No. of Shares	% of total shares	Change during the year	No. of Shares	% of total shares	Change during the year
1	Ganges Securities Limited	3,04,16,970	18.57%	-	3,04,16,970	18.57%	-
2	Hargaon Investment and Trading Co. Ltd.	1,71,13,960	10.45%	-	1,71,13,960	10.45%	-
3	New India Retailing & Investment Ltd.	1,70,63,040	10.42%	-	1,70,63,040	10.42%	-
4	Yashovardhan Inv.& Trading Co. Ltd.	1,48,68,360	9.08%	-	1,48,68,360	9.08%	-
5	Ronson Traders Ltd.	97,23,730	5.94%	-	97,23,730	5.94%	-
6	OSM Investment & Trading Co. Ltd.	63,88,200	3.90%	-	63,88,200	3.90%	-
7	Champaran Marketing Co. Ltd.	30,98,100	1.90%	-	30,98,100	1.90%	-
8	SCM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
9	RTM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
10	Sidh Enterprises Ltd.	11,94,240	0.73%	-	11,94,240	0.73%	-
11	SIL Investments Ltd.	7,50,000	0.46%	-	7,50,000	0.46%	-
12	Sonali Commercial Ltd.	2,84,350	0.17%	-	2,84,350	0.17%	-
13	Shri Chandra Shekhar Nopany	1,10,000	0.07%	-	1,10,000	0.07%	-
14	Uttam Commercial Ltd.	9,000	0.01%	-	9,000	0.01%	-
15	Shekhar Family Trust	1,00,050	0.07%	-	1,00,050	0.07%	-
16	Nandini Nopany	100	0.00%	-	100	0.00%	-
		10,47,78,660	**64.01%**		**10,47,78,660**	**64.01%**	

18 Other equity

		Particulars	As at 31st March, 2024	As at 31st March, 2023
a		**General reserve**		
		Balance at the beginning of the year	208.06	206.06
		Add: Amount transferred from retained earnings	-	2.00
		Balance at the end of the year	**208.06**	**208.06**
b	(i)	**Retained earnings**		
		Balance at the beginning of the year	891.04	900.51
		Profit for the year	(134.61)	22.84
		Less: Dividend on equity shares	(16.38)	(30.31)
		Less: Amount transferred to general reserve	-	(2.00)
			740.05	**891.04**
b	(ii)	**Other comprehensive income**		
		Balance at the beginning of the year	8.22	7.23
		Addition during the year	3.54	0.99
		Balance at the end of the year	**11.76**	**8.22**
		Sub total (b(i)+ b(ii))	**751.81**	**899.26**
			959.87	1,107.32

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

18 Other equity (Contd.)

Nature and purpose of reserves/ other equity

General reserve

The Company appropriates a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Companies Act, 2013.

Retained earnings:

Retained earnings are the profit that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Other comprehensive income

Remeasurements of defined benefit plans represents the following as per Ind AS 19-Employee Benefits:

(a) actuarial gains and losses;

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

Dividend

The following dividends were declared and paid by the Company:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Final dividend for the year ended 31st March, 2023 Rs. 1.00 per equity share of Rs. 1 each (31st March, 2022 Rs. 1.85 per equity share of Rs. 1 each)	16.38	30.31
	16.38	**30.31**

After the reporting date the following dividend was proposed by the Board of Directors of the Company subject to the approval of shareholders of the Company at its Annual General Meeting. Accordingly, the dividend have not been recognized as liabilities.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
No dividend proposed during the year (Previous year Rs. 1.00 per equity share of Rs. 1 each)	-	16.38
	-	**16.38**

19 Non - Current Borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023
Term loans (Secured)		
- From banks	275.41	276.44
	275.41	**276.44**

a. Securities

Term loans are secured by first equitable mortgage ranking pari-passu over the Company's immovable properties situated at Bhawanimandi (Rajasthan), Kathua (Jammu & Kashmir), Baddi (Himachal Pradesh) and Daheli (Gujarat) and moveable assets (save and except book debts) both present and future, subject to prior charges created/to be created, in favour of bankers, on moveable assets including book debts to secure working capital borrowings.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

19 Non - Current Borrowings (Contd.)

b. Terms of repayment and interest are as follows :

Secured loan from	Repayment frequency	Year of maturity	Rate of interest p.a. (%)	As at 31st March, 2024	As at 31st March, 2023
Punjab National Bank, Kota	Quarterly	FY 2025	8.80	3.21	14.99
Bank of Maharashtra, Jaipur	Quarterly	FY 2026	8.50	43.75	68.73
Jammu & Kashmir Bank, Kathua	Quarterly	FY 2026-29	8.10	109.84	153.49
ICICI Bank, Kolkata	Quarterly	FY 2026-2028	8.90 to 9.50	60.59	17.55
HDFC Bank, Jaipur	Quarterly	FY 2026-29	8.55 to 8.70	113.98	139.96
IndusInd Bank,	Quarterly	FY 2031	8.50	40.00	-
				371.37	**394.72**
Less : Current maturities of long term debt (refer note 24)				**95.96**	**118.28**
				275.41	**276.44**

c. The Company's exposure to interest rate, foreign currency and liquidity risk is included in note 45.

d. There is no material breach of covenant attached to secured loan.

20 Other financial liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade deposits	6.65	6.25
Employee security deposits	0.03	0.03
Deferred payment liabilities	-	0.97
	6.68	**7.25**

21 Provisions

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provisions for employee benefit		
Provision for compensated absences	12.87	12.70
	12.87	**12.70**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

22 Deferred tax liabilities (net)

A. Movement in deferred tax balances

Particulars	As at 31st March, 2023	Recognized during the year	Utilised during the year	As at 31st March, 2024
Deferred tax assets				
Unabsorbed Depreciation	-	37.30		37.30
Unabsorbed Business Loss		28.62		28.62
Disallowance u/s 43B of Income Tax Act, 1961	14.46	0.52		14.98
Provision for doubtful debts and others	5.77	-	0.90	4.87
Total (A)	**20.23**	**66.44**	**0.90**	**85.77**
Deferred tax liabilities				
Property, plant and equipment	120.15	-	1.36	118.79
Total (B)	**120.15**	**-**	**1.36**	**118.79**
Net deferred tax liability (B)-(A)	**99.92**	**(66.44)**	**0.46**	**33.02**

Particulars	As at 31st March, 2022	Recognized during the year	Utilised during the year	As at 31st March, 2023
Deferred tax assets				
MAT credit entitlement	28.07	-	28.07	-
Disallowances u/s 43B of Income Tax Act, 1961	13.16	1.30	-	14.46
Provision for doubtful debts and others	1.67	4.10	-	5.77
Total (A)	**42.90**	**5.40**	**28.07**	**20.23**
Deferred tax liabilities				
Property, plant and equipment	128.68	-	8.53	120.15
Total (B)	**128.68**	**-**	**8.53**	**120.15**
Net deferred tax liability (B)-(A)	**85.78**	**(5.40)**	**(19.54)**	**99.92**

The Company has recognized deferred tax assets arising from unabsorbed depreciation and carried forward tax losses of Rs. 65.92 crore. According to the provisions outlined in the Income Tax Act, 1961, tax losses can be carried forward until 31st March, 2033. Anticipating taxable income in the near future as per our business plans and budgets, the Company is confident in the recovery of these assets within this specified timeframe.

Section 115BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Ordinance, 2019, allows any domestic company to pay income tax at the rate of 25.17%, effective from the fiscal year 2019-20, subject to the condition that they will not avail any incentives or exemptions. This new tax scheme provides an option for a lower tax base of 25.17%, while the existing tax rate is 34.94%. The Company has continued with the old regime for the current year due to net loss incurred in the current year and the adoption of the new regime will be assessed in the next year.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

22 Deferred tax liabilities (net) (Contd.)

B. Amounts recognised in Statement of Profit and Loss

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current tax expense		
Current tax	-	14.34
Tax related to earlier years	0.73	0.23
	0.73	**14.57**
Deferred tax expense		
Origination and reversal of temporary differences	(68.81)	13.61
	(68.81)	**13.61**
Tax expenses	**(68.08)**	**28.18**

C. Amounts recognised in other comprehensive income

Particulars	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability	5.45	(1.91)	3.54	1.52	(0.53)	0.99
	5.45	**(1.91)**	**3.54**	**1.52**	**(0.53)**	**0.99**

D. Reconciliation of effective tax rate

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit before tax from operations	**(202.69)**	**51.02**
Tax using the Company's domestic tax rate @ 34.94 % (31st March, 2023: 34.94%)	(70.83)	17.83
Tax effect of:		
Non-deductible expenses	1.99	10.08
Income tax relating to earlier years	0.73	0.23
Others	0.03	0.04
Income tax expenses reported in the statement of profit and loss	**(68.08)**	**28.18**
Effective tax rate	**33.59%**	**55.23%**

23 Other liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred government grants		
Capital subsidies on specific plant and machineries	2.88	3.94
Non-current portion of the gain on deferred payment liabilities	-	0.32
	2.88	**4.26**
Movement of deferred government grants is as below:		
Balance at the beginning of the year	3.94	5.06
Grant amortized and transferred to statement of profit and loss	(1.06)	(1.12)
Balance at the end of the year	**2.88**	**3.94**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

24 Current borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loan repayable on demand (Secured)*		
- From banks	409.36	527.34
Bills discounted**	39.77	9.16
Current maturities of Long term debt (refer note 19)	95.96	118.28
Loan repayable on demand (Unsecured)		
HDFC Credit Card	3.76	-
	548.85	**654.78**

* Working capital facilities from banks are secured/to be secured by hypothecation of moveable's including book debts, both present and future, of the units, ranking pari-passu inter se.

** Bills discounted are secured against the books debts which have been discounted.

\# The Company has filed monthly / quarterly statements with banks and these are in agreement with books of accounts except as mentioned below:

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	(Excess)/ Shortage	Whether return/ statement subsequently rectified
March 2023	Punjab National Bank, Jammu & Kashmir Bank, HDFC Bank, DBS Bank, Standard Chartered Bank, DCB Bank, ICICI Bank, Federal Bank, Axis Bank and Kotak bank	Inventory net of trade payable	656.37	657.25	(0.88)	Yes*
March 2023		Trade Receivables	290.15	290.11	0.04	Yes*
June 2023		Inventory net of trade payable	585.21	585.21	-	Yes*
June 2023		Trade Receivables	278.46	280.43	(1.97)	Yes*
September 2023		Inventory net of trade payable	380.18	380.18	-	Yes*
September 2023		Trade Receivables	313.16	312.72	0.44	Yes*
December 2023		Inventory net of trade payable	341.92	341.92	-	Yes*
December 2023		Trade Receivables	234.71	233.87	0.84	Yes*

*The Company regularly submits provisional drawing power (DP) statements on a monthly basis to Punjab National Bank (PNB) being the lead bank by the 15th of the following month and also to other member banks. The DP limit is computed in accordance with the terms and conditions outlined in the sanction letter. Discrepancies between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory and debtors are done as per the bank sanction letter. During the current year the Company has submitted revised DP statements tallying with the books of accounts for the aforesaid periods. In FY23-24, the actual utilization of working capital remained within the bank sanction/DP limits.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

25 Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Total outstanding dues of micro enterprises and small enterprises and #	15.23	14.08
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*	135.76	125.27
Total	**150.99**	**139.35**
Note		
The Company's exposure to credit and currency risk, and loss allowances related to trade payable is disclosed in note 45..		
* Trade payable includes due from related parties, refer note 44.		
# Dues to Micro Enterprises and Small Enterprises (as per the intimation received from vendors):		
a. Principal and interest amount remaining unpaid	15.23	14.08
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c. Interest due to payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.		
d. Interest accrued and remaining unpaid.	-	-
e. Interest remaining due to payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.		
	15.23	**14.08**

f. Trade Payables ageing schedule

Particulars	As at 31st March, 2024					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.00	3.23	-	-	-	15.23
(ii) Others	68.62	59.12	1.35	1.91	4.76	135.76
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**80.62**	**62.35**	**1.35**	**1.91**	**4.76**	**150.99**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

25 Trade Payables (Contd.)

g. Trade Payables ageing schedule

Particulars	As at 31st March, 2023					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	14.08	-	-	-	-	14.08
(ii) Others	33.77	78.88	4.16	1.11	7.35	125.27
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**47.85**	**78.88**	**4.16**	**1.11**	**7.35**	**139.35**

26 Other financial liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unpaid dividend	0.57	0.76
Interest accrued and due on borrowings	1.41	1.36
Employees related liabilities	49.28	51.59
Creditors for capital goods	0.35	2.00
Current portion of deferred payment liabilities	1.15	1.25
Security deposits (Including Retention money)	1.56	1.74
Director's commission	0.63	0.60
Others	2.37	5.41
	57.32	**64.71**

27 Other liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract liabilities	6.60	8.14
Advance against assets held for sale #	3.14	4.93
Statutory dues	8.99	8.41
Current portion of gain on deferred payment liabilities	0.32	0.32
	19.05	**21.80**

Advance received against sale of Captive Co-Generation Power Plant ('CGPP') (refer note 37 c) .

28 Provisions

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provisions for employee benefit :		
Compensated absences	2.93	3.42
Gratuity (refer note 43)	2.32	4.00
Others		
Others - contingencies	7.98	7.98
	13.23	**15.40**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

28 Provisions (Contd.)

Others - Contingencies

Provision for disputed statutory matters have been made, where the Company anticipates probable outflow. The amount of provision is based on estimate made by the Company considering the facts and circumstances of each case. The timing and amount of cash flow will be determined by the relevant authorities on settlement of cases.

The movement of provisions is presented below:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	7.98	8.57
Provision made during the year	0.17	0.27
Provision reversed/paid during the year	0.17	0.86
Balance at the end of the year	**7.98**	**7.98**

29 Revenue from operations

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of textile products (net of taxes)		
Manufactured goods	2,508.49	2,911.29
Traded goods	71.83	42.77
Total (i)	**2,580.32**	**2,954.06**
Sale of services		
Job processing	37.93	34.34
Others	3.02	3.39
Total (ii)	**40.95**	**37.73**
Total [(iii) = (i) + (ii)]	**2,621.27**	**2,991.79**
Other operating revenue		
Export incentives	50.45	47.38
Total (iv)	**50.45**	**47.38**
Revenue from operations [(iii) + (iv)]	**2,671.72**	**3,039.17**

Disaggregation of revenue from contract with customers

Type of service: The Company earns revenue primarily from selling of textile products and job work processing.

Recognition:

a. Revenue from sale of goods is recognised when the performance obligation is satisfied. Revenue is recognised at point in time i.e., when good are dispatched in case of domestic sales and date of bill of lading for export sales.

b. Revenue from sale of services is recognised over point of the time i.e., services are rendered.

c. Revenue from other operating revenue is recognised when the performance obligation is satisfied."

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

29 Revenue from operations (Contd.)

A Revenue Stream

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of textile products (net of taxes)		
Manufactured goods	2,508.49	2,911.29
Traded goods	71.83	42.77
Sale of services		
Job processing	37.93	34.34
Others	3.02	3.39
Other operating revenue		
Export incentives	50.45	47.38
Revenue from operation	**2,671.72**	**3,039.17**

B Disaggregation of revenue from contracts with customers

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Geographical wise		
India	1,584.41	1,759.98
Outside India	1,036.86	1,231.81
Revenue from operation excluding other operating income	**2,621.27**	**2,991.79**
Timing of revenue recognisation		
Product transferred at point of time	2,580.32	2,954.06
Services transferred over time	40.95	37.73
Revenue from operation excluding other operating income	**2,621.27**	**2,991.79**

C Reconciliation of revenue recognised with contract price

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue as per contract price	2,624.40	2,994.98
Adjustment for:		
Rebate and liability claim	3.13	3.19
Total Revenue from contract price (excluding operating income)	**2,621.27**	**2,991.79**

D Performance obligation

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

29 Revenue from operations (Contd.)

E Contract balances

The following table provide information about receivable and contract liabilities from contract with customers.

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Receivables, which are included in "trade receivable"	345.07	326.46
Contract liabilities	6.60	8.14

The contract liabilities primary relate to the advance consideration recevied from customers for sales of products, for which revenue is recognised on point of time. The amount of Rs. 8.14 crore included in contract liabilities as at 31st March, 2023 has been recognised as revenue during the year ended 31st March, 2024.

30 Other income

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.06	0.06
- from others *	9.02	9.38
Dividend from preference shares	1.33	-
Profit on sale/discard of property, plant and equipment (net)	2.13	4.52
Foreign currency transactions and translation (net)	1.48	-
Sundry credit balances written back (net)	0.11	1.26
Insurance claims	0.99	0.17
Deferred government grants (refer note 23)	1.06	1.13
Miscellaneous income	8.05	8.20
	24.23	**24.72**

* In current year includes interest received of Rs. 2.04 crore on income tax refunds related to the financial years 2019-2020 and 2022-2023.

31 Cost of materials consumed

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Raw material consumed (refer note-41)	1,341.60	1,685.09
Consumption of dyes and chemicals	90.76	105.21
	1,432.36	**1,790.30**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Closing inventory		
Work-in-progress	100.29	131.03
Finished goods	139.07	293.58
Stock- in- trade	-	0.51
Wastage material	12.69	5.64
Total (A)	**252.05**	**430.76**
Opening inventory		
Work-in-progress	131.03	103.30
Finished goods	293.58	127.18
Stock- in- trade	0.51	1.37
Wastage material	5.64	5.37
Total (B)	**430.76**	**237.22**
Total (B-A)	**178.71**	**(193.54)**

33 Employee benefits expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries and wages	365.80	384.01
Contribution to provident and other funds	39.23	38.58
Staff welfare expenses	4.22	4.72
	409.25	**427.31**

34 Finance costs @

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest expenses #	61.62	54.14
Exchange difference on the principal amount of foreign currency borrowing. *	0.64	1.43
Other borrowing costs	0.89	1.06
	63.15	**56.63**

@ Net of amount capitalized refer note 42 and note 3A

Net of interest subsidies under various schemes amounting Rs. to 2.49 crore (31st March, 2023 Rs. 2.94 crore).

*Exchange differences on the principal amount of the foreign currency borrowings to the extent that they are regarded as an adjustment to borrowing costs have been disclosed as "Finance costs".

35 Depreciation and amortisation expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation on property, plant and equipment (refer note 3A)	114.66	124.80
Amortisation on intangible assets (refer note 4)	0.62	0.56
Depreciation on right-of-use assets (refer note 3C)	0.05	0.05
	115.33	**125.41**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

36 Other expenses

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Processing and job charges	1.48	3.52
Consumption of stores, spares and consumables	97.90	116.62
Power, fuel and water charges	294.55	311.81
Rent	1.46	1.37
Insurance	9.28	9.51
Rates and taxes	0.79	0.65
Repairs and maintenance:		
Buildings	6.07	10.10
Plant and machineries	39.06	44.70
Others	2.89	3.24
Freight and forwarding expenses	78.19	106.01
Selling commission and brokerage	29.55	33.81
Charity and donation ##	0.04	3.04
Foreign currency transactions and translation (net)	-	13.15
Loss allowance for doubtful debts / write off (refer note 45 II (ii))	2.11	2.87
Provision for expected credit loss	0.02	-
Director's commission and fees	0.99	1.05
Travelling expenses	7.77	6.98
Vehicle expenses	7.98	8.25
Corporate social responsibility expenses (refer below note)	2.17	2.08
Miscellaneous expenses #	30.29	34.03
	612.59	**712.79**
# includes auditor's remuneration (net of taxes)		
As auditor:		
Statutory audit fee	0.66	0.56
Other Capacity	0.20	0.18
Re-imbursement of expenses	0.12	0.12
	0.98	**0.86**

31st March, 2024 includes Nil (31st March, 2023 Rs. 2 crore) given to Samaj Electoral Trust Association.

Details of corporate social responsibility expenses

As per Section 135 of Companies Act, 2013, a Company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the Company as per act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the Companies Act, 2013 in pursuant of the CSR policy.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

36 Other expenses (Contd.)

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i) Gross amount required to be spend during the year	2.29	2.08
Less Surplus arising out of the CSR activities of the previous financial years 2021-22, set-off during the year (Approved by BOD)	0.13	-
Net CSR obligation for the year	2.16	2.08
(ii) Amount spent during the year		
(a) Construction/ acquisition of any asset	0.83	0.31
(b) On purpose other than (a) above	1.34	1.77
	2.17	**2.08**

37 Exceptional items

	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Exceptional items	18.96	56.00
	18.96	**56.00**

(a) Due to challenging market conditions in the spinning industry, the Company has decided not to proceed with the greenfield expansion project, which is approved by the Board of Directors (BOD). The land allotted for the project has been surrendered and as per the agreement, surrender fee of 20% of the land premium (Rs. 7.68 crore) has been written off. Additionally, lease rent and other expenses has been written of Rs. 0.77 crore. Total written off of Rs. 8.45 crore have been disclosed as an "Exceptional item". The amount receivable of Rs. 31.21 crore from J&K SIDCO, after deducting the surrender fee is presented under the head "Other current financial assets". The Company is confident that the amount will be recovered in due course.

(b) The Company carried out impairment assessment of its investment in wholly owned subsidiary (including step down subsidiary) in accordance with Ind AS 36 and compared the carrying value of investments with their recoverable amounts. The recoverable amount is determined based on the value in use derived from discounted forecast cash flow model performed by an independent valuer. The carrying amount of the investment in wholly owned subsidiary (including step down subsidiary) is determined to be higher than its recoverable amount and an impairment loss of Rs. 10.51 crore (31.03.2023 Rs. 27.18 crore) is recognised during the year ended 31st March, 2024. (refer note 5)

(c) During the previous year ended 31st March, 2023, the Company discarded Captive Co-Generation Power Plant ('CGPP') having a book value of 35.51 crore, since it was not considered viable to operate. Subsequently, the Company entered into an agreement for selling the CGPP at a valuation of Rs. 15 crore. This resulted in loss on sale/ discard of Rs. 20.51 crore.

(d) In the previous year ended 31st March, 2023, the Company reversed excess interest subsidy claimed in previous years amounting to Rs. 8.31 crore including interest thereon in relation to a case under TUFS (Technology Upgradation Fund Scheme) basis additional disallowances considered by the Ministry of Textiles.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

38 Earning per share

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit for the year	(134.61)	22.84
Weighted average number of equity shares of Rs. 1/- each	16,38,28,620	16,38,28,620
Basic and diluted earning per share (in Rs.)	**(8.22)**	**1.39**

39 Contingent liabilities and commitments

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Contingent liabilities (to the extent not provided for) in respect of:		
1. Claim against the Company not acknowledged as debts:		
Labour matters (including matter in respect of which stay granted by respective Hon'ble High Court), except for which the liability is unascertainable	4.18	4.55
2. Other matters for which the Company is contingently liable:		
a) Demand raised by excise department for various matters	0.07	0.07
b) Demand raised by GST department for various matters	3.39	0.06
c) Demand raised by the income tax authorities	-	0.13
d) Bank Guarantee given to Dakshin Gujarat Vij Company Limited	1.67	1.67
e) Bank Guarantee given to American Silk Mills*	20.00	19.73

* The Company's has issued a stand by letter of credit to its step down subsidiary for obtaining credit facilities for general corporate purposes

3. Liability of customs duty towards export obligation undertaken by the Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to Rs. 7.43 crore (31st March, 2023: Rs. 15.55 crore).

   The Company had imported Capital goods under EPCG and saved the custom duty. As per the EPCG terms and conditions, Company needs to export Rs. 35.13 crore (31st March, 2023: Rs. 98.28 crore) i.e. 6 times (25% of 6 times in case of Jammu & Kashmir) of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the Company does not export goods in prescribed time, then the Company may have to pay interest and penalty thereon.

   Note: (i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above matters, timing of the cash outflows can be determined only on receipt of judgments/ decisions pending with various forums/ authorities.

   Note: (ii) The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required, and disclosures are made for contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position . The Company does not expect any reimbursements in respect of the above contingent liabilities.

4 In the previous year, The Company filed a writ petition with the Honourable High Court of Chhattisgarh against South Eastern Coal Field Limited (SECL) regarding an unfulfilled commitment to procure a minimum quantity of coal. The Honourable High Court directed the matter to be settled. However, in the current year, the Company withdrew the petition seeking resolution of grievances as no relief was granted by the Settlement Committee. Subsequently, the Company filed a fresh writ petition in the High Court against both SECL and Indian Railways

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

39 Contingent liabilities and commitments (Contd.)

5 During the current year, the company has received a notice from Directorate General of Analytics & Risk Management (DGARM) for non-compliance relating to provision of rule 96(10)) of the CGST Rules. Basis of legal opinion obtained, the company is contesting for relief of interest and penalty ,with no anticipated adverse implications on the company.

B. Commitments

	As at 31st March, 2024	As at 31st March, 2023
a) Estimated amount of contracts remaining to be executed on capital account [net of advances] not provided for	24.95	41.54

40 Segment information

A. Description of segments and principal activities

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's internal reporting structure. The Board of Directors has been identified as the chief operating decision maker ('CODM'), since Board of Directors is responsible for all major decision with respect to the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility, etc. The Company's board examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

a) **Yarn:** It comprises of recycle polyester staple fibre, cotton and man made fibres yarn;

b) **Home textiles:** It comprises of home furnishing and fabric processing

The Company's board reviews the results of each segment on a quarterly basis. The Company's board of directors uses segment result to assess the performance of the operating segments.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

40 Segment information (Contd.)

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment's earnings before interest and tax (EBIT) is used to measure the segment's performance because management believes that this information is the most relevant to evaluate the results of the respective segments for comparing it with other entities that operate in the same industries.

Reportable Segments	Yarn		Home textiles		Total	
	For the year ended 31st March, 2024	For the year ended 31st March, 2023	For the year ended 31 March, 2024	For the year ended 31st March, 2023	For the year ended 31 March, 2024	For the year ended 31st March, 2023
External revenues	2,492.60	2,877.73	182.80	164.60	2,675.40	3,042.33
Inter-segment revenue	3.68	3.16	-	-	3.68	3.16
Segment revenue	**2,488.92**	**2,874.57**	**182.80**	**164.60**	**2,671.72**	**3,039.17**
Segment result	(104.92)	204.69	(15.19)	(36.50)	(120.11)	168.19
Finance costs					63.15	56.63
Exceptional items (refer note 37)					18.96	56.00
Unallocated corporate income (net of expenses)					(0.47)	(4.54)
Profit before tax					**(202.69)**	**51.02**
Tax expense					(68.08)	28.18
Profit after tax					**(134.61)**	**22.84**

Other information

	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at 31st March, 2024						
Yarn	1,850.66	-	1,850.66	767.21	-	767.21
Home textiles	222.43	-	222.43	77.14	-	77.14
Unallocated	-	24.03	24.03		276.52	276.52
Total	**2,073.09**	**24.03**	**2,097.12**	**844.35**	**276.52**	**1,120.87**
As at 31st March, 2023						
Yarn	2,137.19	-	2,137.19	709.32	-	709.32
Home textiles	230.94	-	230.94	80.72	-	80.72
Unallocated	-	52.64	52.64	-	507.03	507.03
Total	**2,368.13**	**52.64**	**2,420.77**	**790.04**	**507.03**	**1,297.07**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

40 Segment information (Contd.)

	Capital expenditure	
	Segment capital expenditure	Total capital expenditure
As at 31st March, 2024		
Yarn	51.18	51.18
Home textiles	4.53	4.53
Total	**55.71**	**55.71**
As at 31st March, 2023		
Yarn	135.02	135.02
Home textiles	4.73	4.73
Total	**139.75**	**139.75**

C. Geographic information

The Yarn and Home Textile segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices, primarily, in India. The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

a) Revenues from different geographies

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Domestic	1,588.09	1,763.14
Export *	1,036.86	1,231.81
	2,624.95	**2,994.95**
Other operating income	50.45	47.38
Segment revenue	**2,675.40**	**3,042.33**
* Export		
Turkey	244.79	326.27
Bangladesh	212.79	162.24
USA	49.14	124.35
Hong Kong	55.67	99.24
Singapore	28.03	70.54
Rest of the World	446.44	449.17
	1,036.86	**1,231.81**

b) Non-current assets**

Particulars	As at 31st March, 2024	As at 31st March, 2023
India	1,095.28	1,197.03
Rest of the world	-	-
	1,095.28	**1,197.03**

** Non-current assets exclude investments and tax assets

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

41 During the previous year, the Company has noticed theft in one of the units, for an amount of Rs. 3.85 crore (net). This loss was been charged in the statement of profit and loss under head "cost of material consumed" and netted off from "Inventories" in Balance Sheet. The Company took appropriate steps to address the situation, including filing a FIR with the police and implementing preventive measures to avoid such incidents in future. In the current year, an insurance claim was filed and the survey has been completed and the report is awaited.

42 Borrowing cost

During the year, Company has capitalized borrowing cost amounting to Rs. 1.06 crore (31st March, 2023: Rs. 1.65 crore) under head plant and equipment and building . The capitalisation rate used to determine the amount of borrowing cost for capitalisation purpose is weighted average interest rate to the company i.e. 7.96% (31st March, 2023 6.62%). Details of capitalisation is as below:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Plant and equipment	1.04	1.58
Buildings	0.01	0.07
Others	0.01	-
	1.06	**1.65**

43 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined contribution plans:

The Company makes contributions towards provident fund and superannuation fund to a defined contribution benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of specified employment benefit expenses to the benefit plans.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Contribution to provident fund	25.12	24.50
Contribution to employee's state insurance	5.39	5.36

(ii) Defined benefit plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. Gratuity liability (other than for Baddi units) is being contributed to the gratuity fund formed by the Company and in case of Baddi unit, company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out at 31st March, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

43 Employee benefits (Contd.)

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation:

Particulars	As at and for the year ended 31st March, 2024			As at and for the year ended 31st March, 2023		
	Present value of the obligation	Fair value of the planned Assets	Total	Present value of the obligation	Fair value of the planned Assets	Total
Balance at the beginning of the year	**55.67**	**51.67**	**4.00**	**52.19**	**50.43**	**1.76**
Amount Recognised in profit and loss						
Current service cost	7.43	-	7.43	7.15	-	7.15
Interest cost	4.12	(3.81)	0.31	3.76	(3.63)	0.13
	11.55	**(3.81)**	**7.74**	**10.91**	**(3.63)**	**7.28**
Remeasurement						
Actuarial loss (gain) arising from:						-
- Changes in financial assumptions	1.66	-	1.66	(1.04)	-	(1.04)
- Changes in demographic assumption	-	-	-	(0.36)	-	(0.36)
- Changes in experience adjustment	(5.13)	-	(5.13)	(1.55)	-	(1.55)
Return on plan assets recognised in OCI	-	(1.98)	(1.98)	-	1.43	1.43
Total amount recognised in OCI	**(3.47)**	**(1.98)**	**(5.45)**	**(2.95)**	**1.43**	**(1.52)**
Contributions paid by the employer	-	3.98	-	-	3.53	-
Adjustments for previous year		-	-		-	-
Benefits paid	(5.60)	(5.60)	-	(4.48)	(4.49)	-
Interest income	-	5.78	-	-	2.20	-
Balance at the end of the year	**58.15**	**55.83**	**2.32**	**55.67**	**51.67**	**4.00**

B. Plan assets

For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets:

Particulars	Amounts		% Composition	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
State/ Govt. of India securities	8.80	10.56	16%	20%
Corporation Bonds/ Fixed deposits with Banks	4.00	2.31	7%	4%
Special Deposit Scheme with Bank	3.51	3.51	6%	7%
HDFC Group unit linked plan-Option B	27.72	25.36	50%	50%
Other Investments- UTI Master Shares	4.67	3.72	8%	7%
Life Insurance Corporation Fund	6.43	5.40	12%	10%
Others Refundable net	0.70	0.81	1%	2%
	55.83	**51.67**	**100%**	**100%**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

43 Employee benefits (Contd.)

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate	7.10%	7.40%
Expected rate of future salary increase	6.00%	6.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rates at ages:-		
- Up to 30 years	3%	3%
- From 31 to 44 years	2%	2%
- Above 44 years	1%	1%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Company expects to pay Rs. 9.07 crore (Previous year Rs. 8.70 crore) in contribution to its defined benefit plans in the next year

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points movement)	(2.90)	3.16	(3.12)	3.31
Expected rate of future salary increase (50 basis points movement)	3.17	(2.94)	3.35	(3.24)
Attrition rate	0.09	(0.09)	0.08	(0.08)
Mortality	0.01	(0.01)	0.01	(0.01)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as regards rate of inflation, rate of increase in payment of pensions, rate of increase in payment of pensions before retirement and life expectancy are not applicable being a lump sum benefit payables on retirement. Although, the analysis does not take account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions disclosed above.

E. Maturity profile of defined benefit obligation

Year	As at 31st March, 2024	As at 31st March, 2023
0 to 1 year	6.12	6.25
1 to 2 year	1.84	4.43
2 to 3 year	1.74	2.83
3 to 4 year	3.02	2.33
4 to 5 year	2.53	2.65
5 to 6 year	2.71	2.58
6 year onwards	40.19	34.60

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

43 Employee benefits (Contd.)

F. Description of risk exposures:

Defined benefit plans expose the Company to below actuarial risks :

Changes in bond yields:	Decrease in bond yields will increase plan liabilities, although this will partially be offset by the increase in value of the plan assets.
Life expectancy:	Defined benefit obligations are to provide benefits for the life of the members of the plan, so increase in life expectancy will result in increase in plan's liabilities. This is particularly significant where inflationary increase results in higher sensitivity to the changes in life expectancy.
Asset Volatility	Asset volatility is the risk when assets underperform in comparison to the bond yield, then this create asset deficit.

44 Related parties*

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. C. S. Nopany	Executive Chairman
Mr. U. K. Khaitan	Non-executive Director
Mr. Amit Dalal	Non-executive Director
Mr. Rajan Dalal	Non-executive Director
Mr. Rajiv K.Podar	Non-executive Director
Smt. Sonu Bhasin	Non-executive Director
Mr. Ashok Mittal	Non-executive Director
Mr. Rohit Dhoot	Non-executive Director
Mr. Bipeen Valame	Wholetime Director and Chief Financial Officer (till 10th June, 2022)
Mr. Rajib Mukhopadhyay	Wholetime Director and Chief Financial Officer (wef 11th June, 2022)
Mr. Updeep Singh Chatrath	President and Chief Executive Officer (till 21st July, 2023)
Mr. Suresh Kumar Khandelia	Advisor to Executive Chairman (wef 24th July, 2023)

ii Subsidiaries of the Company

Sutlej Holdings, Inc (wholly owned subsidiary)
American Silk Mills, LLC (step-down subsidiary)

iii Entity in which KMP has significant influence where transactions have taken place during current and previous year

Avadh Sugar and Energy Limited

iv Post employment benefit entity:

Sutlej Textiles and Industries Employee Gratuity Fund

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

44 Related parties* (Contd.)

B. Transactions with the above in the ordinary course of business

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
a) Remuneration to Key Managerial Personnel		
Mr. C S Nopany		
- Short-term employee benefits	3.00	3.00
- Commission	-	1.98
Mr. Updeep Singh Chatrath		
- Short-term employee benefits	1.04	3.52
- Post-employment benefits	0.05	0.04
Mr. Suresh Kumar Khandelia		
- Short-term employee benefits	4.13	-
Mr. Rajib Mukhopadhyay		
- Short-term employee benefits	1.36	1.11
- Post-employment benefits	0.07	0.04
Mr. Bipeen Valame		
- Short-term employee benefits	-	0.25
- post-employment benefits	-	0.05
b) Director sitting fees		
Mr. C S Nopany	0.03	0.03
Mr. U.K. Khaitan	0.04	0.04
Mr. Amit Dalal	0.04	0.06
Mr. Rajan Dalal	0.03	0.04
Mr. Rajiv K. Podar	0.04	0.06
Ms. Sonu Bhasin	0.04	0.04
Mr. Rohit Dhoot	0.04	0.05
Mr. Ashok Mittal	0.03	0.03
c) Director commission		
Mr. U.K. Khaitan	0.10	0.10
Mr. Amit Dalal	0.10	0.10
Mr. Rajan Dalal	0.10	0.10
Mr. Rajiv K. Podar	0.10	0.10
Ms. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr. Ashok Mittal	0.10	0.10
d) Transactions with Avadh Sugar and Energy Ltd		
Reimbursement of expenses	4.35	1.65
e) Transactions with American Silk Mills, LLC		
Sales of goods	2.34	3.64
Consultancy fees	-	0.17
Miscellaneous income	0.21	0.20
Stand by Letter of Credit to American Silk Mills, LLC from ICICI Bank Ltd. (USD 24,00,000)	20.00	19.73
f) Impairment loss on wholly owned subsidiary		
Sutlej Holdings Inc.	10.51	27.18
g) Contribution to Post employment benefit entity		
Sutlej Textiles and Industries Employee Gratuity Fund	3.98	3.53

Notes to the Standalone Financial statements for the year ended 31st March, 2024
(All amounts are in Rupees Crore, unless otherwise stated)

44 Related parties* (Contd.)

C. Balances outstanding

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments		
Sutlej Holdings Inc.(Net of Impairment) (refer note -5)	15.14	25.65
Trade Receivables		
American Silk Mills, LLC	1.10	2.20
Avadh Sugar and Energy Limited	0.00*	-
*The total amount of trade receivables in absolute value is Rs. 28,359, but for reporting purpose rounded up to Rs. 0.0 crore		
Payables		
Mr. C S Nopany :		
Commission	-	1.98
Avadh Sugar and Energy Limited	1.08	0.90
Short-term employee benefits payables		
Mr. Suresh Kumar Khandelia	0.50	-
Mr. Rajib Mukhopadhyay	0.11	-
Post employment benefit payables		
Mr. Updeep Singh Chatrath	-	0.77
Mr. Rajib Mukhopadhyay	0.11	0.04
Director Commission Payables (Including TDS deducted):		
Mr. U.K. Khaitan	0.10	0.10
Mr. Amit Dalal	0.10	0.10
Mr. Rajan Dalal	0.10	0.10
Mr. Rajiv K. Podar	0.10	0.10
Ms. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr. Ashok Mittal	0.10	0.10
Payables		
Sutlej Textiles and Industries Employee Gratuity Fund	1.69	2.80
Letter of Credit		
Stand by Letter of Credit to American Silk Mills, LLC from ICICI Bank Ltd. (USD 24,00,000)**	20.00	19.73

* Transaction with the related parties are on Arm's length price basis

** The letter of credit has been availed for obtaining a working capital loan by step down subsidiary.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
Equity shares of JNSB*	0.00	-	0.00	-
Equity Shares of Sutlej Holdings Inc	-	15.14	-	25.65
Other non-current financial assets	-	14.92	-	14.79
Investments (Preference shares)	-	-	1.24	-
Trade receivables	-	345.07	-	326.46
Cash and cash equivalents	-	2.64	-	3.65
Bank balances other than Cash and cash equivalents	-	2.94	-	2.47
Other current financial assets	0.09	90.91	1.50	57.18
	0.09	**471.62**	**2.74**	**430.20**
Financial liabilities				
Non -Current Borrowings	-	275.41	-	276.44
Lease liabilities	-	0.57	-	0.46
Other non-current financial liabilities	-	6.68	-	7.25
Short terms borrowings	-	548.85	-	654.78
Trade payables	-	150.99	-	139.35
Other current financial liabilities	-	57.32	-	64.71
	-	**1,039.82**	**-**	**1,142.99**

*The total amount of investments in absolute value is Rs. 5,000 (31st March, 2023: Rs. 5,000), for reporting purpose rounded up to Rs. 0.0 Crores.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

There are no transfers made between level 1 and level 2 during the year.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined as per values provided by banks
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and preference shares, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk..

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments – Fair values and risk management (Contd.)

B. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value, and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

	Level 1	Level 2	Level 3	Total
As at 31st March, 2024				
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative Assets	-	0.09	-	0.09
Total	**-**	**0.09**	**0.00**	**0.09**
As at 31st March, 2023				
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Preference shares	-	-	1.24	1.24
Derivative Assets	-	1.50	-	1.50
Total Financial Assets	**-**	**1.50**	**1.24**	**2.74**

*The total amount of investments in absolute value is Rs. 5,000, but for reporting purpose rounded up to Rs. 0.0 crore.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There are no transfers made between level 1 and level 2 during the year

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments – Fair values and risk management (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

	Unlisted equity shares*		Unlisted preference shares	
	31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
Balance at the beginning of the year	0.00	0.00	1.24	1.07
Gain/(losses) recognised in statement of profit or loss	-	-	0.06	0.17
Redemption of Preference shares	-	-	(1.30)	-
Balance at the end of the year	0.00	0.00	-	1.24

*The total amount of investments in absolute value is Rs. 5,000, but for reporting purpose rounded up to Rs. 0.0 crore

Valuation inputs and relationships to fair value

Type of financial instrument	Fair Value as at		Significant unobservable inputs	Probability-weighted range
	31st March, 2024	31st March, 2023		
Unquoted preference shares in M/s Palash Securities Limited **	-	1.24	Non Dividend paying shares, hence, higher discount rate considered as per RBI Guidelines	(31st March, 2023: 16%)
Unquoted equity shares (In equity shares of Co-operative Bank: The Jhalawar Nagrik Sahkari Bank Ltd., Bhawanimandi*)	-	-	-	-

* The total amount of investments in absolute value is Rs. 5,000 (31st March, 2023: Rs. 5000), for reporting purpose rounded up to Rs. 0.0 crore. Sensitivity analysis of unlisted equity shares has been ignored being not material.

** This has been redeemed during the year

Valuation process

The Company involves independent valuer to carry out the valuation of the investments, required for financial reporting purposes, including level 3 fair values. The main level 3 inputs for unlisted preference shares used by the Company are derived and evaluated as follows:

- Risk adjusted discount rates are estimated based on expected cash inflows arising from the instrument and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and 3 fair values are analysed at the end of each reporting year.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments – Fair values and risk management (Contd.)

C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investment in equity shares of Sutlej Holdings Inc	52.83	15.14	52.83	25.65
Other non-current financial assets	14.92	14.92	14.79	14.79
Trade receivables	345.07	345.07	326.46	326.46
Cash and cash equivalents	2.64	2.64	3.65	3.65
Bank balances other than above	2.94	2.94	2.47	2.47
Other current financial assets	90.91	90.91	57.18	57.18
	509.31	**471.62**	**457.38**	**430.20**
Financial liabilities				
Borrowings	275.41	275.41	276.44	276.44
Lease liabilities	0.57	0.57	0.46	0.46
Other non-current financial liabilities	6.68	6.68	7.25	7.25
Short term borrowings	548.85	548.85	654.78	654.78
Trade payables	150.99	150.99	139.35	139.35
Other current financial liabilities	57.32	57.32	64.71	64.71
	1,039.82	**1,039.82**	**1,142.99**	**1,142.99**

Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of Rs. 5.58 crore at 31st March, 2024 (31st March, 2023: Rs. 6.12 crore). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties, which are rated A1+ , based on India ratings. Impairment on cash and cash equivalents and other bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. There is no impairment allowance at 31st March, 2024 and 31st March, 2023.

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated A1+, based on India ratings

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk and
- Market risk

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments - Fair values and risk management (Contd.)

i. Risk management framework

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 processes to ensure that executive management controls risks through the mechanism of properly defined risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company's management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if such information is available, and in some cases bank references. Credit limits are established for each customer and reviewed quarterly. Any credit exceeding those limits require approval from the Chief financial officer of the Company.

To monitor customer credit risk, customers are reviewed in terms of their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

During the year, the Company has made write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal options for recovery of dues wherever necessary based on its internal assessment

Reconciliation of loss allowance provision – Trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	(4.79)	(1.92)
Less :Provision for doubtful debts written back	-	-
Add: Allowance for credit impaired	(2.11)	(2.87)
Bad debts	-	-
Balance at the end of the year	**(6.90)**	**(4.79)**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments - Fair values and risk management (Contd.)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when liabilities are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of fund through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary at units level to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The Company have access to the following undrawn borrowing facilities as at reporting date:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Floating rate		
Expiring within one year (credit limit and other facilities)	59.69	63.50
Expiring within one year (term loans)	140.00	6.40
	199.69	**69.90**

The credit limit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rupees and have an average maturity of 3 Years 0 Months as at 31st March, 2024 (31st March, 2023 - 2 years and 8 months).

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments - Fair values and risk management (Contd.)

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Partculars	Carrying Amounts	Contractual cash flows			
		Total	Less than 12 months	1–5 years	More than 5 years
As at 31st March, 2024					
Non-derivative financial liabilities					
Borrowings	275.41	275.41	-	262.08	13.33
Lease liabilities	0.57	0.57	-	0.06	0.51
Other non-current financial liabilities	6.68	6.68	-	0.03	6.65
Short term borrowings	548.85	548.85	548.85	-	-
Trade payables	150.99	150.99	150.99	-	-
Other current financial liabilities	57.32	57.32	57.32	-	-
Total financial liabilities	**1,039.82**	**1,039.82**	**757.16**	**262.17**	**20.49**
As at 31st March, 2023					
Non-derivative financial liabilities					
Borrowings	276.44	276.44	-	240.70	35.74
Lease liabilities	0.46	0.46	-	0.14	0.32
Other non-current financial liabilities	7.25	7.25	-	1.00	6.25
Short term borrowings	654.78	654.78	654.78	-	-
Trade payables	139.35	139.35	139.35	-	-
Other current financial liabilities	64.71	64.71	64.71	-	-
Total financial liabilities	**1,142.99**	**1,142.99**	**858.84**	**241.84**	**42.31**

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives such as forward contracts to manage market risks on account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out as per guidelines of the Management.

a. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD , EUR, CHF, JPY and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (Rupees). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rupees cash flows of highly

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments - Fair values and risk management (Contd.)

probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Company also consults external experts for their views on the currency rates in volatile foreign exchange markets.

Currency risks related to payables and receivables denominated in foreign currencies have been partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates whenever, necessary, to address short-term imbalances.

(i) Exposure to currency risk

The quantitative data about the Company's exposure to currency risk as reported by the management of the Company is as follows

Particulars	USD	EUR	GBP	CHF	JPY
31st March, 2024					
Financial assets/ liabilities			-	-	-
Trade receivables	3.09	-	0.00	-	-
Advances to suppliers	0.00	0.00	-	0.00	-
Foreign currency working capital borrowings	(2.53)	-	-	-	-
Trade payables	(0.08)	(0.00)	-	-	-
Contract liabilities	(0.05)	-	-	-	-
Net statement of financial position exposure	**0.43**	**(0.00)**	**0.00**	**0.00**	**-**
31st March, 2023					
Financial assets/liabilities					
Trade receivables	2.83	-	-	-	-
Advances to suppliers	0.00	0.00	-	-	-
Foreign currency working capital borrowings	(1.22)	-	-	-	-
Trade Payables	(0.09)	(0.01)	-	(0.07)	(0.04)
Contract liabilities	(0.07)	-	-	-	-
Net statement of financial position exposure	**1.45**	**(0.01)**	**-**	**(0.07)**	**(0.04)**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments - Fair values and risk management (Contd.)

(ii) Unhedged foreign currency exposure

Particulars	USD	EUR	GBP	CHF	JPY
Net statement of financial position exposure					
31st March, 2024					
Financial assets/ liabilities					
Trade receivables	-	-	-	-	-
Advances to suppliers	0.00	0.00	-	0.00	-
Foreign currency working capital borrowings	(2.53)	-	-	-	-
Trade payables	(0.08)	(0.00)	-	-	-
Contract liabilities	(0.05)	-	-	-	-
Net statement of financial position exposure	**(2.66)**	**(0.00)**	**-**	**0.00**	**-**
31st March, 2023					
Financial assets/ liabilities					
Trade receivables	-	-	-	-	-
Advances to suppliers	0.00	0.00	-	-	-
Foreign currency working capital borrowings	(1.22)	-	-	-	-
Trade payables	(0.09)	(0.01)	-	(0.07)	(0.04)
Contract liabilities	(0.07)	-	-	-	-
Net statement of financial position exposure	**(1.37)**	**(0.01)**	**-**	**(0.07)**	**(0.04)**

Note -The total amount in absolute value is less than 100,000, but for reporting purpose rounded up to Rs. 0.0 crore

(iii) Derivative instruments

Particulars	As at 31st March, 2024			As at 31st March, 2023		
	USD	EUR	GBP	USD	EUR	GBP
Forward Contract for export trade receivables outstanding	2.45	-	-	3.95	-	-

The following significant exchange rates have been applied.

	Average Rates		Year end spot rates	
	31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
USD 1	82.85	80.59	82.92	82.11
EURO 1	89.82	83.99	89.98	89.52
GBP 1	104.03	95.23	105.02	101.77
CHF 1	93.46	97.25	94.44	89.84
JPY 1	0.57	0.62	0.55	0.62

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments - Fair values and risk management (Contd.)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rupees (Rs.) against foreign currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss*		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2024				
USD (10% movement)	0.04	(0.04)	0.03	(0.03)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	0.00	(0.00)	-	-
CHF (10% movement)	0.00	(0.00)	-	-
JPY (10% movement)	-	-	-	-
31st March, 2023				
USD (10% movement)	0.15	(0.15)	0.09	(0.09)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	-	-	-	-
CHF (10% movement)	(0.01)	0.01	-	-
JPY (10% movement)	(0.00)	0.00	-	-

Note : Amount 0.00 represents rounded off amount in Crores which are less than Rs. 1,00,000 in absolute value terms.

b. Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. During financial year 2023-24 and financial year 2022-23, the Company's borrowings at variable rates were denominated in Rupees.

Currently, the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Nominal Amount	
	As at 31st March, 2024	As at 31st March, 2023
Fixed-rate instruments		
Financial assets	-	-
Fixed deposits with banks	2.37	1.71
Financial liabilities	-	-
	2.37	**1.71**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	824.26	931.22
	824.26	**931.22**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Financial instruments - Fair values and risk management (Contd.)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
31st March, 2024				
Variable-rate instruments	(4.12)	4.12	(2.68)	2.68
Cash flow sensitivity	(4.12)	4.12	(2.68)	2.68
31st March, 2023				
Variable-rate instruments	(4.66)	4.66	(3.03)	3.03
Cash flow sensitivity	(4.66)	4.66	(3.03)	3.03

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, a change in interest rates at the reporting date would not affect profit or loss.

c. **Commodity price risks**

The Company is exposed to the risk of price fluctuations of raw materials, dyes and chemicals, work-in-progress and finished goods. The Company manages its commodity price risk by maintaining adequate inventory of raw materials, dyes and chemicals, work-in-progress and finished goods considering anticipated movement in prices. To counter raw materials price fluctuation risk, the Company works with varieties of fibers (natural and manmade) with the objective to moderate raw material cost, enhance application flexibility and increase product functionality and also invests in product development and innovation.

Inventory sensitivity analysis (raw material and dyes and chemicals)

A reasonably possible change of 10% in prices of inventory at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Inventories (raw materials, dyes and chemicals, work-in-progress and finished goods)	Profit or loss		Equity, net of tax	
	10 % increase	10 % decrease	10 % increase	10 % decrease
31st March, 2024	46.61	(46.61)	30.32	(30.32)
31st March, 2023	70.57	(70.57)	45.91	(45.91)

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

46 Lease liabilities

The Company has leasehold land.

The following is the movement in lease liabilities during the year ended 31st March, 2024:

Lease Liabilities	31st March, 2024	31st March, 2023
Opening balance /Transition balance	**0.46**	**0.46**
Addition*	44.38	-
Interest expenses	0.05	0.04
Derecognisation*	(44.27)	-
Payment	(0.05)	(0.04)
Closing Balance	**0.57**	**0.46**

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2024 on an undiscounted basis:

Maturity analysis – contractual undiscounted cash flows

Particulars	31st March, 2024	31st March, 2023
Less than one year	0.05	0.04
After one year but not longer than five years	0.26	0.22
More than five years	2.51	2.72
Total	2.82	2.98

Lease liabilities included in the statement of financial position at 31st March, 2024

Particulars	31st March, 2024	31st March, 2023
Current	-	-
Non-current	0.57	0.46
Total	**0.57**	**0.46**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

*During the year, the Company created lease liablity amounting to Rs. 44.27 crore for leasehold land acquired for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the leasehold land allocated for the project has been surrendered, leading to the written of the aforementioned liablity. (refer note no. 37 (a))

47

In respect of Okara Mills, Pakistan, (which remained with the Company as a result of transfer of textiles division of Sutlej Industries Limited with the Company) no returns have been received after 31st March, 1965. Against net assets, amounting to Rs. 2.32 crore of Okara Mills, Pakistan, the demerged /transferor Company received adhoc compensation of Rs. 0.25 crore from Government of India in the year 1972-73. These assets now vest with the Custodian of Enemy Property, Pakistan for which claim has been filed with the Custodian of Enemy Property in India. The Company shall continue to pursue its claim for compensation/ restoration of assets. Hence, further compensation, if any received, will be recorded in the year of receipt. In the financial year 2003-04, net assets of Rs. 2.07 crore (net of compensation received) as at 31st March, 1965 were valued at pre-devaluation exchange rate, has been provided for.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

48 Disclosure u/s 186(4) of the Companies Act, 2013 :

a) Particulars of Investments made:-

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
1	**Investment in 8.5% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) fully paid in M/s Palash Securities Limited (Refer Note no. 10)**		
	Fair value gain recognised during the year	0.06	0.17
	Redeemed during the year	(1.30)	-
	Balance outstanding as at reporting date	-	1.24
2	**Investment in Equity shares of Sutlej Holdings Inc. (wholly owned subsidiary) (Refer Note no. 5 B)**		
	Investment impaired during the year	10.51	27.18
	Balance outstanding as at reporting date	15.14	25.65
3	**Bank Guarantee given to American Silk Mills (Refer Note no. 39 A 2(e))**		
	Bank Guarantee given during the year	-	19.73
	Bank Guarantee renewed during the year	20.00	-
	Balance outstanding as at reporting date	20.00	19.73

49 Capital management

The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility. The Board of directors regularly review the Company's capital structure in light of the economic conditions, business strategies and future commitments. For the purpose of the Company's capital management, capital includes issued share capital and all other equity reserves. Debt includes short term and long term borrowings. During the financial year ended 31st March, 2024, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

(i) Debt equity ratio:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net debt*	818.68	925.10
Total debt (A)	**818.68**	**925.10**
Equity share capital	16.38	16.38
Other equity	959.87	1,107.32
Total equity (B)	**976.25**	**1,123.70**
Debt equity ratio (C=A/B)	**0.84**	**0.82**

*The Company includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

49 Capital management (Contd.)

(ii) Return on equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
Profit for the year	(134.61)	22.84
Equity share capital	16.38	16.38
Other equity	959.87	1,107.32
Total equity	**976.25**	**1,123.70**
Return on equity ratio (%)	**-13.79%**	**2.03%**

(iii) The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 7.96 % (31st March, 2023: 6.62%).

50 At each reporting date, the Company evaluate whether there is objective evidence that the property, plant and machinery of the Cash generating unit "CGU" is impaired in terms of IND AS – 36 "Impairment of Assets". If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognized in the standalone financial statement of the Company.

Due to rising input expenses, competitive pressures, and challenging market conditions, particularly in the upholstery and curtains segment, the Damanganga unit (""CGU"") has experienced significant losses over recent years. However, in the current year, the unit managed to achieve positive EBITDA through the implementation of cost-effective measures and a favourable shift in the market dynamics of the upholstery and curtains sector. Despite this improvement, the unit still incurred a cash loss primarily attributable to elevated interest expenses resulting from debt taken against previous cash losses and an increase in repo rates. Consequently, the Company conducted an impairment assessment of the aforementioned CGU utilizing the fair value less cost to sell model. This model relies on the replacement value of plant and machinery, as well as the market value of land and building assets. The fair valuation process incorporates various assumptions reflecting prevailing market conditions. Additionally, the Company engaged an independent valuer to conduct a thorough assessment of the fair value of the property, plant, and equipment associated with the CGU.

Some of the key assumptions used by the Valuer for determining the fair value for significant assets are as follows:

(a) Land Valuation :

(i) Transacted / quoted values for similar properties sold in the subject micro-market;

(ii) Adjustment of achievable transaction value based on site specific physical parameters such as location, accessibility, size, zoning, physical attributes, profile of surrounding developments, etc.

(b) Building Valuation:

The value of the built up structure on the subject property has been assessed by the 'Depreciated Replacement Cost' method, where the current replacement cost of the structure (given the current condition of the property) has been evaluated after giving due regards to physical parameters such as construction, specifications, completion status of the building, renovations carried out in the structures and the same has been depreciated based on parameters such as age, remaining useful life, etc. of the structure.

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

50 (Contd.)

(c) Plant and Machinery and other Equipment's valuation

Total economic life for machineries under various categories have been considered on the basis of regulations prescribed under Schedule II of Indian Companies Act, 2013. Further, a salvage value of 2-5% on the replacement cost, as of date of assessment, of plant and machinery and other equipment has been considered. Quotes for similar or Identical machineries from the same or other manufacturer/ suppliers that are available in the market is also considered. In addition, other applicable direct & indirect cost prevalent in the current market conditions has been factored to arrive at the current Replacement Cost New (RCN) for the machineries at the site. Further, indexing method has also been used to assess RCN for a few machineries.

In addition to the above, in perspective and considering the prevailing trends, a marketing and transaction cost in the range of 5-10% has been considered for the subject assets while assessing the fair value.

Technological obsolescence to an extent of 5-10% has considered for the machineries installed during the period 1999 -2015 . Further, functional obsolescence to the extent of 10-15% has also considered.

Based on all the above factors, as per the final report issued by the Valuer, the fair value of the CGU is higher than its carrying value and hence the Company has concluded that no impairment provision needs to be recorded in the financial statements.

51 Regulatory informations :

(i) The Company does not have any benami property where any proceedings have been initiated or pending against the Company for holding such benami property.

(ii) The Company does not have any transactions with companies that have been struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(v) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(vi) During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(ix) The Company does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

51 Regulatory informations : (Contd.)

(x) The Company(as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has two Core Investment Company ("CIC") as part of the Company i.e. Ganges Securities Limited and New India Retailing & Investment Ltd (unregistered CIC).

(xi) The Company has compiled with the number of layers prescribed under the Companies Act, 2013.

(xii) The Company has not declared wilful defaulter by any bank or financial institution or Government or any Government Authority.

52 The Ministry of Corporate Affairs introduced Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, which requires the Company to have a feature of recording audit trail (edit log) facility for its accounting softwares used for maintaining its books of account and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. However, the Company has noticed below shortfall in meeting these requirements: (i) In case of software used for maintaining the books of account relating to payroll of the Company for workers, The Company has activated the audit trail feature in the above-referred software but there is a system limitation to validate the configuration for recording audit trail (edit log) facility at both application and database levels. To overcome this situation, the Company is in the process of upgrading the payroll software. (ii) In case of software used for maintaining the books of account relating to payroll of the Company for staff, the Company uses third party service provider software for payroll processing. In the absence of the Service Organization Controls Report (SOC Report) for the whole year, the Company is unable to verify the functionality of the audit trail feature in this software. However, the software provider has assured that they will provide the SOC report by June 2024, ensuring compliance with the requirements outlined in Rule 11(g) of the Companies (Audit and Auditors) Rules.

53 Ratio Analysis and its elements

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(i)	**Debt equity ratio:**		
	Net debt*	818.68	925.10
	Total debt (A)	**818.68**	**925.10**
	Equity share capital	16.38	16.38
	Other equity	959.87	1,107.32
	Total equity (B)	**976.25**	**1,123.70**
	Debt equity ratio (C=A/B)	**0.84**	**0.82**

*The Company includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(ii)	**Return on equity**		
	Profit for the year	(134.61)	22.84
	Equity share capital	16.38	16.38
	Other equity	959.87	1,107.32
	Total equity	**976.25**	**1,123.70**
	Return on equity ratio (%)	-13.79%	2.03%
	Reason for variance - Variance in ratio is due to lower profitability in current year.		

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

53 Ratio Analysis and its elements (Contd.)

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(iii)	**Current ratio**		
	Current assets (A)	983.65	1,177.79
	Current liabilities (B)	789.44	896.04
	Current ratio (C=A/B)	**1.25**	**1.31**

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(iv)	**Inventory turnover**		
	Inventories	497.33	733.81
	Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods	1,679.36	1,634.73
	Inventory turnover (days)	**108**	**164**
	Inventory turnover ratio	**3.38**	**2.23**
	Reason for variance - Variance in ratio is due to lower inventory level as at 31st March, 2024		

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(v)	**Trade receivable turnover ratio**		
	Trade receivable	345.07	326.46
	Revenue from operations	2,671.72	3,039.17
	Export Incentive	50.45	47.38
	Trade receivable Turnover (days)	**48**	**40**
	Trade receivable turnover ratio	**7.60**	**9.16**
	Reason for variance - Variance in ratio is due to decrease in sales and increase in trade receivable as at 31st March, 2024.		

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(vi)	**Net profit ratio**		
	Profit for the year	(134.61)	22.84
	Revenue from Operations	2,671.72	3,039.17
	Net profit ratio	**-5.04%**	**0.75%**
	Reason for variance - Variance in ratio is due to lower profitability in current year.		

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

53 Ratio Analysis and its elements (Contd.)

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(vii)	**Return (PBIDT) to Capital Employed**		
	Profit before finance cost, depreciation and tax expenses (PBIDT) (before exceptional item) (A)	(5.25)	289.06
	Equity Share Capital	16.38	16.38
	Reserves and Surplus	959.87	1,107.32
	Long Term Borrowing	275.41	276.44
	Short Term Borrowing	452.89	536.50
	Current maturities of long-term debts	95.96	118.28
	Capital Employed (B)	**1,800.51**	**2,054.92**
	Return (PBIDT) to Capital Employed % (C=A/B)	**-0.29%**	**14.07%**
	Reason for variance - Variance in ratio is due to lower profitability in current year.		

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(viii)	**Debt Service Coverage Ratio**		
	Profit for the year (before exceptional item)	(115.65)	78.84
	Finance costs	63.15	56.63
	Depreciation and amortization expense	115.33	125.41
	Deferred tax	(68.81)	13.61
	Earning for debt service (A)	**(5.98)**	**274.49**
	Interest + Instalments due in respective year (B)	**159.11**	**181.47**
	Debt Service Coverage ratio (C=A/B)	**(0.04)**	**1.51**
	Reason for variance - Variance in ratio is due to lower operating profit during the year.		

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(ix)	**Trade payables turnover ratio (in times)**		
	Cost of materials consumed	1,432.36	1,790.30
	Purchase of stock-in-trade	68.29	37.97
	Add: Closing stock	245.28	303.05
	Less: Opening stock	(303.05)	(359.23)
	Other expenses	612.59	712.79
	Total (A)	2,055.47	2,484.88
	Average trade payables (B)	145.17	145.00
	Trade payables turnover ratio (C=A/B)	**14.16**	**17.14**

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

53 Ratio Analysis and its elements (Contd.)

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(x)	**Net Capital Turnover Ratios**		
	Revenue from operations	2,671.72	3,039.17
	Total equity	976.25	1,123.70
	Net Capital Turnover Ratio	**2.74**	**2.70**

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(xi)	**Return on Investment**		
	Income generated from investments	1.39	0.06
	Total Investments (refer note nos. 5,10 and 13) (after impairment loss)	17.51	28.60
	Return on Investment	**7.94%**	**0.21%**
	Reason for variance - Impairment loss recognised on investment leads to lower value of total investment and the Company has earned dividend income on redemption of preference share.		

Additional Regulatory Information

Ratio	Numerator	Denominator
Debt equity ratio	Debt consists of borrowings net of Cash and cash equivalents and Banks balances	Total equity
Return on equity	Profit for the year	Total equity
Current ratio	Total current assets	Total current liabilities
Inventory turnover	Inventories	Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods
Trade receivable turnover ratio	Revenue from operations less export incentive	Total Trade receivable
Net profit ratio	Profit for the year	Revenue from operations
Return (PBIDT) to Capital Employed	Profit before finance cost, depreciation and tax expenses	Capital employed = Net worth + Borrowings
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest payments + Principal repayments
Trade payables turnover ratio (in times)	Cost of materials consumed + Purchase of stock-in-trade + Closing stock + Other expenses-Opening stock	Average trade payables
Net Capital Turnover Ratios	Revenue from operations	Total equity
Return on Investment	Income generate from investments	Total Investments

Notes to the Standalone Financial statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

Signatures to Notes 1 to 53

The notes referred to above form an integral part of these standalone financial statements

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Rajiv Goyal
Partner
Membership No. -094549
Place: Jaipur
Date: 9th May, 2024

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 9th May, 2024

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 9th May, 2024

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 9th May, 2024

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 9th May, 2024

Independent Auditor's Report

To the Members of
Sutlej Textiles and Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sutlej Textiles and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (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 report of the other auditor on separate financial statements information of such subsidiaries as were audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the 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.

The key audit matter	How the matter was addressed in our audit
Impairment of Damanganga - a cash generating unit ('CGU'). See notes 2.10 and 52 to consolidated financial statements The Damanganga cash generating unit (which includes property, plant and equipment with a carrying value of Rs. 124.31 crore as on 31st March, 2024) is incurring losses due to increased input costs, competitive pressure and unfavorable market conditions. There is a risk that the carrying value of CGU is higher than the recoverable value, thereby triggering impairment. The assessment process of impairment is complex as it involves significant judgement in estimating the recoverable value. The recoverable amount has been determined based on fair value less costs to sell model using work of independent valuer. This valuation model involves use of several unobservable inputs such as prevailing market rate and replacement cost. Given the significant level of judgement involved in making the above estimates and the quantitative significance of the CGU, we have determined this to be a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: – Assessed the appropriateness of accounting policy for impairment as per relevant accounting standard; – Evaluated the design and implementation of key internal financial controls with respect to the assessment of impairment of Damanganga CGU including determination of recoverable value and tested the operating effectiveness of such controls; – Evaluated the objectivity, independence and competence of the valuation specialist engaged by the Holding Company. – Discussed changes in key assumptions as compared to previous year with the management in order to evaluate whether the inputs and assumptions used in the valuation models by management's valuer are reasonable, including considerations due to current economic and market conditions; – Performed sensitivity analysis of the key assumptions used to determine the changes to such key assumptions, both individually and in aggregate, which would change the outcome of impairment assessment; – Compared the recoverable amount of the cash generating unit to the carrying amount to determine impairment loss, if any; and – Assessed the adequacy of the disclosures relating to impairment of CGU.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and report the fact.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors 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 companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities 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 skepticism 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 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 with reference to financial statements 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Group 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 statements of such entities or business activities within the Group 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 auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph of the section titled "Other Matter" in this audit report.

We communicate with those charged with governance of the Holding Company and such 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 Matter

We did not audit the financial statements of wholly owned subsidiary and its step-down subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 86.77 crore as at 31st March, 2024, total revenues including other income (before consolidation adjustments) of Rs. 35.07 crore and net cash outflows (before consolidation adjustments) amounting to Rs. 5.52 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has 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 these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditor.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their country and which has been audited by other auditor under generally accepted auditing standards applicable in their country. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

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 report that there are no unfavourable answers or qualifications or adverse remarks included in the CARO report in respect of the standalone financial statements of the Holding Company which is included in these consolidated financial statements.

   According to the information and explanations given to us and based on our examination, CARO 2020 is not applicable to subsidiary and its step down subsidiary company hence this report does not contain statement on the matter specified in clause 3(xxi) of CARO 2020 in relation to these companies

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of

such subsidiaries, as was audited by other auditor, as noted in the "Other Matter" paragraph, 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 report/ reports of the other auditor(s) except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 01st April, 2024 taken on record by the Board of Directorsof the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. 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 auditor on separate financial statements of the subsidiaries, as noted in the "Other Matter" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2024 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2024.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2024.

d (i) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 53 (vi) to the consolidated financial statements, 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 Holding 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 53 (vii) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Holding Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

i. In respect of the Holding Company, for an accounting software used for maintaining the books of account relating to workers payroll, due to system limitation to validate configuration of the feature of recording audit trail (edit log) facility of the said software at application and database level, we are unable to comment (a) whether audit trail feature of the said software was enabled and (b) whether it operated throughout the year for all relevant transactions recorded in the software.

ii. In respect of the Holding Company, in the absence of an independent auditor's report in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to staff payroll, which is operated by a third-party software service provider, we are unable to comment (a) whether audit trail feature of the said software was enabled and (b) whether it operated throughout the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with.

C. In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN:24094549BKBSSO5308

Place: Jaipur
Date: 9th May, 2024

Annexure A to the Independent Auditor's Report on the consolidated financial statements of Sutlej Textiles and Industries Limited for the year ended 31st March, 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Sutlej Textiles and Industries Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March, 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. 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 Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements..

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN:24094549BKBSSO5308

Place: Jaipur
Date: 9th May, 2024

Consolidated Balance Sheet as at 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

CIN No.: L17124RJ2005PLC020927

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,049.48	1,106.31
Capital work-in-progress	3B	7.69	8.60
Right-of-use assets	3C	5.45	5.33
Intangible assets	4	2.31	2.73
Financial assets			
(i) Investments	5	-	-
(ii) Other financial assets	6	15.05	14.91
Others tax assets (net)	7	3.05	20.30
Other assets	8	18.01	62.07
Total non-current assets		**1,101.04**	**1,220.25**
Current assets			
Inventories	9	517.78	756.62
Financial assets			
(i) Investments	10	-	1.24
(ii) Trade receivables	11	344.26	324.72
(iii) Cash and cash equivalents	12	2.88	9.41
(iv) Bank balances other than (iii) above	13	2.94	2.47
(v) Other financial assets	14	94.86	64.62
Other assets	15	37.36	41.65
Assets classified as held for sale	16	7.78	11.31
Total current assets		**1,007.86**	**1,212.04**
Total assets		**2,108.90**	**2,432.29**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	16.38	16.38
Other equity	18	944.72	1,093.02
Total equity		**961.10**	**1,109.40**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	275.41	276.44
(ii) Lease liabilities	20	1.22	1.26
(iii) Other financial liabilities	21	6.68	7.25
Provisions	22	12.87	12.70
Deferred tax liabilities (net)	23A	33.02	99.90
Other liabilities	24	2.88	4.26
Total non-current liabilities		**332.08**	**401.81**
Current liabilities			
Financial liabilities			
(i) Borrowings	25	568.83	674.49
(ii) Lease liabilities	20	1.01	0.62
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and;	26	15.23	14.08
(b) Total outstanding dues of creditors other than micro and small enterprises		140.69	129.50
(iv) Other financial liabilities	27	57.37	64.78
Other liabilities	28	19.34	22.20
Provisions	29	13.24	15.41
Tax liabilities (net)	30	0.01	-
Total current liabilities		**815.72**	**921.08**
Total liabilities		**1,147.80**	**1,322.89**
Total equity and liabilities		**2,108.90**	**2,432.29**
Material accounting policy	2		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Rajiv Goyal
Partner
Membership No. 094549
Place: Jaipur
Date: 9th May, 2024

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 9th May, 2024

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 9th May, 2024

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 9th May, 2024

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 9th May, 2024

Consolidated Statement of Profit and Loss for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue			
Revenue from operations	31	2,703.20	3,074.23
Other income	32	24.02	26.23
Total income		**2,727.22**	**3,100.46**
Expenses			
Cost of materials consumed	33	1,440.42	1,801.76
Purchase of stock-in-trade		83.40	56.29
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	181.08	(199.84)
Employee benefits expense	35	416.58	436.26
Finance costs	36	65.03	57.92
Depreciation and amortisation expense	37	117.04	126.88
Other expenses	38	618.85	719.87
Total expenses		**2,922.40**	**2,999.14**
Profit before exceptional items and tax		**(195.18)**	**101.32**
Exceptional items	39	8.45	36.38
Profit before tax		**(203.63)**	**64.94**
Tax expense:	23B		
Current tax		0.01	14.31
Tax related to earlier years		0.71	0.23
Deferred tax		(68.79)	13.12
Tax expenses		**(68.07)**	**27.66**
Profit/(loss) for the year		**(135.56)**	**37.28**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	23C	5.45	1.52
Income Tax relating to remeasurement of defined benefit plans		(1.91)	(0.53)
Items that will be reclassified subsequently to profit and loss			
Exchange differences on translation of operations into reporting currency		0.10	1.47
Total other comprehensive income for the year net of tax		**3.64**	**2.46**
Total comprehensive income/(loss) for the year		**(131.92)**	**39.74**
Earnings per equity share of face value of Rs. 1 each	40		
Basic and diluted (in Rs.)		(8.27)	2.28
Material accounting policy	2		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Rajiv Goyal
Partner
Membership No. 094549
Place: Jaipur
Date: 9th May, 2024

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 9th May, 2024

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 9th May, 2024

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 9th May, 2024

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 9th May, 2024

Consolidated Statement of Cash Flows for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A. Cash flow from operating activities		
Profit before tax	(203.63)	64.94
Adjustments for :-		
Depreciation and amortisation expense	117.04	126.88
Profit on sale/discard of property, plant and equipment (net)	(2.13)	(4.52)
Finance costs (net of interest subsidies)	65.03	57.92
Dividend from preference shares	(1.33)	-
Interest income	(9.08)	(9.44)
Deferred government grants	(1.06)	(1.12)
Net fair value gain on financial assets measured at FVTPL	(0.06)	(0.17)
Bad Debts/Loss allowance for doubtful debts	2.70	3.01
Provision for expected credit loss	0.02	-
Unrealised (gain)/loss on foreign currency fluctuations (net)	(1.42)	3.34
Fair value (gains)/loss on derivatives	1.41	(0.36)
Impairment of Goodwill	-	7.56
Expenses on surrender of leasehold land (refer note 39)	8.45	-
Loss on discarded/sale of Captive Co-Generation Power Plant	-	20.51
Sundry credit balances written back (net)	(0.11)	(1.26)
Operating profit before working capital adjustments	**(24.17)**	**267.29**
Decrease/(increase) in inventories	238.84	(147.18)
(Increase)/decrease in trade receivables	(21.07)	110.82
(Increase)/decrease in other financial assets	(0.57)	18.15
Decrease/(increase) in other assets	3.03	(6.19)
Increase/(decrease) in trade payables	12.53	(11.37)
(Decrease) in other financial liabilities	(5.73)	(5.02)
Increase in provisions	3.55	5.36
(Decrease) in other liabilities	(1.07)	(1.89)
Cash generated from operations	**205.34**	**229.97**
Income tax paid (net of refund)	16.54	(34.10)
Net cash from operating activities	**221.88**	**195.87**
B. Cash flow from investing activities		
Redemption of short term deposits	0.38	0.13
Investment in deposits with banks	(0.85)	-
Interest received	9.07	9.38
Purchase of right-of-use of assets	-	(2.60)
Dividend received from preference shares	1.33	-
Proceeds from redemption of preference shares	1.30	-
Purchase of property, plant and equipment	(55.70)	(139.74)
Proceeds from sale of property, plant & equipment #	6.22	15.19
Net cash used in investing activities	**(38.25)**	**(117.64)**
C. Cash flow from financing activities		
Repayment of long term borrowings	(119.75)	(127.57)
Proceeds from term loan	96.40	44.30
Net proceeds /(repayment) of short term borrowings	(83.19)	92.55
Finance costs (net of interest subsidies)	(65.92)	(57.79)
Repayment of lease liabilities	(1.32)	(1.76)

Consolidated Statement of Cash Flows for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particular	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Dividend paid	(16.38)	(30.31)
Net cash used in financing activities	**(190.16)**	**(80.58)**
Net increase/(decrease) in cash and cash equivalents	**(6.53)**	**(2.35)**
Cash and cash equivalents at the beginning of the year *	9.41	11.76
Cash and cash equivalents at the end of the year *	2.88	9.41
	(6.53)	**(2.35)**

Notes:

1 The Cash flow statement has been prepared in accordance with 'Indirect Method' as set out in Ind AS-7- 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

2 Changes in liabilities arising from financing activities

Particular	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening balance of borrowings		
Term loan (including current maturities)	394.72	477.99
Current borrowings	556.21	464.12
Cash flows**		
Repayment of term loan	(119.75)	(127.57)
Proceeds from term loan	96.40	44.30
Change in current borrowings (net)	(83.34)	92.09
Closing balance of borrowings		
Term loan (including current maturities)	**371.37**	**394.72**
Current borrowings	**472.87**	**556.21**

* Refer note no. 12 for details.

**Including impact of foreign exchange

* Cash and cash equivalent include bank overdraft that are repayable on demand and form an integral part of the Group cash management.

includes advance received against assets held for sales of Rs. 3.14 crore (31st March, 2023 Rs. 4.93 crore).

Material accounting policy (refer note no. 2)
The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Rajiv Goyal
Partner
Membership No. 094549
Place: Jaipur
Date: 9th May, 2024

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
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Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 9th May, 2024

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 9th May, 2024

Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

CIN No: L17124RJ2005PLC020927

(a) Equity share capital

	For the year ended 31st March, 2024		For the year ended 31st March, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	16,38,28,620	16.38	16,38,28,620	16.38
Change in equity share capital during the year	-	-	-	-
Balance at the end of the year	**16,38,28,620**	**16.38**	**16,38,28,620**	**16.38**

(b) Other equity

	Reserves and surplus				Total
			Other comprehensive income		
	General reserve	Retained earnings	Remeasu-rement of defined benefit plans (net of tax)	Exchange differences on translation of operations into reporting currency	
Balance as at 31st March, 2022	206.06	866.26	7.23	4.04	1,083.59
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	**206.06**	**866.26**	**7.23**	**4.04**	**1,083.59**
Profit for the year as per statement of profit and loss	-	37.28	-	-	37.28
Other comprehensive income for the year	-	-	0.99	1.47	2.46
Total comprehensive income for the year	**-**	**37.28**	**0.99**	**1.47**	**39.74**
Transfer to general reserve	2.00	(2.00)	-	-	-
Dividend paid	-	(30.31)	-	-	(30.31)
Balance as at 31st March, 2023	**208.06**	**871.23**	**8.22**	**5.51**	**1,093.02**
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	**208.06**	**871.23**	**8.22**	**5.51**	**1,093.02**
Profit for the year as per statement of profit and loss	-	(135.56)	-	-	(135.56)
Other comprehensive income for the year	-	-	3.54	0.10	3.64
Total comprehensive income for the year	**-**	**(135.56)**	**3.54**	**0.10**	**(131.92)**
Dividend paid	-	(16.38)	-	-	(16.38)
Balance as at 31st March, 2024	**208.06**	**719.29**	**11.76**	**5.61**	**944.72**

Material accounting policy (refer note no. 2)

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajiv Goyal
Partner
Membership No. 094549
Place: Jaipur
Date: 9th May, 2024

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
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Place: Mumbai
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Company Secretary
M.No.: A11661
Place: Mumbai
Date: 9th May, 2024

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

1. Company Information

Sutlej Textiles and Industries Limited (herein after referred to as "the Parent Company/Holding Company/ Company") is domiciled in India with its registered office situated at Pachpahar Road, Bhawanimandi - 326502, Rajasthan. The Holding Company has been incorporated under the provisions of Indian Companies Act 2013 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) Limited.

The Holding Company had incorporated a wholly owned subsidiary namely Sutlej Holdings Inc. in the state of Delaware on 28th September, 2017. Sutlej USA, LLC, a wholly owned subsidiary of Sutlej Holdings Inc. was also incorporated on 28th September, 2017 in the state of Delaware. Pursuant to a business combination, the name of Sutlej USA, LLC was changed to American Silk Mills, LLC. The American Silk Mills is primarily engaged in the design, manufacture and distribution of textiles to wholesalers, manufacturers and retailers for the home furnishing industry.

Sutlej Textiles and Industries Limited along with its subsidiary and step-down subsidiary is hereinafter referred to as the "Group".

The Group deals primarily in cotton and man-made fibre yarn and home textiles products.

The particulars of subsidiary company and step-down subsidiary of Holding Company, which are included in consolidation and the parent company's holding therein, is as under:

Name	Country of incorporation	Percentage holding as at 31st March, 2024	Percentage holding as at 31st March, 2023
Sutlej Holdings Inc. (Subsidiary Company)	USA	100%	100%
American Silk Mills (Step Down Subsidiary)	USA	100%	100%

2. Summary of material accounting policies

The Group has applied the following accounting policies to period presented in the consolidated financials.

2.1 Basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were authorised for issue by the Board of Directors on their meeting held on 9th May, 2024.

2.2 Basis of consolidation:

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiary (including its step down subsidiary). Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiary are consolidated from the date control commences until the date control ceases. The financial statements of the Group is consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation. Consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances.

Consolidation procedure

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

2.3 Business combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

2.4 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the following items:-

- Defined benefit liability / (assets): Fair value of plan assets less present value of defined benefit obligation;
- Certain financial assets and liabilities (including financial instrument):- Fair value;
- Other financial assets and liabilities- measured at amortised cost.

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as net realizable value in inventories or value in use in impairment of assets. The basis of fair valuation of these items is given as part of their respective accounting policies.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.5 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements have been given below:

- whether the Group has de facto control over an investee (refer note no. 1);
- revenue recognition: whether revenue is recognised over time or at a point in time;
- lease term: whether the Group is reasonably certain to exercise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions (note no. 45);
- Recognition of deferred tax assets: availability of future taxable profit against which Minimum Alternative Tax (MAT) credit can be used (note 2.21 and 23B);
- Useful life and residual value of property, plant and equipment, and intangible assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (note no. 41);
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows (note no. 47);
- Impairment of non-financial assets: key assumptions used in estimating recoverable amount (note nos. 3, 4 and 52).

2.6 Classification of assets and liabilities as current and non-current

The Group presents consolidated assets and liabilities in the consolidated balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

An liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax liabilities are classified as non-current liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

Material accounting policies

2.7 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Transition to Ind AS

The cost of property, plant and equipment at 1st April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and cost of the item can be measured reliably.

Depreciation

Depreciation on property, plant and equipment is calculated on straight line method and is recognized in the statement of profit and loss. The rates are arrived at based on the estimated useful lives given in schedule II of the Companies Act, 2013 or re-assessed by the Group on basis technical assessment, as given below:-

Related to parent Company:

Assets	Useful life as per Technical Certificate	Useful life as per Schedule II Of Companies Act
Non factory buildings	58 years	60 years
Factory buildings	30 years	30 years
Plant and equipment	18 years and 4 months /20 years / 15 years/ 3 years and 6 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	5-10 years	10 years
Vehicles	8 years and 10 years	8 years and 10 years

Related to subsidiary and step down subsidiary of the parent Company:

Assets	Useful lives
Plant and equipment	3 to 6 years
Office equipment	3 to 6 years
Furniture and fixtures	3 to 6 years

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Additions on rented premises (offices and guest houses) are being amortised over the period of rent agreement.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase as these assets have no significant useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

Capital work-in-progress

Capital work-in-progress includes assets in the course of construction for production and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized.

2.8 Intangible assets and Goodwill

Intangible assets acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. For Parent Company, estimated useful life of the software is considered as 3 to 6 years (Depend on software licence period) against useful life of 3 years as per Companies Act, 2013 and for subsidiary and step down subsidiary of the parent Company estimated useful life of the software (including internally developed software) is considered as 5 to 8 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

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

Transition to Ind AS

The cost of Intangible assets at 1st April, 2016, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Goodwill that arises on the acquisition of a business is presented as an intangible asset.

The difference between fair value of consideration and net assets acquired is treated as goodwill on consolidation. The goodwill on consolidation is tested for impairment annually.

2.9 Non-current assets (or disposal groups) held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs (cash generating units).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the statement of profit and loss.

2.11 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use or sale.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the effective interest rate (EIR) method over the term of the loan.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

2.12 Foreign currency transactions

The Group's consolidated financial statements are presented in Indian Rupees (Rs.), which is also the Group's functional currency. All amounts have been rounded off to the nearest crore, except share data and as stated otherwise.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

a. Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in the statement of profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in Other Comprehensive Income (OCI). These exchange differences are reclassified from equity to the statement of profit or loss on disposal of the net investment.

b. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.13 Employee benefits

a. Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Parent 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 plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Parent Company makes specified monthly contributions towards Government administered provident fund scheme and also towards superannuation scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

c. **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Parent 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.

For defined benefit plan, the cost of providing benefits is determined annually by qualified actuary using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income (OCI) is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest are recognised in OCI. The Parent Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement of net defined benefit liability.

The Parent Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item employee benefits expense.

The defined benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Parent Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

d. **Other long-term employee benefits**

The Group's net obligation in respect of long-term employee benefits other than post-employment 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 the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in statement of profit and loss in the period in which they arise.

2.14 Revenue recognition

Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Ind AS 115 five step model is used to determine whether revenue should be recognised at a point in time or over time, and at what amount is as below:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sale of goods

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Revenue is recognised when the controls of goods, are transferred to the buyer as per terms of contract i.e., when good are dispatched in case of domestic sales and date of bill of lading for export sales. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Export incentives

Export entitlements in the form of duty drawback, remission of duties and taxes on export products and other schemes are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Claim on insurance companies and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Interest income

Interest is recognised using effective interest rate method on a time proportion basis.

Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Scrap sales

Income from sale of the scrap is measured at the fair value of the consideration received or receivable. Sales are recognised when the significant risks and rewards of ownership, which coincide with transfer of controls of goods, are transferred to the buyer as per terms of contract.

Insurance claim

Claims lodged with insurance companies are accounted for on an accrual basis, to the extent these are measurable, and the ultimate collection is reasonably certain.

2.15 Government grants and subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants that compensate the Group for expenses incurred are recognised in the statement of profit and loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the expected lives of the related assets to match them with the costs for which they are intended to compensate and presented within other income.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

2.16 Inventories

Inventories are valued as follows:

Raw materials, Stock –in trade, dyes and chemicals, stores and spares and consumables	Lower of cost and net realisable value. Cost is determined on a weighted average basis. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.
Work-in-progress and finished goods	Lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and an appropriate share of fixed production overheads based on normal operating capacity.
Waste material	At net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.17 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business, if longer), they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component in accordance with Ind AS 115 or pricing adjustments embedded in the contract.

Loss allowance for expected life time credit loss is recognised on initial recognition.

2.18 Provisions and contingent liabilities

Provisions

Provisions are recognised when the Group 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the consolidated financial statements unless the possibility of an outflow of economic resources is remote.

2.19 Measurement of fair value

a Financial instruments

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

b Marketable and non-marketable equity securities

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on market comparison techniques utilizing significant unobservable data, primarily cash flow based models.

The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee and the expected revenue and EBITDA of the investee. The estimate is adjusted for the effect of the non-marketability of the relevant equity securities.

If fair value cannot be measured reliably unlisted shares are recognized at cost.

c Derivatives

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risk respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value provided by the respective banks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

2.20 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 instruments also include derivative contracts such as foreign currency foreign exchange forward contracts and interest rate swaps.

a. 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 profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

A financial asset is measured at amortised cost only if both of the following conditions are met:

a. it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

b. the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised 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 amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

b. Preference share

All Preference share in scope of Ind AS 109 are measured at fair value. On initial recognition an Preference share that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

The rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, financial instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

c. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

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

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

Financial liabilities measured at amortised cost

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

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Offsetting of financial instruments

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

2.21 Income tax

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimates of the tax amount expected to be paid on received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and liabilities are offset only if, the Group:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

2.22 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of 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 and an estimate of costs to be incurred by the

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability 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. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group have been identified as being the chief operating decision maker by the Management of the Group.

The Group's board examines the Company's performance both from a product and geographic perspective and has identified two reportable segments of its business:

a) Yarn: It comprises of recycle polyester staple fibre, cotton and manmade fibres yarn;

b) Home textiles: It comprises of home furnishing and fabric processing.

Refer note no. 42 for segment information presented.

2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts.

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(All amounts are in Rupees Crore, unless otherwise stated)

2.25 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

2.26 Dividend

The Group recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.27 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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(All amounts are in Rupees Crore, unless otherwise stated)

3A. Property, plant and equipment's

Particulars	Freehold Land	Buildings (refer note 1)	Plant and equipment	Vehicles	Furniture and fixtures	Office equipment's	Lease improvements	Total
Gross Block								
Balance as at 31st March, 2022	54.50	577.09	1,168.10	14.67	16.58	14.04	0.30	1,845.28
Additions	-	2.28	97.09	0.60	1.56	1.50	0.02	103.05
Disposals	-	0.55	56.44	0.89	0.01	0.07	-	57.96
Balance as at 31st March, 2023	**54.50**	**578.82**	**1,208.75**	**14.38**	**18.13**	**15.47**	**0.32**	**1,890.37**
Additions		1.55	56.17	0.47	0.92	1.12	-	60.23
Disposals		-	11.33	2.69	0.34	0.66	-	15.02
Balance as at 31st March, 2024	**54.50**	**580.37**	**1,253.59**	**12.16**	**18.71**	**15.93**	**0.32**	**1,935.58**
Accumulated Depreciation								
Balance as at 31st March, 2022	-	87.04	566.03	7.84	9.22	9.18	0.29	679.60
Additions	-	16.67	104.00	1.31	1.18	1.70	-	124.86
Disposals	-	0.07	19.66	0.69	(0.03)	0.02	(0.01)	20.40
Balance as at 31st March, 2023	**-**	**103.64**	**650.37**	**8.46**	**10.43**	**10.86**	**0.30**	**784.06**
Additions		16.69	94.06	1.16	1.18	1.62	-	114.71
Disposals		-	9.55	2.25	0.29	0.57	-	12.66
Balance as at 31st March, 2024	**-**	**120.33**	**734.88**	**7.37**	**11.32**	**11.91**	**0.30**	**886.11**
Net Block								
Balance as at 31st March, 2023	**54.50**	**475.18**	**558.38**	**5.92**	**7.70**	**4.61**	**0.02**	**1,106.31**
Balance as at 31st March, 2024	**54.50**	**460.04**	**518.71**	**4.79**	**7.39**	**4.02**	**0.02**	**1,049.48**

Notes:

1. Building, includes share of the holding company in a premises at Haridwar (jointly owned with others) having carrying value as at 31st March, 2024 Rs. 0.55 crore and 31st March, 2023 Rs. 0.57 crore respectively (Original Cost Rs. 1.23 crore as at 31st March, 2024 and Rs. 1.23 crore as at 31st March, 2023).
2. Borrowing cost capitalized amounting to Rs. 1.06 crore (31st March, 2023 Rs. 1.65 crore) under the head plant and equipment and building and others (refer note no. 44).
3. Property, plant and equipment given as security for borrowings refer note 19 (a).
4. Refer note no. 52.
5. Refer note no. 16.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

6. Immovable Property not held in name of the Holding Company:- In case of Kathua leasehold land having carrying value as at 31st March, 2024 and 31st March, 2023 Rs. 1.21 crore and Rs. 1.31 crore respectively (Original cost Rs. 1.53 crore as at 31st March, 2024 and Rs. 1.53 crore as at 31st March, 2023) and in case of Baddi units freehold land having carrying value as at 31st March, 2024 and 31st March, 2023 Rs. 0.08 crore (Original cost Rs. 0.08 crore) are pending for registration in the name of the holding company. Details for the current and previous year are as follows:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company	also indicate if in dispute
Lease hold land	70 Kanal 5 Marla land , Kathua	1.40	Chenab Textile Mills (A unit of Group)	No	2006-07	The Group submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in Holding Company favour.	No
Lease hold land	2 Kanal 4 Marla land , Kathua	0.13	Chenab Textile Mills (A unit of Group)	No	2007-08	The Group submitted the letter to SIDCO, Kathua for execution of lease deed for land allotted in Holding Company favour.	No
Free hold Land	Free hold Land	0.05	Sh Ashok Kumar	No	1992-93	For registration in the name of Holding Company revenue department required fresh agreement which could not be arranged due to death of land owner.	No
Free hold Land	Free hold Land	0.03	Sh. Ratna	No	1992-93	For registration in the name of Holding Company revenue department required fresh agreement which could not be arranged due to death of land owner.	No
Total		**1.61**					

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

3B. Capital work-in-progress*

Capital work-in-progress - Rs. 7.69 crore (31st March, 2023 Rs. 8.60 crore)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening balance	8.60	15.65
Addition during the year	60.10	53.92
Less : written off during the year*	0.77	-
Less Capitalised during the year	60.24	60.97
Closing balance	**7.69**	**8.60**

* During the year, the Holding Company has incurred preoperative expenses amounting to Rs. 0.77 crore for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the Holding Company has decided not to proceed with the greenfield expansion project at this time., Consequently, these expenses have been written off and presented as an "exceptional item" (refer note no. -39 (a)).

a) CWIP ageing schedule

CWIP	Amount in CWIP for a period of				31st March, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.24	0.02	0.34	-	7.60
Projected temporarily suspended	-	-	-	0.09	0.09
Total	**7.24**	**0.02**	**0.34**	**0.09**	**7.69**

CWIP	Amount in CWIP for a period of				31st March, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.05	0.46	-	-	8.51
Projected temporarily suspended	-	-	-	0.09	0.09
Total	**8.05**	**0.46**	**-**	**0.09**	**8.60**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

3C. Right-of-use assets*

Particulars	Gross block				Depreciation				Net Block	
	As at 31st March, 2023	Additions	Disposals	As at 31st March, 2024	As at 31st March, 2023	Additions	Disposals	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Right-of-use assets(lease hold land)#	10.27	45.45	44.18	11.54	4.94	1.38	0.23	6.09	5.45	5.33
	10.27	**45.45**	**44.18**	**11.54**	**4.94**	**1.38**	**0.23**	**6.09**	**5.45**	**5.33**

Particulars	Gross block				Depreciation				Net Block	
	As at 31st March, 2022	Additions	Disposals	As at 31st March, 2023	As at 31st March, 2022	Additions	Disposals	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Right-of-use assets(lease hold land)#	7.67	2.60	-	10.27	3.23	1.15	(0.56)	4.94	5.33	4.44
	7.67	**2.60**	**-**	**10.27**	**3.23**	**1.15**	**(0.56)**	**4.94**	**5.33**	**4.44**

*Refer note no. 20 for lease liability

During the year, the Holding Company created right-of-use of asset amounting to Rs. 44.27 crore for leasehold land acquired for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the leasehold land allocated for the project has been surrendered, leading to the reversal of the aforementioned assets. (refer note no. -39 (a))

4. Intangible Assets

Particulars	Gross block				Amortisation				Net Block	
	As at 31st March, 2023	Additions/ other adjustment	Disposals	As at 31st March, 2024	As at 31st March, 2023	Additions	Disposals	As at 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
Goodwill #	7.56	-	-	7.56	7.56	-	-	7.56	-	-
	7.56	**-**	**-**	**7.56**	**7.56**	**-**	**-**	**7.56**	**-**	**-**
Other Intangible assets										
Software	6.20	0.49	(0.03)	6.72	3.47	0.95	0.01	4.41	2.31	2.73
	6.20	**0.49**	**(0.03)**	**6.72**	**3.47**	**0.95**	**0.01**	**4.41**	**2.31**	**2.73**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

Particulars	Gross block				Amortisation/Impairment				Net Block	
	As at 31st March, 2022	Additions/ other adjustment	Disposals	As at 31st March, 2023	As at 31st March, 2022	Additions	Impairment#	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Goodwill	7.21	0.35		7.56	-	-	7.56	7.56	-	7.21
	7.21	**0.35**	**-**	**7.56**	**-**	**-**	**7.56**	**7.56**	**-**	**7.21**
Other Intangible assets										
Software	6.01	0.19	-	6.20	2.56	0.87	0.04	3.47	2.73	3.45
	6.01	**0.19**	**-**	**6.20**	**2.56**	**0.87**	**0.04**	**3.47**	**2.73**	**3.45**

 # Note:

Impairment test

Goodwill was recognised as an excess cost over investment in its wholly owned subsidiary (including its step down subsidiary) in accordance with Ind AS 103 ""Business Combination"", which was tested for annual impairment on 31st March, 2023 . For the purposes of impairment testing, goodwill was allocated to the Group's CGUs as follows:

	31st March, 2024*	31st March, 2023
1. Sutlej Holdings, Inc	-	1.53
2. American Silk Mills, LLC	-	6.03
	-	**7.56**

* Goodwill written off in previous year. Hence not allocated to CGU in current year.

The recoverable amount of this CGU was based on value in use, estimated using discounted cash flows.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term growth rate, consistent with the assumptions that a market participant would make.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The Group carried out impairment assessment and an impairment loss of Goodwill of Rs. 7.56 crore was recognised during the previous year ended 31st March, 2023 . The impairment loss on Goodwill was presented under ""Exceptional Items"" (refer note no. 39).

The key assumptions used in the estimation of the recoverable amount in the previous year are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Long term growth rate	-	3.00%
Revenue growth rate (average of next 5 years)	-	30.00%
Weighted average cost of capital	-	25.00%

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

5 Non current investments

Particulars	As at 31st March, 2024	As at 31st March, 2023
Investment in equity instruments valued at FVTPL (fully paid-up)		
Unquoted		
50 (31st March, 2023: 50) equity shares of The Jhalawar Nagrik Sahkari Bank Ltd. (JNSB) of Rs. 100 each*	0.00	0.00
	0.00	**0.00**
*The total amount of investments in absolute value is Rs. 5,000 (31st March, 2023: 5000), but for reporting purpose rounded up to Rs. 0.0 crore..		
Value of unquoted investment	**0.00**	**0.00**
Value of impairment in the value of investments	**0.00**	**0.00**

6 Other financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good unless otherwise stated)		
Security Deposits	15.05	14.91
	15.05	**14.91**

7 Other tax assets (net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Income tax receivable (net)	3.05	20.30
	3.05	**20.30**

8 Other assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good unless otherwise stated)		
Capital advances	3.66	49.92
Balances with government authorities	13.14	11.88
Prepaid expenses	1.21	0.27
	18.01	**62.07**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

9 Inventories

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Valued at lower of cost or net realisable value)		
Raw materials (refer note no. 43)	224.83	279.33
Dyes and chemicals	6.34	6.50
Work-in-progress	100.29	131.03
Finished goods	139.07	293.58
Stock-in-trade	16.00	18.63
Stores, spare-parts and consumables	18.56	21.91
Wastage material	12.69	5.64
	517.78	**756.62**
Goods in transit included in above inventories are as under :		
Raw materials	5.54	10.38
Stores,spare-parts and consumables	0.52	0.71
Finished goods	0.28	1.06

Inventories are hypothecated to secure borrowings (Refer note nos. 19 and 25)

Inventories of finished goods have been written down to net realisable value by Rs. 13.53 crore (31st March, 2023 Rs. 14.70 crore).

The Holding company has devalued the aged inventory by Rs. 3.76 crore (31st March, 2023 Rs. 3.29 crore).

10 Investment in preference shares valued at FVTPL (fully paid up) [refer note no. 47(I)] Unquoted

Particulars	As at 31st March, 2024	As at 31st March, 2023
As on Nil (31st March, 2023: 1,300,000) 8.5% Non-Convertible Cumulative Redeemable Preference shares in Palash Securities Limited of Rs. 10 each	-	1.24
	-	**1.24**
Movement of investment in preference shares		
Opening balance	1.24	1.07
Change in fair value of preference shares	0.06	0.17
Preference shares redeemed during the year	(1.30)	-
Closing balance	**-**	**1.24**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

11 Trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables considered good, Unsecured - Others	344.26	324.72
Trade Receivables – significant increase in credit risk	0.19	0.19
Trade Receivables credit impaired	6.82	4.60
	351.27	**329.51**
Less: Allowance for credit impairment	(7.01)	(4.79)
	344.26	**324.72**

(a) Trade receivables are hypothecated to secure current borrowings (Refer note nos. 19 and 25).

(b) No trade or other receivables are due from directors or other officers of the Group, either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies in which any director is a partner, or director or member.

(c) The Group's exposure to credit and currency risk, and loss allowances related to trade receivables is disclosed in note no. 47.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

11 Trade receivables (Contd.)

(d) Trade receivables ageing schedule.

Particulars	As at 31st March, 2024						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	254.04	77.77	12.38	0.07	-	-	344.26
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	3.52	1.72	0.51	1.07	6.82
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.01	0.02	0.16	0.19
(vii) Unbilled dues	-	-	-	-	-	-	-
Less :- Provision for Doubtful debts	-	-	(3.52)	(1.73)	(0.53)	(1.23)	(7.01)
Total	**254.04**	**77.77**	**12.38**	**0.07**	**0.00**	**0.00**	**344.26**

(e) Trade Receivables ageing schedule.

Particulars	As at 31st March, 2023						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 month	6 month - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	271.11	52.30	1.25	0.04	-	0.02	324.72
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	0.00
(iii) Undisputed Trade Receivables – credit impaired	-	0.77	0.84	1.69	0.32	0.98	4.60
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.05	-	0.14	0.19
(vi) Disputed Trade Receivables – credit impaired	-	-	-				-
(vii) Unbilled dues	-	-	-	-	-	-	-
Less :- Provision for Doubtful debts	-	(0.77)	(0.84)	(1.74)	(0.32)	(1.12)	(4.79)
Total	**271.11**	**52.30**	**1.25**	**0.04**	**-**	**0.02**	**324.72**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

12 Cash and cash equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance with banks:		
- In current accounts	2.74	9.26
Cash on hand	0.14	0.15
	2.88	**9.41**

13 Bank balances other than cash and cash equivalents

Particulars	As at 31st March, 2024	As at 31st March, 2023
Earmarked balances with banks:		
Unpaid dividend account	0.57	0.76
Deposits with remaining maturity for more than 3 months but less than 12 months	2.37	1.71
	2.94	**2.47**

14 Other financial assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good unless otherwise stated)		
Receivable from SIDCO (refer note no.- 39 (a))	31.21	-
Export benefit receivable - considered good	34.43	30.54
Government subsidies - considered good	18.17	13.27
Government subsidies - credit impaired	1.46	1.44
Less: Allowance for credit impairment	(1.46)	(1.44)
	18.17	**13.27**
Advances recoverable in cash	7.00	13.27
Receivable from finance Company#	3.86	5.95
Forward contract receivables	0.09	1.50
Interest accrued on deposits	0.10	0.09
	94.86	**64.62**

In April 2019, the Group entered into a credit agreement (the "Facility") with a finance company. The Facility provides a credit a revolving credit line of up to Rs. 22.48 crore, subject to borrowing base availability, and extends its maturity of the facility to 31st October, 2024. The line of credit is pledged against Group's accounts receivable and inventory. The facility bears interest upon the daily net balance of any monies remitted, paid or otherwise advanced to the company which is as follows:

(i) not in excess of the receivables availability shall be charged at a rate per annum equal to receivable interest rate @ 8.5%.

(ii) In excess of receivables availability but not in excess of the receivables availability plus the inventory availability shall be charged at a rate per annum equal to the inventory interest rate @8.5%.

During the year ended 31st March, 2024, factoring commission expenses of Rs. 0.29 crore (31st March, 2023: 0.30 crore) and factoring interest expenses of Rs. 0.03 crore (31st March, 2023: Rs. 0.29 crore) have been charged to the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

15 Other assets

Particulars	As at 31st March, 2024	As at 31st March, 2023
(Unsecured, considered good unless otherwise stated)		
Balances with government authorities #	24.49	25.67
Duty paid under protest	0.26	0.19
Prepaid expenses	3.93	4.75
Advances to suppliers	8.68	11.04
	37.36	**41.65**

#During the current year, the Holding company has received a notice from Directorate General of Analytics & Risk Management (DGARM) for non-compliance relating to provision of rule 96(10)) of the CGST Rules. In response, the Holding Company has deposited of Rs. 3.21 crore, which is reflected in the aforementioned figure (refer note no. 41A(5)).

16 Assets classified as held for sale

Particulars	As at 31st March, 2024	As at 31st March, 2023
Assets classified as held for sale (refer note below)	7.78	11.31
	7.78	**11.31**

(a) In the previous year, the Plant and Equipment of the Captive Co-Generation Power Plant ('CGPP') were decommissioned and designated as ""Assets held for sale"" due to its lack of viability for continued operation. According to an agreement to sell with a customer, it was valued at Rs. 15 crore (excluding GST), resulting in an impairment loss of Rs. 20.51 crore recorded during the same period. Subsequently, plant and equipment dispatches totalling Rs. 4 crore (excluding GST) were completed by 31st March, 2023, leaving a remaining balance of Rs. 11 crore categorized under Assets held for sale.

In the current fiscal year, further dispatches of plant and equipment amounting to Rs. 3.50 crore (Excluding GST) were executed by 31st March, 2024, reducing the balance amount to Rs. 7.50 crore under Assets held for sale. The Holding Company is actively engaged in communication with the vendor to expedite the removal of the remaining assets and has initiated exploration of alternative potential buyers for the remaining assets. No liability is attached to these assets.

(b) The Group decided to sell other obsolete plants & equipment's and building of Rs. 0.28 crore (31st March, 2023 0.31 crore), which were originally purchased for production, manufacturing and office. The Holding Company is actively searching for buyers to sell these assets. No liability is attached to these assets.

Non – current fair value measurements :

Assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell at the time of reclassification. Fair value of the assets was determined using expected market realizable value using past trend and management assessment. Fair value measurement of assets held for sale is a level 3 measurement and key inputs under this approach are price per asset comparable for the machine in similar business and technology.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

17 Equity Share capital *

Particulars	As at 31st March, 2024	As at 31st March, 2023
Authorised:		
500,000,000 equity shares of Re. 1/- each (31st March, 2023: 500,000,000 of Re. 1/- each)	50.00	50.00
Issued, subscribed and fully paid up:		
163,828,620 equity shares of Re. 1/- each (31st March, 2023: 163,828,620 of Re. 1/- each)	16.38	16.38
* All share fully paid up	**16.38**	**16.38**

a. Terms and rights attached to equity shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, distribution of dividend is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of number of shares outstanding at the beginning and end of the year :

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	16,38,28,620	16.38	16,38,28,620	16.38
Balance at the end of the year	**16,38,28,620**	**16.38**	**16,38,28,620**	**16.38**

c. Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There are no holding or ultimate holding company of the Company.

d.. There are no shares which are issued for consideration other than cash during the period of five years immediately preceding the reporting date.

e. Shareholders holding more than 5% shares in the Holding Company

Name of Shareholders	As at 31st March, 2024		As at 31st March, 2023	
	No. of shares	Percentage	No. of shares	Percentage
Ganges Securities Limited	3,04,16,970	18.57%	3,04,16,970	18.57%
Hargaon Investment & Trading Company Limited	1,71,13,960	10.45%	1,71,13,960	10.45%
New India Retailing and Investment Limited	1,70,63,040	10.42%	1,70,63,040	10.42%
Yashovardhan Investment and Trading Company Limited	1,48,68,360	9.08%	1,48,68,360	9.08%
Birla Institute of Technology and Science	1,12,86,580	6.89%	1,12,86,580	6.89%
The Hindustan Times Limited	98,03,690	5.98%	98,03,690	5.98%
Ronson Traders Limited	97,23,730	5.94%	97,23,730	5.94%

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

17 Equity share capital (Contd.)

f. Disclose Shareholding of Promoters as below:

Shares held by promoters at the end of the year

S. No.	Promoter name	As at 31st March, 2024			As at 31st March, 2023		
		No. of Shares	% of total shares	Change during the year	No. of Shares	% of total shares	Change during the year
1	Ganges Securities Limited	3,04,16,970	18.57%	-	3,04,16,970	18.57%	-
2	Hargaon Investment and Trading Co. Ltd.	1,71,13,960	10.45%	-	1,71,13,960	10.45%	-
3	New India Retailing & Investment Ltd.	1,70,63,040	10.42%	-	1,70,63,040	10.42%	-
4	Yashovardhan Inv.& Trading Co. Ltd.	1,48,68,360	9.08%	-	1,48,68,360	9.08%	-
5	Ronson Traders Ltd.	97,23,730	5.94%	-	97,23,730	5.94%	-
6	OSM Investment & Trading Co. Ltd.	63,88,200	3.90%	-	63,88,200	3.90%	-
7	Champaran Marketing Co. Ltd.	30,98,100	1.90%	-	30,98,100	1.90%	-
8	SCM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
9	RTM Investment & Trading Co. Ltd.	18,29,280	1.12%	-	18,29,280	1.12%	-
10	Sidh Enterprises Ltd.	11,94,240	0.73%	-	11,94,240	0.73%	-
11	SIL Investments Ltd.	7,50,000	0.46%	-	7,50,000	0.46%	-
12	Sonali Commercial Ltd.	2,84,350	0.17%	-	2,84,350	0.17%	-
13	Shri Chandra Shekhar Nopany	1,10,000	0.07%	-	1,10,000	0.07%	-
14	Uttam Commercial Ltd.	9,000	0.01%	-	9,000	0.01%	-
15	Shekhar Family Trust	1,00,050	0.07%	-	1,00,050	0.07%	-
16	Nandini Nopany	100	0.00%		100	0	
		10,47,78,660	**64.01%**	**0.00%**	**10,47,78,660**	**64.01%**	**0.00%**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

18 Other equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
a. **General reserve**		
Balance at the beginning of the year	208.06	206.06
Add: Transferred from retained earnings	-	2.00
Balance at the end of the year	**208.06**	**208.06**
b (i). **Retained earnings**		
Balance at the beginning of the year	871.23	866.26
Profit for the year	(135.56)	37.28
Less: Dividend on equity shares	(16.38)	(30.31)
Less: Amount transferred to general reserve	-	(2.00)
	719.29	**871.23**
b. (ii) **Remeasurement of defined benefit plans (Other comprehensive income)**		
Balance at the beginning of the year	8.22	7.23
Addition during the year	3.54	0.99
Balance at the end of the year	**11.76**	**8.22**
Sub total (b(i)+ b(ii)	**731.05**	**879.45**
c. **Exchange differences on translation of operations into reporting currency**		
Balance at the beginning of the year	5.51	4.04
Addition during the year	0.10	1.47
Balance at the end of the year	**5.61**	**5.51**
	944.72	**1,093.02**

Nature and purpose of other reserves/other equity

General reserve

The Group appropriates a portion to general reserves out of the profits voluntarily to meet future contingencies. The said reserve is available for payment of dividend to the shareholders as per the provisions of the Companies Act, 2013.

Retained earnings:

Retained earnings are the profit that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Other comprehensive income :

(i) **Remeasurements of defined benefit plans :** represents the following as per Ind AS 19-Employee Benefits:

(a) actuarial gains and losses;

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

(ii) **Exchange differences on translation of foreign operations**

These comprise of all exchange difference arising from translation of financial statement of foreign operations.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

18 Other equity (Contd.)

Dividend

The following dividends were declared and paid by the Holding Company

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Final dividend for the year ended 31st March, 2023 Re. 1.00 per equity share of Re. 1 each (31st March, 2022 Rs. 1.85 per equity share of Re. 1 each)	16.38	30.31
	16.38	**30.31**

After the reporting date the following dividend was proposed by the board of directors of the Holding company subject to the approval of shareholders of the Holding company at its annual general meeting; Accordingly, the dividends have not been recognized as liabilities.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
No dividend proposed during the year (Previous year Re. 1.00 per equity share of Re. 1 each)	-	16.38
	-	**16.38**

19 Non - Current Borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023
Term loans (Secured)		
- From banks	275.41	276.44
	275.41	**276.44**

a. Securities

Term loans are secured by first equitable mortgage ranking pari-passu over the Group's immovable properties situated at Bhawanimandi (Rajasthan), Kathua (Jammu & Kashmir), Baddi (Himachal Pradesh) and Daheli (Gujarat) and moveable assets (save and except book debts) both present and future, subject to prior charges created/to be created, in favour of bankers, on moveable assets including book debts to secure working capital borrowings.

b. Terms of repayment and interest are as follows :

Secured loan from	Repayment frequency	Year of maturity	Rate of interest p.a. (%)	As at 31st March, 2024	As at 31st March, 2023
Punjab National Bank, Kota	Quarterly	FY 2025	8.80	3.21	14.99
Bank of Maharashtra, Jaipur	Quarterly	FY 2026	8.50	43.75	68.73
Jammu & Kashmir Bank, Kathua	Quarterly	FY 2026-29	8.10	109.84	153.49
ICICI Bank, Kolkata	Quarterly	FY 2026-2028	8.90 to 9.50	60.59	17.55
HDFC Bank, Jaipur	Quarterly	FY 2026-29	8.55 to 8.70	113.98	139.96
Indusind Bank,	Quarterly	FY 2031	8.50	40.00	-
				371.37	394.72
Less : Current maturities of long term debt (Refer note no. 25)				95.96	118.28
				275.41	**276.44**

c. The Group's exposure to interest rate, foreign currency and liquidity risk is included in note no. 47.

d. There is no material breach of covenant attached to secured loan.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

20 Lease liabilities

The following is the movement in lease liabilities during the year ended 31st March, 2024:

Lease liabilities	31st March, 2024	31st March, 2023
Opening balance	**1.88**	**0.94**
Addition*	45.76	2.60
Interest expenses	0.18	0.10
Derecognisation*	(44.27)	-
Payment	(1.32)	(1.76)
Closing balance	**2.23**	**1.88**

Maturity analysis – contractual undiscounted cash flows

Particulars	31st March, 2024	31st March, 2023
Less than one year	1.13	0.67
After one year but not longer than five years	0.95	1.02
More than five years	2.51	2.72
Total	**4.59**	**4.41**

Lease liabilities included in the statement of financial position at 31st March, 2024

Particulars	31st March, 2024	31st March, 2023
Non-current	1.22	1.26
Current	1.01	0.62
Total	**2.23**	**1.88**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

*During the year, the Holding Company created lease liablity amounting to Rs. 44.27 crore for leasehold land acquired for a greenfield expansion project. However, due to challenging market conditions in the spinning industry, the leasehold land allocated for the project has been surrendered, leading to the written of the aforementioned laiblity. (refer note no. -39 (a))

21 Other financial liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade deposits	6.65	6.25
Employee security deposits	0.03	0.03
Deferred payment liabilities	-	0.97
	6.68	**7.25**

22 Provisions

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for employee benefits:		
Provision for compensated absenses	12.87	12.70
	12.87	**12.70**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

23 Deferred tax liabilities (net)

A. Movement in deferred tax balances

Particulars	As at 31st March, 2023	Recognized during the year	Utilised during the year	As at 31st March, 2024
Deferred tax assets				
Unabsorbed Depreciation	-	37.30		37.30
Unabsorbed Business Loss		28.62		28.62
Disallowance u/s 43B of Income Tax Act, 1961	14.46	0.52		14.98
Provision for doubtful debts and others	5.77	-	0.92	4.85
Total (A)	**20.23**	**66.44**	**0.92**	**85.75**
Deferred tax liabilities				
Property, plant and equipment	120.13		1.36	118.77
Total (B)	**120.13**	**-**	**1.36**	**118.77**
Net deferred tax liability (B)-(A)	**99.90**	**(66.44)**	**0.44**	**33.02**

Particulars	As at 31st March, 2022	Recognized during the year	Utilised during the year	As at 31st March, 2023
Deferred tax assets				
MAT credit entitlement	28.07	-	28.07	-
Disallowance u/s 43B of Income Tax Act, 1961	13.19	1.27	-	14.46
Provision for doubtful debts and others	1.81	3.96	-	5.77
Total (A)	**43.07**	**5.23**	**28.07**	**20.23**
Deferred tax liabilities				
Property, plant and equipment	129.32	-	9.19	120.13
Total (B)	**129.32**	**-**	**9.19**	**120.13**
Net deferred tax liability (B)-(A)	**86.25**	**(5.23)**	**(18.88)**	**99.90**

The Holding Company has recognized deferred tax assets arising from unabsorbed depreciation and carried forward tax losses of Rs. 65.92 crore. According to the provisions outlined in the Income Tax Act, 1961, tax losses can be carried forward until 31st March, 2033. Anticipating taxable income in the near future as per our business plans and budgets, the Holding Company is confident in the recovery of these assets within this specified timeframe.

Section 115BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Ordinance, 2019, allows any domestic company to pay income tax at the rate of 25.17%, effective from the fiscal year 2019-20, subject to the condition that they will not avail any incentives or exemptions. This new tax scheme provides an option for a lower tax base of 25.17%, while the existing tax rate is 34.94%. The Holding Company has continued with the old regime for the current year due to net loss incurred in the current year and the adoption of the new regime will be assessed in the next year.

*The Group overseas subsidiaries has been in net operating losses (NOL) and in the absence of convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the entity, deferred tax asset have not been recognised. The overseas subsidiaries has NOL's carry forwards of USD 0.77 crore as at 31st March, 2024, out of which the carry forwards loss of USD 0.01 crore will expire in the year 2038. Remaining NOL can be carry forwards indefinitely.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

23 Deferred tax liabilities (net) (Contd.)

B. Amounts recognised in statement of profit or loss

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current tax expense		
Current tax	0.01	14.31
Tax related to earlier years	0.71	0.23
	0.72	**14.54**
Deferred tax expense		
Origination and reversal of temporary differences	(68.79)	13.12
	(68.79)	**13.12**
	(68.07)	**27.66**

C. Amounts recognised in other comprehensive income

Particulars	Before tax	Tax (expense)/ income	Net of tax
For the year ended 31st March, 2024			
Remeasurements of defined benefit liability	5.45	(1.91)	3.54
Exchange differences on translation of operations into reporting currency	0.10	-	0.10
	5.55	**(1.91)**	**3.64**
For the year ended 31st March, 2023			
Remeasurements of defined benefit liability	1.52	(0.53)	0.99
Exchange differences on translation of operations into reporting currency	1.47	-	1.47
	2.99	**(0.53)**	**2.46**

D. Reconciliation of effective tax rate

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(a) **Profit before tax from Indian operations**	(202.69)	51.02
Tax using the Holding Company's domestic tax rate @ 34.94% (31st March, 2023: 34.94%)	(70.83)	17.83
Tax effect of:		
Non-deductible expenses	1.99	10.08
Income tax relating to earlier years	0.71	0.23
Others	0.05	0.04
Income tax expenses reported in the statement of profit and loss	(68.08)	28.18
Effective tax rate	**33.59%**	**55.24%**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

23 Deferred tax liabilities (net) (Contd.)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(b) Profit before tax from foreign operations	(11.45)	(11.71)
Tax using the subsidiaries foreign tax rate @21 %	(2.40)	(2.46)
Tax effect of:		
Non-deductible expenses	0.00	(0.20)
Effect of tax incentives and concessions		-
Effect of recognition of tax effect of previously unrecognised tax losses now recognised as deferred tax assets		-
Effect of current year losses for which no deferred tax asset is recognised	2.41	1.98
Changes in recognised deductible temporary differences	0.00	0.17
State taxes	-	-
Income tax expense	**0.01**	**(0.52)**
Effective tax rate	**-0.06%**	**4.43%**
Total income tax expenses reported in the statement of profit and loss (a+b)	**(68.07)**	**27.66**
Elimination adjustments	**10.51**	**25.63**
Profit before tax	**(203.63)**	**64.94**
Overall Effective Tax Rate	**33.43%**	**42.60%**

24 Other liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Deferred government grant		
Capital subsidies on specific plant and machineries	2.88	3.94
Non current portion of the gain on deferred payment liabilities	-	0.32
	2.88	**4.26**
Movement of deferred government grants is as below:		
Balance at the beginning of the year	3.94	5.06
Grant amortized and transferred to statement of profit and loss	(1.06)	(1.12)
Balance at the end of the year	**2.88**	**3.94**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

25 Current borrowings

Particulars	As at 31st March, 2024	As at 31st March, 2023
Loan repayable on demand (Secured)*		
- From banks	429.34	547.05
Bills discounted**	39.77	9.16
Current maturities of long-term debt (refer note no. 19)	95.96	118.28
Loan repayable on demand (unsecured)		
HDFC credit card	3.76	-
	568.83	**674.49**

* Working capital facilities from banks are secured/to be secured by hypothecation of moveable's including book debts, both present and future, of the unit, ranking pari-passu inter se.

During the year ended 31st March, 2024, American Silk Mills, LLC has availed a working capital facility from ICICI Bank Limited of Rs. 20.00 crore having term of 1 year ending on 9th September, 2024. The line of credit has a variable interest rate calculated as a "floating rate" which is an adjusted SOFR plus margin of 2% per annum. The average interest rate for the year ended 31st March, 2024, was approximately 7.29% (31st March, 2023 5.90%). The facility together with interest, additional interest, cost, charges, expenses, and all other monies has been secured by the Standby letter of credit (SBLC) issued in favour of ICICI Bank Limited (India).

** Bills discounted are secured against the book debts and inventory which have been discounted.

\# The Holding Company has filed monthly / quarterly statements with banks and these are in agreement with books of accounts except as mentioned below:

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	(Excess)/ Shortage	Whether return/ statement subsequently rectified
March 2023	Punjab National Bank, Jammu & Kashmir Bank, HDFC Bank, DBS Bank, Standard Chartered Bank, DCB Bank, ICICI Bank, Federal Bank, Axis Bank and Kotak Bank	Inventory net of trade payable	656.37	657.25	(0.88)	Yes*
March 2023		Trade Receivables	290.15	290.11	0.04	Yes*
June 2023		Inventory net of trade payable	585.21	585.21	-	Yes*
June 2023		Trade Receivables	278.46	280.43	(1.97)	Yes*
September 2023		Inventory net of trade payable	380.18	380.18	-	Yes*
September 2023		Trade Receivables	313.16	312.72	0.44	Yes*
December 2023		Inventory net of trade payable	341.92	341.92	-	Yes*
December 2023		Trade Receivables	234.71	233.87	0.84	Yes*

*The Holding Company regularly submits provisional drawing power (DP) statements on a monthly basis to Punjab National Bank (PNB) being the lead bank by the 15th of the following month and also to other member banks. The DP limit is computed in accordance with the terms and conditions outlined in the sanction letter. Discrepancies between DP statement and financial statement arise since DP statements are prepared on a provisional basis after exclusion of certain items of inventory and debtors are done as per the bank sanction letter. During the current year the Holding Company has submitted revised DP statements tallying with the books of accounts for the aforesaid periods. In FY23-24, the actual utilization of working capital remained within the bank sanction/DP limits.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

26 Trade Payables

Particulars	As at 31st March, 2024	As at 31st March, 2023
(a) Total outstanding dues of micro enterprises and small enterprises and#	15.23	14.08
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*	140.69	129.50
Total	**155.92**	**143.58**
Note		
The Group's exposure to credit and currency risk, and loss allowances related to trade payable is disclosed in note no. 47.		
* Trade payable includes due from related parties, refer note no. 46.		
# Dues to micro enterprises and small enterprises (as per the intimation received from vendors):		
a. Principal amount remaining unpaid.	15.23	14.08
b. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
c. Interest due to payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
d. Interest accrued and remaining unpaid.	-	-
e. Interest remaining due to payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-
	15.23	**14.08**

A. Trade Payables ageing schedule

Particulars	As at 31st March, 2024					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	12.00	3.23	-	-	-	15.23
(ii) Others	72.73	59.87	1.43	1.91	4.76	140.69
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**84.73**	**63.09**	**1.43**	**1.91**	**4.76**	**155.92**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

26 Trade Payables (Contd.)

B. Trade Payables ageing schedule

Particulars	As at 31st March, 2023					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	14.08	-	-	-	-	14.08
(ii) Others	36.74	80.14	4.16	1.11	7.35	129.50
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**50.82**	**80.14**	**4.16**	**1.11**	**7.35**	**143.58**

27 Other financial liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Unpaid dividend	0.57	0.76
Interest accrued and due on borrowings	1.41	1.36
Employees related liabilities	49.33	51.66
Creditors for capital goods	0.35	2.00
Current portion of deferred payment liabilities	1.15	1.25
Security deposits (including Retention money)	1.56	1.74
Director's commission	0.63	0.60
Others	2.37	5.41
	57.37	**64.78**

28 Other liabilities

Particulars	As at 31st March, 2024	As at 31st March, 2023
Contract liabilities	6.89	8.54
Advance against assets held for sale#	3.14	4.93
Statutory dues	8.99	8.41
Current portion of the gain on deferred payment liabilities	0.32	0.32
	19.34	**22.20**

Advance received against sale of Captive Co-Generation Power Plant ('CGPP') (refer note no. 39 (a)) .

29 Provisions

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provisions for employee benefit		
Compensated absenses	2.94	3.43
Gratuity (refer note no. 45)	2.32	4.00
Others		
Others - Contingencies	7.98	7.98
	13.24	**15.41**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

29 Provisions (Contd.)

Others - Contingencies

Provision for disputed statutory matters have been made, where the Group anticipates probable outflow. The amount of provision is based on estimate made by the Group considering the facts and circumstances of each case. The timing and amount of cash flow will be determined by the relevant authorities on settlement of cases.

The movement of provisions is presented below:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	7.98	8.57
Provision made during the year	0.17	0.27
Payment made provision reversed during the year	0.17	0.86
Balance at the end of the year	**7.98**	**7.98**

30 Tax liabilities (net)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Provision for Income tax (net)	0.01	-
	0.01	**-**

31 Revenue from operations

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Sale of textile products (net of taxes)		
Manufactured goods	2,508.49	2,911.29
Traded goods	103.31	77.83
Total (i)	**2,611.80**	**2,989.12**
Sale of services		
Job processing	37.93	34.34
Others	3.02	3.39
Total (ii)	**40.95**	**37.73**
Total [(iii) = (i) + (ii)]	**2,652.75**	**3,026.85**
Other operating revenue		
Export incentives	50.45	47.38
Total (iv)	**50.45**	**47.38**
Revenue from operations [(iii) + (iv)]	**2,703.20**	**3,074.23**

Disaggregation of revenue from contract with customers

Type of service: The Groups earns revenue primarily from selling of textile products and job work processing.

Recognition:

a. Revenue from sale of goods is recognised when the performance obligation is satisfied. Revenue is recognised at point in time i.e., when good are dispatched in case of domestic sales and date of bill of lading for export sales.

b. Revenue from sale of services is recognised over point of the time i.e., services are rendered.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

31 Revenue from operations (Contd.)

c. Revenue from other operating revenue is recognised when the performance obligation is satisfied.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A	**Revenue streams**		
	Sale of textile products (net of taxes)		
	Manufactured goods	2,508.49	2,911.29
	Traded goods	103.31	77.83
	Sale of services		
	Job processing	37.93	34.34
	Others	3.02	3.39
	Other operating revenue		
	Export incentives	50.45	47.38
	Revenue from operation	**2,703.20**	**3,074.23**
B	**Disaggregation of revenue from contracts with customers**		
	Geographical wise		
	India	1,584.41	1,759.98
	Outside India	1,068.34	1,266.87
	Revenue from operation excluding other operating income	**2,652.75**	**3,026.85**
	Timing of revenue recognisation		
	Product transferred at point of time	2,611.80	2,989.12
	Services transferred over time	40.95	37.73
	Revenue from operation excluding other operating income	**2,652.75**	**3,026.85**
C	**Reconciliation of revenue recognised with contract price**		
	Revenue as per contract price	2,655.88	3,030.04
	Adjustment for:		
	Rebate and liability claim	3.13	3.19
	Total Revenue from contract price (excluding operating income)	**2,652.75**	**3,026.85**

D **Performance obligation**

Revenue is measured at the transaction price of the consideration received or receivable. Sales are recognised towards satisfaction of performance obligation. Amounts disclosed as revenue are excluding taxes and net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

31 Revenue from operations (Contd.)

The following table provide information about receivable and contract liabilities from contract with customers.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
E Contract balances		
Receivables, which are included in "trade receivable"	344.26	324.72
Contract liabilities	6.89	8.54

The contract liabilities primary relate to the advance consideration recevied from customers for sales of products, for which revenue is recognised on point of time. The amount of Rs. 8.14 crore included in contract liabilities as at 31st March, 2023 has been recognised as revenue during the year ended 31st March, 2024.

32 Other income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.06	0.06
- from others *	9.02	9.38
Dividend from preference share	1.33	-
Profit on sale/discard of property, plant and equipment (net)	2.13	4.52
Foreign currency transactions and translation (net)	1.48	-
Sundry credit balances written back (net)	0.11	1.26
Insurance claims	0.99	0.17
Deferred government grants (refer note no. 24)	1.06	1.12
Miscellaneous income **	7.84	9.72
	24.02	26.23

* In current year includes interest received of Rs. 2.04 crore on income tax refunds related to the financial years 2019-2020 and 2022-2023.

** During the pervious year ended 31st March, 2023, American Silk Mills, LLC has received refund of tax credit against certain employment taxes under Employees retention credit (ERC) of USD 0.20 million, Rs. 1.71 crore from Department of the Treasury internal revenue service, Cincinnati, (USA).

33 Cost of materials consumed

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw material consumed (refer note no. 43)	1,349.66	1,696.55
Consumption of dyes and chemicals	90.76	105.21
	1,440.42	**1,801.76**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

34 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Closing inventory		
Work-in-progress	100.29	131.03
Finished goods	139.07	293.58
Stock- in- trade	16.00	18.63
Wastage material	12.69	5.64
Total (A)	**268.05**	**448.88**
Opening inventory		
Work-in-progress	131.03	103.30
Finished goods	293.58	127.18
Stock- in- trade	18.63	12.17
Wastage material	5.64	5.37
Total (B)	**448.88**	**248.02**
Add		
Less : Foreign currency translation difference	0.25	1.02
Total (C)	**0.25**	**1.02**
Total (B-A+C)	**181.08**	**(199.84)**

35 Employee benefits expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries and wages	372.55	392.20
Contribution to provident and other funds	39.23	38.59
Staff welfare expenses	4.80	5.47
	416.58	**436.26**

36 Finance costs @

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest expenses ##	63.50	55.43
Exchange difference on the principal amount of foreign currency borrowing*	0.64	1.43
Other borrowing costs	0.89	1.06
	65.03	**57.92**

@ Net of amount capitalized refer note nos. 44 and 3A

Net of interest subsidies under various schemes amounting to Rs. 2.49 crore (31st March, 2023 Rs. 2.94 crore).

* Exchange differences on the principal amount of the foreign currency borrowings to the extent that exchange differences are regarded as an adjustment to borrowing costs have been disclosed as "Finance costs".

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

37 Depreciation and amortisation expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation on property, plant and equipment (refer note no. 3A)	114.71	124.86
Amortisation on intangible assets (refer note no. 4)	0.95	0.87
Depreciation on right-of-use assets (refer note no. 3C)	1.38	1.15
	117.04	**126.88**

38 Other expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Processing and job charges	1.48	3.52
Consumption of stores, spares and consumables	97.90	116.62
Power, fuel and water charges	294.55	311.81
Rent	1.57	1.44
Insurance	9.41	9.61
Rates and taxes	0.80	0.66
Repairs and maintenance:		
Buildings	6.08	10.12
Plant and machinery	39.06	44.71
Others	2.90	3.25
Freight and forwarding expenses	78.61	106.33
Selling commission and brokerage	30.94	35.33
Charity and donation ##	0.04	3.04
Foreign currency transactions and translation (net)	-	13.15
Bad debts	0.24	0.10
Loss allowance for doubtful debts / write off (refer note no. 47 II (ii))	2.46	2.91
Provision for expected credit loss	0.02	-
Directors' commission and fees	0.99	1.05
Travelling expenses	7.81	7.15
Vehicle expenses	7.98	8.26
Legal and professional expenses #	7.62	8.14
Corporate social responsibility expenses (refer below note)	2.17	2.08
Miscellaneous expenses	26.22	30.59
	618.85	**719.87**
# Auditor's remuneration (net of taxes)		
As auditor:		
Statutory audit fee	0.66	0.56
Other Capacity	0.19	0.18
Re-imbursement of expenses	0.13	0.12
	0.98	**0.86**

31st March, 2024 includes Nil (31st March, 2023 Rs. 2 crore) given to Samaj Electoral Trust Association.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

38 Other expenses (Contd.)

Note: Details of corporate social responsibility expenses

As per Section 135 of Companies Act, 2013, a holding company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. A CSR Committee has been formed by the Holding Company as per act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the Companies Act, 2013 in pursuant of the CSR policy.

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
(i)	Gross amount required to be spend during the year	2.29	2.08
	Less Surplus arising out of the CSR activities of the previous financial years 2021-22, set-off during the year (Approved by BOD)	0.13	-
	Net CSR obligation for the year	**2.16**	**2.08**
(ii)	Amount spent during the year		
	(a) Construction /acquisition of any asset	0.83	0.31
	(b) On purpose other than (a) above	1.34	1.77
		2.17	**2.08**

39 Exceptional items

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Exceptional items	8.45	36.38
	8.45	**36.38**

(a) Due to challenging market conditions in the spinning industry, the Holding Company has decided not to proceed with the greenfield expansion project, which is approved by the Board of Directors (BOD). The land allotted for the project has been surrendered and as per the agreement, surrender fee of 20% of the land premium (Rs. 7.68 crore) has been written off. Additionally, lease rent and other expenses has been written of Rs. 0.77 crore. Total written off of Rs. 8.45 crore have been disclosed as an "Exceptional item". The amount receivable of Rs. 31.21 crore from J&K SIDCO, after deducting the surrender fee is presented under the head "Other current financial assets". The Holding Company is confident that the amount will be recovered in due course.

(b) During the previous year ended 31st March, 2023, the Group had discarded Captive Co-Generation Power Plant ('CGPP') having a book value of Rs. 35.51 crore, since it was not considered viable to operate. Subsequently, the Group entered into an agreement for selling the CGPP at a valuation of Rs. 15 crore. This resulted in loss on sale/ discard of Rs. 20.51 crore.

(c) During the previous year ended 31st March, 2023, the Group carried out impairment assessment of Goodwill pertaining to business of overseas subsidiaries and recorded an impairment loss of Rs. 7.56 crore.

(d) During the previous year ended 31st March, 2023, the Group reversed excess interest subsidy claimed in previous years amounting to Rs. 8.31 crore including interest thereon in relation to a case under TUFS (Technology Upgradation Fund Scheme) basis additional disallowances considered by the Ministry of Textiles.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

40 Earning per share

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Profit for the year	(135.56)	37.28
Weighted average number of equity shares of Re. 1/- each	16,38,28,620	16,38,28,620
Basic and Diluted (per share in Rs.)	(8.27)	2.28

41 Contingent liabilities and commitments

Particulars	As at 31st March, 2024	As at 31st March, 2023
A. Contingent liabilities (to the extent not provided for) in respect of:		
1. Claim against the Holding Company not acknowledged as debts:		
Labour matters (including matter in respect of which stay granted by respective Hon'ble High Court), except for which the liability is unascertainable	4.18	4.55
2. Other matters for which the Holding Company is contingently liable:		
a) Demand raised by Excise Department for various matters	0.07	0.07
b) Demand raised by GST department for various matters	3.39	0.06
c) Demand raised by the income tax authorities	-	0.13
d) Bank Guarantee given to Dakshin Gujarat Vij Company Limited	1.67	1.67

3. Liability of customs duty towards export obligation undertaken by the Holding Company under "Export Promotion Capital Goods Scheme (EPCG)" amounting to Rs. 7.43 crore (31st March, 2023: Rs. 15.55 crore).

   The Holding Company had imported Capital goods under EPCG and saved the custom duty. As per the EPCG terms and conditions, Holding Company needs to export Rs. 35.13 crore (31st March, 2023: Rs. 98.28 crore) i.e. 6 times (25% of 6 times in case of Jammu & Kashmir) of duty saved on import of Capital goods on FOB basis within a period of 6 years. If the Holding Company does not export goods in prescribed time, then the Holding Company may have to pay interest and penalty thereon.

   Note: (i) Pending resolution of the respective proceedings, it is not practicable for the Holding Company to estimate the timings of cash outflows, if any, in respect of the above matters, timing of the cash outflows can be determined only on receipt of judgments/ decisions pending with various forums/ authorities.

   Note: (ii) The group has reviewed all its pending litigation and proceeding and has adequately provisions provided for where provision required and disclosed are made for contingent liabilities where applicable, in its financial statements. The group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position . The group does not expect any reimbursements in respect of the above contingent liabilities.

4 In the previous year, The Group filed a writ petition with the Honourable High Court of Chhattisgarh against South Eastern Coal Field Limited (SECL) regarding an unfulfilled commitment to procure a minimum quantity of coal. The Honourable High Court directed the matter to be settled. However, in the current year, the Group withdrew the petition seeking resolution of grievances as no relief was granted by the Settlement Committee. Subsequently, the Group filed a fresh writ petition in the High Court against both SECL and Indian Railways.

5 During the current year, the Holding company has received a notice from Directorate General of Analytics & Risk Management (DGARM) for non-compliance relating to provision of rule 96(10)) of the CGST Rules. Basis of legal opinion obtained, the Holding company is contesting for relief of interest and penalty ,with no anticipated adverse implications on the Holding company.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

41 Contingent liabilities and commitments (Contd.)

B. Commitments

Particulars	As at 31st March, 2024	As at 31st March, 2023
1 Estimated amount of contracts remaining to be executed on capital account [net of advances] not provided for	24.95	41.54

42 Segment information

A. Description of segments and principal activities

Segment information is presented in respect of the Group's key operating segments. The operating segments are based on the Group's internal reporting structure. The board of directors have been identified as the chief operating decision maker ('CODM'), since Board of Directors is responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, joint venture, merger and acquisition, and expansion of any facility. The Group's board examines the Group's performance both from a product and geographic perspective and has identified two reportable segments of its business:

a) **Yarn:** It comprises of recycle polyester staple fibre , cotton and man made fibres yarn;

b) **Home textiles :** It comprises of home furnishing and fabric processing

The Group's board reviews the results of each segment on a quarterly basis. However, of subsidiary company it review on annual basis. The Group's board of directors uses earning before interest and tax ('EBIT) to assess the performance of the operating segments.

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment's earnings before interest and tax (EBIT) is used to measure the segment's performance because management believes that this information is the most relevant to evaluate the results of the respective segments for comparing it with other entities that operate in the same industries.

Reportable Segments	Yarn	Home Textiles	Total
	For the year ended 31st March, 2024	For the year ended 31st March, 2024	For the year ended 31st March, 2024
External revenues	2,492.60	214.28	2,706.88
Inter-segment revenue	3.68		3.68
Segment revenue	**2,488.92**	**214.28**	**2,703.20**
Segment result	(104.92)	(24.76)	(129.68)
Finance costs			65.03
Exceptional items (refer note no. 39)			8.45
Unallocated corporate income (net of expenses)			(0.47)
Profit before tax			**(203.63)**
Tax expense			(68.07)
Profit after tax			**(135.56)**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

42 Segment information (Contd.)

Reportable Segments	Yarn	Home Textiles	Total
	For the year ended 31st March, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2023
External revenues	2,877.73	199.66	3,077.39
Inter-segment revenue	3.16	-	3.16
Segment revenue	**2,874.57**	**199.66**	**3,074.23**
Segment result	204.69	(40.91)	163.78
Finance costs			57.92
Exceptional items (Refer note no. 39)			36.38
Unallocated corporate income (net of expenses)			(4.54)
Profit before tax			**64.94**
Tax expense			27.66
Profit after tax			**37.28**

Other information

Particulars	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total Assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at 31st March, 2024						
Yarn	1,850.66		1,850.66	767.21	-	767.21
Home textiles	249.35		249.35	104.05	-	104.05
Unallocated		8.89	8.89		276.54	276.54
Total	**2,100.01**	**8.89**	**2,108.90**	**871.26**	**276.54**	**1,147.80**

Particulars	Capital expenditure	
	Segment capital expenditure	Total capital expenditure
As at 31st March, 2024		
Yarn	50.01	50.01
Home textiles	5.69	5.69
Total	**55.70**	**55.70**

Particulars	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total Assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at 31st March, 2023						
Yarn	2,137.19	-	2,137.19	709.32	-	709.32
Home textiles	268.12	-	268.12	106.54	-	106.54
Unallocated	-	26.98	26.98		507.03	507.03
Total	**2,405.31**	**26.98**	**2,432.29**	**815.86**	**507.03**	**1,322.89**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

42 Segment information (Contd.)

Particulars	Capital expenditure	
	Segment capital expenditure	Total capital expenditure
As at 31st March, 2023		
Yarn	135.03	135.03
Home textiles	7.31	7.31
Total	**142.34**	**142.34**

C. Geographic information

The Yarn and Home Textile segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in India. The geographic information analyses the Group's revenue by the Group's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

a) Revenues from different geographies

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Domestic	1,588.09	1,763.14
Export *	1,068.34	1,266.87
	2,656.43	3,030.01
Other operating income	50.45	47.38
Segment revenue	**2,706.88**	**3,077.39**
*** Export**		
Turkey	244.79	326.27
Bangladesh	212.79	162.24
USA	76.42	158.22
Hong Kong	57.98	99.24
Singapore	28.03	70.54
Rest of the World	448.33	450.37
	1,068.34	**1,266.87**

b) Non-current assets **

Particulars	As at 31st March, 2024	As at 31st March, 2023
India	1,095.28	1,197.03
Rest of the World	2.71	2.92
	1,097.99	**1,199.95**

** Non-current assets exclude investments and tax assets

43 During the previous year, the Group has noticed theft in one of the units, for an amount of Rs. 3.85 crore (net). This loss has been charged in the statement of profit and loss under head "cost of material consumed" and netted off from "Inventories" in Balance Sheet. The Group took appropriate steps to address the situation, including filing a FIR with the police and implementing preventive measures to avoid such incidents in future. In the current year, an insurance claim was filed and the survey has been completed and the report is awaited.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

44 Borrowing cost

During the year, Group has capitalized borrowing cost amounting to Rs. 1.06 crore (31st March, 2023: Rs. 1.65 crore) under head plant and equipment and building. The capitalisation rate used to determine the amount of borrowing cost for capitalisation purpose is weighted average interest rate to the company i.e. 7.96 .(31st March, 2023 6.62%). Details of capitalisation is as below:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Plant and equipment	1.04	1.58
Buildings	0.01	0.07
Others	0.01	-
	1.06	**1.65**

45 Employee benefits

The Holding Company contributes to the following post-employment defined benefit plans in India.

(i) Defined contribution plans:

The Holding Company makes contributions towards provident fund and superannuation fund to a defined contribution benefit plan for qualifying employees. Under the plan, the Holding Company is required to contribute a specified percentage of specified employment benefit expenses to the benefit plans.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Contribution to provident fund	25.12	24.50
Contribution to employee's state insurance	5.39	5.36

(ii) Defined benefit plan:

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. Gratuity liability (other than for Baddi units) is being contributed to the gratuity fund formed by the Holding Company and in case of Baddi unit, company makes contributions to Group Gratuity cum Life Assurance Schemes administered by the LIC of India.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31st March, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Employee benefits (Contd.)

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation:

Particulars	As at and for the year ended 31st March, 2024			As at and for the year ended 31st March, 2023		
	Present value of the obligation	Fair value of the planned Assets	Total	Present value of the obligation	Fair value of the planned Assets	Total
Balance at the beginning of the year	55.67	51.67	4.00	52.19	50.43	1.76
Amount Recognised in profit and loss						
Current service cost	7.43		7.43	7.15	-	7.15
Interest cost	4.12	(3.81)	0.31	3.76	(3.63)	0.13
	11.55	**(3.81)**	**7.74**	**10.91**	**(3.63)**	**7.28**
Remeasurement						
Actuarial loss (gain) arising from:						
- Changes in financial assumptions	1.66	-	1.66	(1.04)	-	(1.04)
- Changes in demographic assumption	-	-	-	(0.36)	-	(0.36)
- Changes in experience adjustment	(5.13)	-	(5.13)	(1.55)	-	(1.55)
Return on plan assets recognised in OCI	-	(1.98)	(1.98)		1.43	1.43
Total amount recognised in OCI	(3.47)	(1.98)	(5.45)	(2.95)	1.43	(1.52)
Contributions paid by the employer	-	3.98	-	-	3.53	-
Adjustment for previous year			-	-	-	-
Benefits paid	(5.60)	(5.60)	-	(4.48)	(4.49)	-
Interest income	-	5.78	-	-	2.20	-
Balance at the end of the year	**58.15**	**55.83**	**2.32**	**55.67**	**51.67**	**4.00**

B. Plan assets

For each major category of plan assets, following is the percentage that each major category constitutes of the fair value of the total plan assets:

	Amounts		% Composition	
	As at 31st March, 2024	As at 31st March, 2023	As at 31st March, 2024	As at 31st March, 2023
State/ Govt. of India securities	8.80	10.56	16%	20%
Corporation bonds/ fixed deposits with banks	4.00	2.31	7%	4%
Special deposit scheme with Bank	3.51	3.51	6%	7%
HDFC group unit linked plan-option B	27.72	25.36	50%	50%
Other investments -UTI master shares	4.67	3.72	8%	7%
LIC fund	6.43	5.40	12%	10%
Others Refundable net	0.70	0.81	1%	2%
	55.83	**51.67**	**100%**	**100%**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Employee benefits (Contd.)

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31st March, 2024	As at 31st March, 2023
Discount rate	7.10%	7.40%
Expected rate of future salary increase	6.00%	6.00%
Mortality	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rates at ages:-		
- Up to 30 years	3%	3%
- From 31 to 44 years	2%	2%
- Above 44 years	1%	1%

Assumptions regarding future mortality have been based on published statistics and mortality tables.

The Holding Company expects to pay Rs. 9.07 crore (previous year Rs. 8.70 crore) in contribution to its defined benefit plans in the next year.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points movement)	(2.90)	3.16	(3.12)	3.31
Expected rate of future salary increase (50 basis points movement)	3.17	(2.94)	3.35	(3.24)
Attrition rate	0.09	(0.09)	0.08	(0.08)
Mortality	0.01	(0.01)	0.01	(0.01)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as regards rate of inflation, rate of increase in payment of pensions, rate of increase in payment of pensions before retirement and life expectancy are not applicable being a lump sum benefit payables on retirement. Although, the analysis does not take account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions disclosed above.

Maturity profile of defined benefit obligation

Year	As at 31st March, 2024	As at 31st March, 2023
0 to 1 year	6.12	6.25
1 to 2 year	1.84	4.43
2 to 3 year	1.74	2.83
3 to 4 year	3.02	2.33
4 to 5 year	2.53	2.65
5 to 6 year	2.71	2.58
6 year onwards	40.19	34.60

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

45 Employee benefits (Contd.)

E. Description of risk exposures:

Defined benefit plans expose the Holding Company to below actuarial risks :

Changes in bond yields:	Decrease in bond yields will increase plan liabilities, although this will partially be offset by the increase in value of the plan assets.
Life expectancy:	Defined benefit obligations are to provide benefits for the life of the members of the plan, so increase in life expectancy will result in increase in plan's liabilities. This is particularly significant where inflationary increase results in higher sensitivity to the changes in life expectancy.
Asset Volatility	Asset volatility is the risk when assets underperform in comparison to the bond yield, then this create asset deficit.

46 Related parties*

A. Related parties and their relationships

i Key Managerial Personnel (KMP)

Name	Relationship
Mr. C. S. Nopany	Executive Chairman
Mr. U. K. Khaitan	Non-executive Director
Mr. Amit Dalal	Non-executive Director
Mr. Rajan Dalal	Non-executive Director
Mr. Rajiv K. Podar	Non-executive Director
Smt. Sonu Bhasin	Non-executive Director
Mr. Ashok Mittal	Non-executive Director
Mr. Rohit Dhoot	Non-executive Director
Mr. Bipeen Valame	Wholetime Director and Chief Financial Officer (till 10th June, 2022)
Mr. Rajib Mukhopdhyay	Wholetime Director and Chief Financial Officer (wef from 11th June, 2022)
Mr. Updeep Singh Chatrath	President and Chief Executive Officer (till 21st July, 2023)
Mr. Suresh Kumar Khandelia	Advisor to Executive Chairman (wef 24th July, 2023)

ii Entity in which KMP has significant influence where transactions have taken place during current and previous year

Avadh Sugar and Energy Limited

iii Post employment benefit entity:

Sutlej Textiles and Industries Employee Gratuity Fund

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

46 Related parties* (Contd.)

B. Transactions with the above in the ordinary course of business

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
a) Remuneration to key managerial personnel		
Mr. C. S. Nopany		
- Short-term employee benefits	3.00	3.00
- Commission	-	1.98
Mr. Updeep Singh Chatrath		
- Short-term employee benefits	1.04	3.52
- Post-employment benefits	0.05	0.04
Mr. Suresh Kumar Khandelia		
- Short-term employee benefits	4.13	-
Mr. Rajib Mukhopdhyay		
- Short-term employee benefits	1.36	1.11
- Post-employment benefits	0.07	0.04
Mr. Bipeen Valame		
- Short-term employee benefits	-	0.25
- Post-employment benefits	-	0.05
b) Director sitting fees		
Mr. C. S. Nopany	0.03	0.03
Mr. U. K. Khaitan	0.04	0.04
Mr. Amit Dalal	0.04	0.06
Mr. Rajan Dalal	0.03	0.04
Mr. Rajiv K. Podar	0.04	0.06
Ms. Sonu Bhasin	0.04	0.04
Mr. Rohit Dhoot	0.04	0.05
Mr. Ashok Mittal	0.03	0.03
c) Director commission		
Mr. U. K. Khaitan	0.10	0.10
Mr. Amit Dalal	0.10	0.10
Mr. Rajan Dalal	0.10	0.10
Mr. Rajiv K. Podar	0.10	0.10
Ms. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr Ashok Mittal	0.10	0.10
d) Transactions with Avadh Sugar and Energy Ltd		
Reimbursement of expenses	4.35	1.65
e) Contribution to Post employment benefit entity		
Sutlej Textiles and Industries Employee Gratuity Fund	3.98	3.53

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

46 Related parties (Contd.)

C. Balances outstanding

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade Receivables		
Avadh Sugar and Energy Limited	0.00*	-
*The total amount of trade receivables in absolute value is Rs. 28,359, but for reporting purpose rounded up to Rs. 0.0 crore		
Payables		
Mr. C. S. Nopany		
Commission	-	1.98
Avadh Sugar and Energy Limited	1.08	0.90
Short-term employee benefit payable		
Mr. Suresh Kumar Khandelia	0.50	-
Mr. Rajib Mukhopdhyay	0.11	-
Post employment benefit payables		
Mr. Updeep Singh Chatrath	-	0.77
Mr. Suresh Kumar Khandelia	-	
Mr. Rajib Mukhopdhyay	0.11	0.04
Director Commission Payables (Including TDS):		
Mr. U. K. Khaitan	0.10	0.10
Mr. Amit Dalal	0.10	0.10
Mr. Rajan Dalal	0.10	0.10
Mr. Rajiv K. Podar	0.10	0.10
Ms. Sonu Bhasin	0.10	0.10
Mr. Rohit Dhoot	0.10	0.10
Mr Ashok Mittal	0.10	0.10
Payables		
Sutlej Textiles and Industries Employee Gratuity Fund	1.69	2.80

* Transaction with the related parties are on Arm's length price basis

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	Note	As at 31st March, 2024		As at 31st March, 2023	
		FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets					
Investments					
Equity shares of JNSB*	5	0.00	-	0.00	-
Other non-current financial assets	6	-	15.05	-	14.91
Investments (Preference shares)	10	-	-	1.24	
Trade receivables	11	-	344.26	-	324.72
Cash and cash equivalents	12	-	2.88	-	9.41
Bank balances other than cash and cash equivalents	13	-	2.94	-	2.47
Other current financial assets	14	0.09	94.77	1.50	63.12
		0.09	459.90	2.74	414.63
Financial liabilities					
Non Current Borrowings	19	-	275.41	-	276.44
Lease liabilities	20	-	2.23	-	1.88
Other non-current financial liabilities	21	-	6.68	-	7.25
Short terms borrowings	25	-	568.83	-	674.49
Trade payables	26	-	155.92	-	143.58
Other current financial liabilities	27	-	57.37	-	64.78
		-	**1066.44**	**-**	**1168.42**

*The total amount of investments in absolute value is Rs. 5,000 (31st March, 2023: Rs. 5000), but for reporting purpose rounded up to Rs. 0.0 crore.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

There are no transfers made between level 1 and level 2 during the year.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts is determined as per values provided by banks.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and preference shares, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

B. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value: and

(b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Level 1	Level 2	Level 3	Total
As at 31st March, 2024				
Financial assets				
Financial investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Derivative assets	-	0.09	-	0.09
Total financial assets	**-**	**0.09**	**0.00**	**0.09**
As at 31st March, 2023				
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Preference shares	-	-	1.24	1.24
Derivative assets	-	1.50	-	1.50
Total financial assets	**-**	**1.50**	**1.24**	**2.74**

*The total amount of investments in absolute value is Rs. 5,000, but for reporting purpose rounded up to Rs. 0.0 crore.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted securities.

There are no transfers made between level 1 and level 2 during the year.

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(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

Particulars	Unlisted equity shares*		Unlisted preference shares	
	31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
Balance at the beginning of the year	0.00	0.00	1.24	1.07
Redemption of Preference shares	-	-	(1.30)	-
Gain/(losses) recognised in statement of profit or loss	-	-	0.06	0.17
Balance at the end of the year	**0.00**	**0.00**	**(0.00)**	**1.24**

*The total amount of investments in absolute value is Rs. 5,000, but for reporting purpose rounded up to Rs. 0.0 crore.

Valuation inputs and relationships to fair value

Type of financial instrument	Fair Value as at 31st March, 2024	Fair Value as at 31st March, 2023	Significant unobservable inputs	Probability-weighted range
Unquoted preference shares in Palash Securities Limited **	-	1.24	Non Dividend paying shares, hence, higher discount rate considered as per RBI Guidelines	(31st March, 2023: 16%)
Unquoted equity shares (In equity shares of Co-operative Bank: The Jhalawar Nagrik Sahkari Bank Ltd., Bhawanimandi*)	0.00	0.00	0.00	

*The total amount of investments in absolute value is Rs. 5,000 (31st March, 2023: Rs. 5000), for reporting purpose rounded up to Rs. 0.0 crore. Sensitivity analysis of unlisted equity shares has been ignored being not material.

** This has been redeemed during the year.

Valuation process

The Group involves independent valuer to carry out the valuation of the investments, required for financial reporting purposes, including level 3 fair values. The main level 3 inputs for unlisted preference shares used by the Group are derived and evaluated as follows:

- Risk adjusted discount rates are estimated based on expected cash inflows arising from the instrument and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and 3 fair values are analysed at the end of each reporting year.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other non current financial assets	15.05	15.05	14.91	14.91
Trade receivables	344.26	344.26	324.72	324.72
Cash and cash equivalents	2.88	2.88	9.41	9.41
Bank balances other than cash and cash equivalents	2.94	2.94	2.47	2.47
Other current financial assets	94.77	94.77	63.12	63.12
	459.90	**459.90**	**414.63**	**414.63**
Financial liabilities				
Borrowings	275.41	275.41	276.44	276.44
Lease liabilities	2.23	2.23	1.88	1.88
Other non-current financial liabilities	6.68	6.68	7.25	7.25
Short term borrowings	568.83	568.83	674.49	674.49
Trade payables	155.92	155.92	143.58	143.58
Other current financial liabilities	57.37	57.37	64.78	64.78
	1,066.44	**1,066.44**	**1,168.42**	**1,168.42**

Cash and cash equivalents and other bank balances

The Group held cash and cash equivalents and other bank balances of Rs. 5.82 crore at 31st March, 2024 (31st March, 2023: Rs.11.88 crore). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties, which are rated A1+, based on India ratings. Impairment on cash and cash equivalents and other bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. There is no impairment allowance at 31st March, 2024 and 31st March, 2023.

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated A1+, based on India ratings.

II. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

i. Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024
(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

systems are reviewed by the board annually to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group's management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes market check, industry feedback, past financials and external ratings, if such information is available, and in some cases bank references. Credit limits are established for each customer and reviewed quarterly. Any Credit limit exceeding those limits require approval from the chief financial officer of the Group.

To monitor customer credit risk, customers are reviewed in terms of their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties."

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

During the year, the Group has made write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Group management also pursue all legal options for recovery of dues wherever necessary based on its internal assessment.

Reconciliation of loss allowance provision – trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	(4.79)	(1.98)
Less: Provision for doubtful debts written back	-	-
Add: Provision for doubtful debts made	(2.46)	(2.91)
Bad debts	0.24	0.10
Balance at the end of the year	**(7.01)**	**(4.79)**

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to manage liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when liabilities are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Group's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The Group had access to the following undrawn borrowing facilities as at reporting date:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Floating rate		
Expiring within one year (credit limit and other facilities)	59.69	63.50
Expiring within one year (Term loans)	140.00	6.40
	199.69	**69.90**

The credit limit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Rupees (Rs.) and have an average maturity of 3 years and 0 months as at 31st March, 2024 (31st March, 2023 - 2 years and 8 months).

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts	Contractual cash flows			
		Total	Less than 12 Months	1–5 years	More than 5 years
As at 31st March, 2024					
Non-derivative financial liabilities					
Borrowings	275.41	275.41	-	262.08	13.33
Lease liabilities	2.23	2.23	1.01	0.71	0.51
Other non-current financial liabilities	6.68	6.68	-	0.03	6.65
Short term borrowings	568.83	568.83	568.83	-	-
Trade payables	155.92	155.92	155.92	-	-
Other current financial liabilities	57.37	57.37	57.37	-	-
Total financial liabilities	**1,066.44**	**1,066.44**	**783.13**	**262.82**	**20.49**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

Particulars	Carrying Amounts	Contractual cash flows			
		Total	Less than 12 Months	1–5 years	More than 5 years
As at 31st March, 2023					
Non-derivative financial liabilities					
Borrowings	276.44	276.44	-	240.70	35.74
Lease liabilities	1.88	1.88	0.62	0.94	0.32
Other non-current financial liabilities	7.25	7.25	-	1.00	6.25
Short term borrowings	674.49	674.49	674.49	-	-
Trade payables	143.58	143.58	143.58	-	-
Other current financial liabilities	64.78	64.78	64.78	-	-
Total financial liabilities	**1,168.42**	**1,168.42**	**883.47**	**242.64**	**42.31**

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

"Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group uses derivatives like forward contracts to manage market risks on account of foreign exchange and various debt instruments on account of interest rates. All such transactions are carried out as per guidelines of the Management.

a. Currency risk

"The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD , EUR, CHF GBP and JPY. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (Rupees). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the Rupees cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis. The Group also consults external experts for their views on the currency rates in volatile foreign exchange markets.

Currency risks related to payables and receivables denominated in foreign currencies have been partially hedged using forward contracts taken by the Group.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates whenever, necessary, to address short-term imbalances."

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

(i) Exposure to currency risk

The quantitative data about the Group's exposure to currency risk as reported by the management of the Group is as follows:

Particulars	USD	EUR	GBP	CHF	JPY
31st March, 2024					
Financial assets/ liabilities					
Trade receivables	3.09	-	0.00	-	-
Advances to suppliers	0.00	0.00	-	0.00	-
Foreign currency working capital borrowings	(2.53)	-	-	-	-
Trade payables	(0.08)	(0.00)	-	-	-
Contract liabilities	(0.05)	-	-	-	-
Net statement of financial position exposure	**0.43**	**(0.00)**	**0.00**	**0.00**	**-**

Particulars	USD	EUR	GBP	CHF	JPY
31st March, 2023					
Financial assets/liabilities					
Trade receivables	2.83	-	-	-	-
Advances to suppliers	0.00	0.00	-	-	-
Foreign currency working capital borrowings	(1.22)	-	-	-	-
Trade Payables	(0.09)	(0.01)	-	(0.07)	(0.04)
Contract liabilities	(0.07)	-	-	-	-
Net statement of financial position exposure	**1.45**	**(0.01)**	**-**	**(0.07)**	**(0.04)**

(ii) Unhedged foreign currency exposure

Particulars	USD	EUR	GBP	CHF	JPY
31st March, 2024					
Financial assets/ liabilities					
Trade receivables	-	-	-	-	-
Advances to suppliers	0.00	0.00	-	0.00	-
Foreign currency working capital borrowings	(2.53)	-	-	-	-
Trade payables	(0.08)	(0.00)	-	-	-
Contract liabilities	(0.05)	-	-	-	-
Net statement of financial position exposure	**(2.66)**	**(0.00)**	**-**	**0.00**	**-**

Particulars	USD	EUR	GBP	CHF	JPY
31st March, 2023					
Financial assets/ liabilities					
Trade receivables	-	-	-	-	-
Advances to suppliers	0.00	0.00	-	-	-
Foreign currency working capital borrowings	(1.22)	-	-	-	-
Trade payables	(0.09)	(0.01)	-	(0.07)	(0.04)
Contract liabilities	(0.07)	-	-	-	-
Net statement of financial position exposure	**(1.37)**	**(0.01)**	**-**	**(0.07)**	**(0.04)**

Note :The total amount in absolute value is less than 100,000, but for reporting purpose rounded up to Rs. 0.0 crore.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

(iii) Derivative Instruments

Particulars	USD	EUR	GBP
31st March, 2024			
Forward contract for export trade receivables outstanding	2.45	-	-
31st March, 2023			
Forward contract for export trade receivables outstanding	3.95	-	-

The following significant exchange rates have been applied

Currency	Average Rates		Year end spot rates	
	31st March, 2024	31st March, 2023	31st March, 2024	31st March, 2023
USD 1	82.85	80.59	82.92	82.11
EUR 1	89.82	83.99	89.98	89.52
GBP 1	104.03	95.23	105.02	101.77
CHF 1	93.46	97.25	94.44	89.84
JPY 1	0.57	0.62	0.55	0.62

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rupees (Rs.) against foreign currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Currency	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2024*				
USD (10% movement)	0.04	(0.04)	0.03	(0.03)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	0.00	(0.00)	-	-
CHF (10% movement)	0.00	(0.00)	-	-
JPY (10% movement)	-	-	-	-
31st March, 2023*				
USD (10% movement)	0.15	(0.15)	0.09	(0.09)
EURO (10% movement)	(0.00)	0.00	-	-
GBP (10% movement)	-	-	-	-
CHF (10% movement)	(0.01)	0.01	-	-
JPY (10% movement)	(0.00)	0.00	-	-

* amount 0.00 represents rounded off amount in crore which are less than Rs. 1,00,000 in absolute value terms

b. Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. During financial year 2023-24 and financial year 2022-23, the Group's borrowings at variable rates were denominated in Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	Nominal Amount	
	31st March, 2024	31st March, 2023
Fixed-rate instruments		
Financial assets	-	-
Fixed deposits with Banks	2.37	1.71
Financial liabilities	-	-
	2.37	**1.71**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	844.24	950.93
	844.24	**950.93**

* amount 0.00 represents rounded off amount in crore which are less than Rs. 1,00,000 in absolute value terms

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	50 basis points increase	50 basis points decrease	50 basis points increase	50 basis points decrease
31st March, 2024				
Variable-rate instruments	(4.22)	4.22	(2.75)	2.75
Cash flow sensitivity	(4.22)	4.22	(2.75)	2.75
31st March, 2023				
Variable-rate instruments	(4.75)	4.75	(3.09)	3.09
Cash flow sensitivity	**(4.75)**	**4.75**	**(3.09)**	**3.09**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

c. **Commodity price risks**

The Group is exposed to the risk of price fluctuations of raw materials, dyes and chemicals, work-in-progress and finished goods. The Group manages its commodity price risk by maintaining adequate inventory of raw materials, dyes and chemicals, work in progress and finished goods considering anticipating movement in prices. To counter raw materials risk, the Group works with varieties of fibres (natural and manmade) with the objective to moderate raw material cost, enhance application flexibility and increase product functionality and also invested product development and innovation.

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(All amounts are in Rupees Crore, unless otherwise stated)

47 Financial instruments – Fair values and risk management (Contd.)

Inventory sensitivity analysis (raw materials, dyes and chemicals, work in progress and finished goods)

A reasonably possible change of 10% in prices of inventory at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Inventories (raw materials, dyes and chemicals, work in progress and finished goods	Profit or loss		Equity, net of tax	
	10 % increase	10 % decrease	10 % increase	10 % decrease
31st March, 2024	47.05	(47.05)	30.77	(30.77)
31st March, 2023	71.04	(71.04)	46.46	(46.46)

48 In respect of Okara Mills, Pakistan, (which remained with the Group as a result of transfer of textiles division of Sutlej Industries Limited with the Group) no returns have been received after 31st March, 1965. Against net assets, amounting to Rs. 2.32 crore of Okara Mills, Pakistan, the demerged /transferor Group received adhoc compensation of Rs. 0.25 crore from Government of India in the year 1972-73. These assets now vest with the Custodian of Enemy Property, Pakistan for which claim has been filed with the Custodian of Enemy Property in India. The Group shall continue to pursue its claim for compensation/ restoration of assets. Hence, further compensation, if any received, will be recorded in the year of receipt. In the financial year 2003-04, net assets of Rs. 2.07 crore (net of compensation received) as at 31st March, 1965 were valued at pre-devaluation exchange rate, has been provided for.

49 Disclosure u/s 186(4) of the Companies Act, 2013 :

Particulars of investments made:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Investment in 8.5% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) fully paid in M/s Palash Securities Limited (Refer note no. 10)		
Fair value gain recognised during the year	0.06	0.17
Redeemed during the year	(1.30)	-
Balance outstanding as at reporting date	-	1.24

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

50 Capital management

The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility. The Board of directors regularly review the Group's capital structure in light of the economic conditions, business strategies and future commitments. For the purpose of the Group's capital management, capital includes issued share capital and all other equity reserves. Debt includes short term and long term borrowings. During the financial year ended 31st March, 2024, no significant changes were made in the objectives, policies or processes relating to the management of the Group's capital structure.

(i) Debt equity ratio:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Net debt*	838.42	939.05
Total debt (A)	**838.42**	**939.05**
Equity share capital	16.38	16.38
Other equity	944.72	1,093.02
Total equity (B)	**961.10**	**1,109.40**
Debt equity ratio (C=A/B)	**0.87**	**0.85**

*The Group includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

(ii) Return on equity

Particulars	As at 31st March, 2024	As at 31st March, 2023
Profit for the year	(135.56)	37.28
Equity share capital	16.38	16.38
Other equity	944.72	1,093.02
Total equity	**961.10**	**1,109.40**
Return on equity ratio (%)	**-14.10%**	**3.36%**

(iii) The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 7.96 % (31st March, 2023: 6.62%).

51 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries.

Name of the enterprise	Net assets i.e. total assets - total liabilities share		Share in profit or loss for the year	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
31st March, 2024				
1. Holding Company	100.00	961.09	91.55	(124.10)
2. Foreign subsidiary Company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC)	0.00	0.01	8.45	(11.46)
	100.00	**961.10**	**100.00**	**(135.56)**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

51 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiaries. (Contd.)

Name of the enterprise	Net assets i.e. total assets - total liabilities share		Share in profit or loss for the year	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
31st March, 2023				
1. Holding Company	98.98	1,098.03	130.06	48.49
2. Foreign subsidiary Company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC)	1.02	11.37	(30.06)	(11.21)
	100.00	**1,109.40**	**100.00**	**37.28**

Name of the enterprise	Other comprehensive income for the year		Total comprehensive income for the year	
	As % of consolidated other comprehensive income for the year	Amount	As % of consolidated total comprehensive income for the year	Amount
31st March, 2024				
1. Holding Company	97.33	3.54	91.39	(120.56)
2 Foreign subsidiary Company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC)	2.67	0.10	8.61	(11.36)
	100.00	**3.64**	**100.00**	**(131.92)**

Name of the enterprise	Other comprehensive income for the year		Total comprehensive income for the year	
	As % of consolidated other comprehensive income for the year	Amount	As % of consolidated total comprehensive income for the year	Amount
31st March, 2023				
1. Holding Company	40.20	0.99	124.50	49.48
2 Foreign subsidiary Company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC)	59.80	1.47	(24.50)	(9.74)
	100.00	**2.46**	**100.00**	**39.74**

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

52 At each reporting date, the Group evaluate whether there is objective evidence that the property, plant and machinery of the Cash generating unit "CGU" is impaired in terms of IND AS – 36 "Impairment of Assets". If there is such evidence, the carrying amount is tested for impairment by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and impairment, if any, is recognized in the financial statement of the Group.

Due to rising input expenses, competitive pressures, and challenging market conditions, particularly in the upholstery and curtains segment, the Damanganga unit (""CGU"") has experienced significant losses over recent years. However, in the current year, the unit managed to achieve positive EBITDA through the implementation of cost-effective measures and a favourable shift in the market dynamics of the upholstery and curtains sector. Despite this improvement, the unit still incurred a cash loss primarily attributable to elevated interest expenses resulting from debt taken against previous cash losses and an increase in repo rates.

Consequently, the Group conducted an impairment assessment of the aforementioned CGU utilizing the fair value less cost to sell model. This model relies on the replacement value of plant and machinery, as well as the market value of land and building assets. The fair valuation process incorporates various assumptions reflecting prevailing market conditions. Additionally, the Group engaged an independent valuer to conduct a thorough assessment of the fair value of the property, plant, and equipment associated with the CGU.

Some of the key assumptions used by the Valuer for determining the fair value for significant assets are as follows:

(a) Land Valuation :

(i) Transacted / quoted values for similar properties sold in the subject micro-market;

(ii) Adjustment of achievable transaction value based on site specific physical parameters such as location, accessibility, size, zoning, physical attributes, profile of surrounding developments, etc.

(b) Building Valuation:

The value of the built up structure on the subject property has been assessed by the 'Depreciated Replacement Cost' method, where the current replacement cost of the structure (given the current condition of the property) has been evaluated after giving due regards to physical parameters such as construction, specifications, completion status of the building, renovations carried out in the structures and the same has been depreciated based on parameters such as age, remaining useful life, etc. of the structure.

(c) Plant and Machinery and other Equipment's valuation

Total economic life for machineries under various categories have been considered on the basis of regulations prescribed under Schedule II of Indian Companies Act, 2013. Further, a salvage value of 2-5% on the replacement cost, as of date of assessment, of plant and machinery and other equipment has been considered. Quotes for similar or Identical machineries from the same or other manufacturer/ suppliers that are available in the market is also considered. In addition, other applicable direct & indirect cost prevalent in the current market conditions has been factored to arrive at the current Replacement Cost New (RCN) for the machineries at the site. Further, indexing method has also been used to assess RCN for a few machineries.

In addition to the above, in perspective and considering the prevailing trends, a marketing and transaction cost in the range of 5-10% has been considered for the subject assets while assessing the fair value.

Technological obsolescence to an extent of 5-10% has considered for the machineries installed during the period 1999 -2015 . Further, functional obsolescence to the extent of 10-15% has also considered.

Based on all the above factors, as per the final report issued by the Valuer, the fair value of the CGU is higher than its carrying value and hence the Group has concluded that no impairment provision needs to be recorded in the financial statements.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

53 Regulatory information's :

(i) The Group does not have any benami property where any proceedings have been initiated or pending against the Group for holding such benami property.

(ii) The Group does not have any transactions with companies that have been struck off.

(iii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Group does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(v) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

(vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(ix) The Group does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(x) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has two Core Investment Company ("CIC") as part of the Group i.e. Ganges Securities Limited and New India Retailing & Investment Ltd (unregistered CIC).

(xi) The Group has compiled with the number of layers prescribed under the Companies Act, 2013.

(xii) The Group has not declared wilful defaulter by any bank or financial institution or Government or any Government authority.

54 The Ministry of Corporate Affairs introduced Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, which requires the Holding Company to have a feature of recording audit trail (edit log) facility for its accounting softwares used for maintaining its books of account and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. However, the Holding Company has noticed below shortfall in meeting these requirements:

(i) In case of software used for maintaining the books of account relating to payroll of the Holding Company for workers, The Holding Company has activated the audit trail feature in the above-referred software but there is a system limitation to validate the configuration for recording audit trail (edit log) facility at both application and database levels. To overcome this situation, the Holding Company is in the process of upgrading the payroll software.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

54 (Contd.)

(ii) In case of software used for maintaining the books of account relating to payroll of the Holding Company for staff, the Holding Company uses third party service provider software for payroll processing. In the absence of the Service Organization Controls Report (SOC Report) for the whole year, the Holding Company is unable to verify the functionality of the audit trail feature in this software. However, the software provider has assured that they will provide the SOC report by June 2024, ensuring compliance with the requirements outlined in Rule 11(g) of the Companies (Audit and Auditors) Rules.

55 Ratio Analysis and its elements

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(i)	**Debt equity ratio:**		
	Net debt*	838.42	939.05
	Total debt (A)	**838.42**	**939.05**
	Equity share capital	16.38	16.38
	Other equity	944.72	1,093.02
	Total equity (B)	**961.10**	**1,109.40**
	Debt equity ratio (C=A/B)	**0.87**	**0.85**

*The Group includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(ii)	**Return on equity**		
	Profit for the year	(135.56)	37.28
	Equity share capital	16.38	16.38
	Other equity	944.72	1,093.02
	Total equity	**961.10**	**1,109.40**
	Return on equity ratio (%)	**-14.10%**	**3.36%**

Reason for variance - Variance in ratio is due to lower profitability in current year.

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(iii)	**Current ratio**		
	Current assets (A)	1,007.86	1,212.04
	Current liabilities (B)	815.72	921.08
	Current ratio (C=A/B)	1.24	1.32

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(iv)	**Inventory turnover**		
	Inventories	517.78	756.62
	Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods	1,704.90	1,658.21
	Inventory turnover (days)	111	167
	Inventory turnover ratio	3.29	2.19

Reason for variance - Variance in ratio is due to lower inventory level as at 31st March, 2024.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

55 Ratio Analysis and its elements (Contd.)

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(v)	**Trade receivable turnover ratio**		
	Trade receivable	344.26	324.72
	Revenue from operations	2,703.20	3,074.23
	Export Incentive	50.45	47.38
	Trade receivable Turnover (days)	47	39
	Trade receivable turnover ratio	7.71	9.32

Reason for variance - Variance in ratio is due to decrease in sales and increase in trade receivable as at 31st March, 2024.

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(vi)	**Net profit ratio**		
	Profit for the year	(135.56)	37.28
	Revenue from Operations	2,703.20	3,074.23
	Net profit ratio	(5.01)	1.21

Reason for variance - Variance in ratio is due to lower profitability in current year.

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(vii)	**Return (PBIDT) to Capital Employed**		
	Profit before finance cost, depreciation and tax expenses (PBIDT) (before exceptional item) (A)	(13.11)	286.12
	Equity Share Capital	16.38	16.38
	Reserves and Surplus	944.72	1,093.02
	Long Term Borrowing	275.41	276.44
	Short Term Borrowing	469.11	556.21
	Current maturities of long-term debts	95.96	118.28
	Capital Employed (B)	1,801.58	2,060.33
	Return (PBIDT) to Capital Employed % (C=A/B)	-0.73%	13.89%

Reason for variance - Variance in ratio is due to lower profitability in current year.

	Particulars	As at 31st March, 2024	As at 31st March, 2023
(viii)	**Debt Service Coverage Ratio**		
	Profit for the year (before exceptional items)	(127.11)	73.66
	Finance costs	65.03	57.92
	Depreciation and amortization expense	117.04	126.88
	Deferred tax	(68.79)	13.12
	Earning for debt service (A)	(13.83)	271.58
	Interest + Instalments due in respective year (B)	160.99	176.20
	Debt Service Coverage ratio (C=A/B)	(0.09)	1.54

Reason for variance - Variance in ratio is due to lower operating profit during the year.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

55 Ratio Analysis and its elements (Contd.)

Particulars		As at 31st March, 2024	As at 31st March, 2023
(ix)	**Trade payables turnover ratio (in times)**		
	Cost of materials consumed	1,440.42	1,801.76
	Purchase of stock-in-trade	83.40	56.29
	Add: Closing stock	249.73	307.74
	Less: Opening stock	(307.74)	(361.42)
	Other expenses	618.85	719.87
	Total (A)	2,084.66	2,524.24
	Average trade payables (B)	149.75	149.75
	Trade payables turnover ratio (C=A/B)	13.92	16.86

Particulars		As at 31st March, 2024	As at 31st March, 2023
(x)	**Net Capital Turnover Ratios**		
	Revenue from operations	2,703.20	3,074.23
	Total equity	961.10	1,109.40
	Net Capital Turnover Ratio	2.81	2.77

Particulars		As at 31st March, 2024	As at 31st March, 2023
(xi)	**Return on Investment**		
	Income generated from investments	1.39	0.06
	Total Investments (refer note nos. 5,10 and 13)	2.37	2.95
	Return on Investment	58.65%	2.03%

Reason for variance -The holding company has earned dividend income on redemption of preference share.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2024

(All amounts are in Rupees Crore, unless otherwise stated)

55 Ratio Analysis and its elements (Contd.)

Additional Regulatory Information

Ratio	Numerator	Denominator
Debt equity ratio	Debt consists of borrowings net of Cash and cash equivalents and Banks balances.	Total equity
Return on equity	Profit for the year	Total equity
Current ratio	Total current assets	Total current liabilities
Inventory turnover	Inventories	Cost of materials consumed, Purchase of stock-in-trade, Changes in inventories of finished goods
Trade receivable turnover ratio	Revenue from operations less export incentive	Total Trade receivable
Net profit ratio	Profit for the year	Revenue from operations
Return (PBIDT) to Capital Employed	Profit before finance cost, depreciation and tax expenses	Capital employed = Net worth + Borrowings
Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest payments + Principal repayments
Trade payables turnover ratio (in times)	Cost of materials consumed + Purchase of stock-in-trade + Closing stock + Other expenses-Opening stock	Average trade payables
Net Capital Turnover Ratios	Revenue from operations	Total equity
Return on Investment	Income generate from investments	Total Investments

Signatures to Notes 1 to 55

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Regn. No.101248W / W-100022

Rajiv Goyal
Partner
Membership No. -094549
Place : Jaipur
Date: 9th May, 2024

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 9th May, 2024

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 9th May, 2024

Rajib Mukhopadhyay
Whole time Director and CFO
DIN : 2895021
Place: Mumbai
Date: 9th May, 2024

Manoj Contractor
Company Secretary
M.No. : A11661
Place: Mumbai
Date: 9th May, 2024

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SUTLEJ TEXTILES AND INDUSTRIES LIMITED