sutlej
textiles and industries limited

Sustainable Transformation

Sutlej Textiles and Industries Limited
Annual Report 2022-23

Disclaimer

Highlights, FY 2022-23

Revenues (Rs.)

3,063.89 crore

EBITDA (Rs.)

289.06 crore

PBDT (Rs.)

232.43 crore

PAT (Rs.)

22.84 crore

Contents

Sustainable Transformation

The world is passing through a reorganising of the global textile supply chain.

This has created an unprecedented opportunity for focused textile companies like Sutlej.

Sutlej is focused on a spirit of perpetual change – to become larger while remaining nimble, competitive and responsible.

This spirit to remain adaptive is the theme of this annual report, described in two words.

The words are
'Sustainable Transformation.'

Corporate **snapshot**

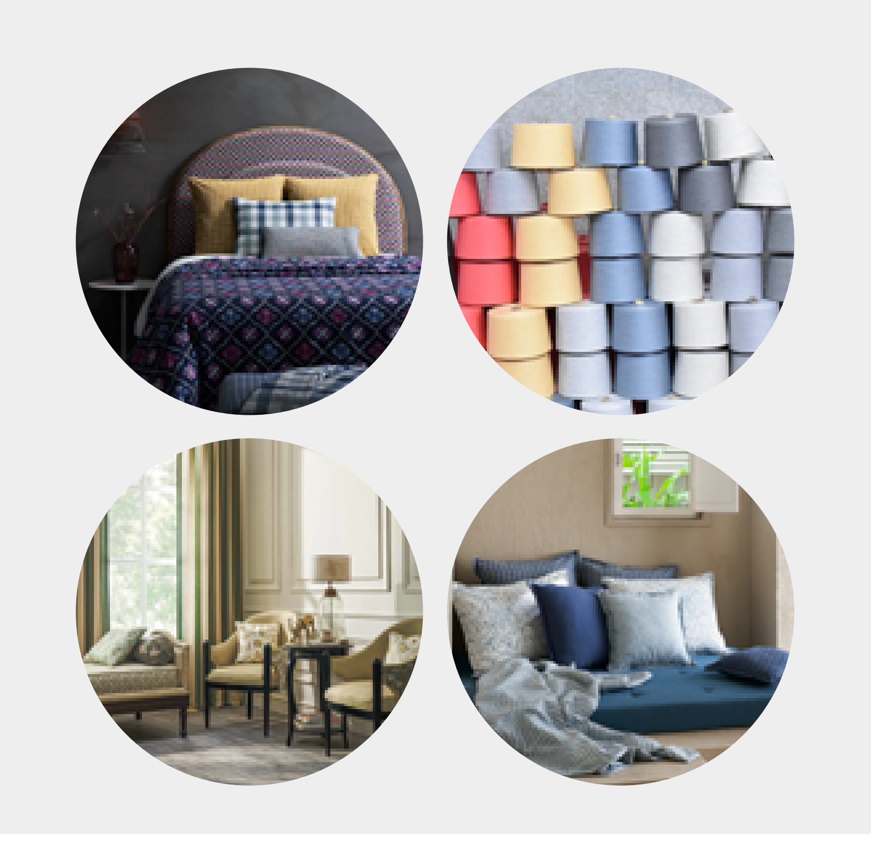
Sutlej Textiles and Industries Limited

The Company is among India's largest manufacturers of cotton blended dyed and mélange yarns.

It is also among India's leading exporters and manufacturers of value-added synthetic and blended dyed spun yarn.

It is among a handful of large Indian textile companies to have integrated backwards to manufacture eco-friendly resources for captive consumption.

It is engaged in proactive investments to enhance scale, quality, competitiveness, and environment responsibility.



Our 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.

Our mission

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

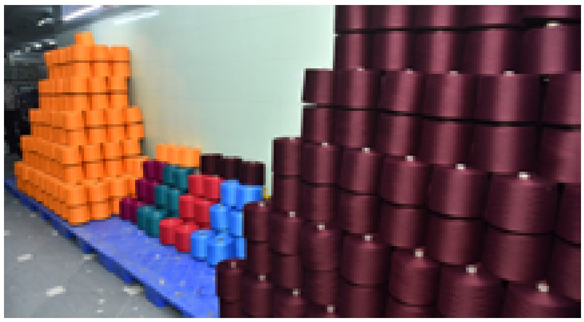
Pedigree

Founded in 1934 during pre-Independence India, Sutlej has a significant history as one of key companies within the multi-business conglomerate established by the late Dr. K. K. Birla. The Company has since emerged as one of the largest integrated textile manufacturers in the country, producing a diverse range of yarns such as synthetic, natural, mélange, and blended as well as all types of spun yarns and home textile furnishings.

Presence

The Company operates modern textile mills in Rajasthan, Jammu & Kashmir, Himachal Pradesh and Gujarat, each equipped with advanced technology. Over the years, the Company significantly increased its production capacity across all units. In FY 2022-23, the Company's total spinning capacity was nearly 4.22 lakh spindles, with a daily production output of 298 tonnes of dyed synthetic and blended yarns, cotton mélange, cotton blended mélange and dyed yarns, as well as yarn made from specialty fibres like Modal, Tinsel, Bamboo, Coolmax as well as fancy yarns like Siro Spun, Siro Compact, Lycra Twisted, Core Spun and Double Core yarn, etc. The Company offers single ply, double ply and multi-fold options.

Manufacturing locations and capacities

Units	Location	Products manufactured	Capacity
Chenab Textile Mills	Kathua, Jammu & Kashmir	Cotton and manmade fibre yarns including mélange yarns 	1,02,253 spindles of cotton blended mélange yarns 1,11,203 spindles of manmade fibre yarns
Rajasthan Textile Mills	Bhawanimandi, Rajasthan		35,280 spindles of cotton blended mélange yarns 90,384 spindles of manmade fibre yarns
Birla Textile Mills	Baddi, Himachal Pradesh		34,541 spindles of cotton blended mélange yarns 48,547 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 basket

The Company offers a comprehensive range of spun dyed yarns that are made from natural or manmade fibres and are available in any blend and shade within the count range of 6s-50s. The Company's products are designed to cater to comprehensive textile needs that provide a one-stop solution for all yarn requirements.

Certifications

The Company's quality standards conform to IS/ISO-9001:2008 norms. The Company was given the license by Uster Technologies, Switzerland, for the Kathua unit and OCS-IN (Organic Content Standard), GOTS-IN (Global Organic Textiles Standard) and Oeko-Tex Standard 100 certifications. The other certifications of the Company comprised: ISO 9001:2015 – Quality Management System-Certified by Bureau of Indian Standard, SA8000:2014 - Social Accountability–Certified by SGS India, Fair Trade by FLOCERT, Better Cotton Innovative membership, Recycle Claim Standard by Control Union, Global Recycle Standard by Control Union, Cotton Made in Africa and INDITEX.

Marquee clientele

The Company's prestigious clients include Jockey, Westside, Marks & Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Grasim Bhiwani (GBTL), Digjam, JC Penney, Monte Carlo, Brandix, and Pantaloons, among other well-known brands.

Global network

The Company aims to establish enduring relationships with a range of agents and dealers in India and around the globe. With a presence in 60 countries, the Company is among the biggest exporters of value-added synthetic and blended yarns in India. It has built a credible reputation among textile fabric manufacturers in prominent markets, including the USA, European Union, UK, Turkey, Bangladesh, Latin America, and Africa, among others.

Credit rating

The Company's short-term rating was re-affirmed at A1+ by India Ratings, indicating a high level of security regarding the timely payment of financial obligations. Similarly, the Company's long-term rating was re-affirmed at A+, suggesting a reasonable degree of security regarding the prompt servicing of financial obligations and low credit risk.

Awards and recognitions

Synthetics and Rayon Textile Export Promotion Council (SRTEPC)

- Gold Trophy: Best Export Performance Synthetic & Rayon Dyed Yarns 2021-22
- Fourth Best Overall Export Performance in the category of Synthetic & Rayon Textiles Award 2021-22

Rajasthan State Government

Life Time Achievement Export Ratan Award: This award was been recently introduced by the Rajasthan Government and the Company was among the first to receive this award from the Rajasthan State Government for 2019-20 in 2022-23.

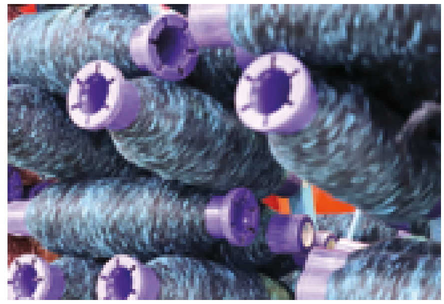
The Cotton Textiles Export Promotion Council (TEXPROCIL)

Gold Trophy: The Company achieved the highest export performance award in cotton yarn - processed yarn during 2020-2021

Our business verticals

Value-added melange and dyed yarn





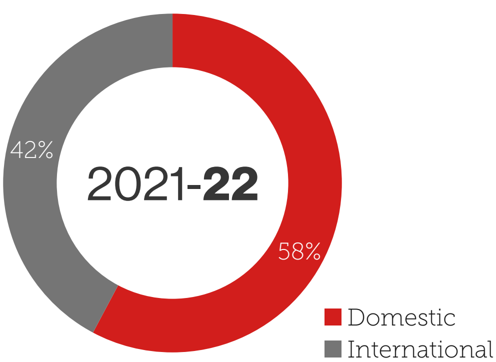
Home textiles, curtains, upholstery and made-ups

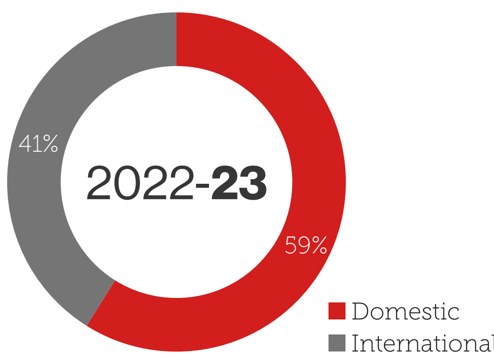


Recycled raw white and doped dryed polyester fibre



Revenue by geography





Our multi-decade **journey**

2006-07

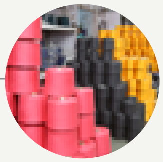
- Forayed into the business of home textiles through Damanganga Home Textiles.
- Expanded the Kathua and Bhawanimandi units by 35,400 spindles and 2,112 spindles respectively with the goal to manufacture PV dyed yarn.

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.

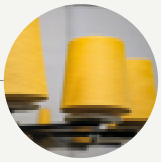


2014

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

2015-16

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



2017

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

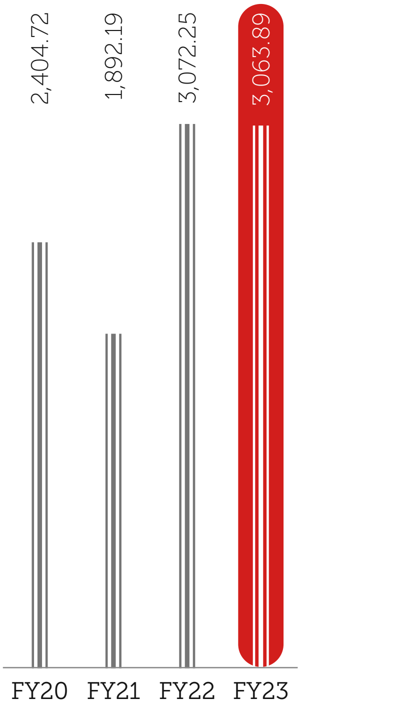
2021

- 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).

Our resilient financial **performance in the last few years**

Revenue from operations

(Rs. crore)



Definition

Sales growth after deducting indirect taxes.

Why we measure?

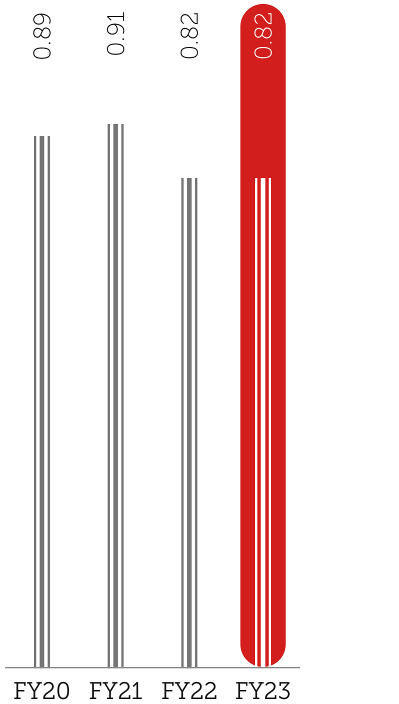
This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance

Our aggregate revenue declined marginally by 0.27 % to Rs. 3,063.89 crore in FY 2022-23. The decline was on account of a weak momentum in the global textile sector. Exports contributed Rs. 1,231.81 crore (41%), 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?

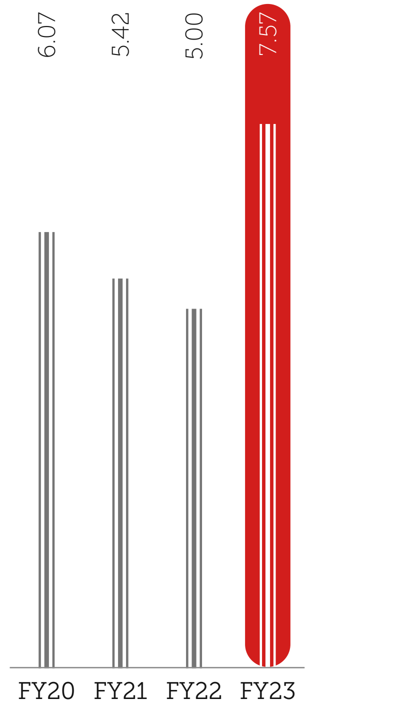
This is one of the defining measures of a Company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing, better). In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

Performance

Despite the challenges faced by the global textile sector, including factors such as rising input costs, high inflation, geopolitical uncertainty, and an increase in repo rates, the Company remained steadfast in maintaining its current gearing.

Debt cost

(%)



Definition

This is derived through the calculation of the 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 average debt cost increased from .5.00% in FY 2021-22 to 7.57% in FY 2022-23 against an overall increase in SOFR rates by 379 bps and repo rate by 250 bps.

How Sutlej is expanding to **transform sustainably**

Overview

The textile sector represents one of the most attractive opportunities related to sustainable demand growth.

This attractiveness is accentuated by the fact that most textile players tend to stagger their investments; when demand eventually rises, supply fails to keep in step, strengthening realisations and causing the next industry upcycle to begin.

India's textile sector growth was disappointing in FY 2022-23 on account of tepid global demand. The textile sector delivered positive growth of 5.9% only in May 2022 during the first eight months of FY 2022-23. The textiles sector growth remained negative in seven months from April to November 2022.

Even as the slowdown affected Sutlej during the year under review, the Company embarked on measures to strengthen its business.

The Company is using the slowdown as an opportunity to invest in a greenfield spinning and dyeing plant in Jammu & Kashmir.

The Company intends to commission spindles to manufacture cotton mélange and grey yarns.

What makes this programme attractive is that this expansion will mark the Company's entry into an attractive grey yarn segment, serviced currently by a few Indian players.

The addition of the grey product will complement the dyed / mélange product offering. On account of increasing demand for cotton / polyester blends across multiple applications, there exists a sizable market for grey blended yarns in Indian and export markets.

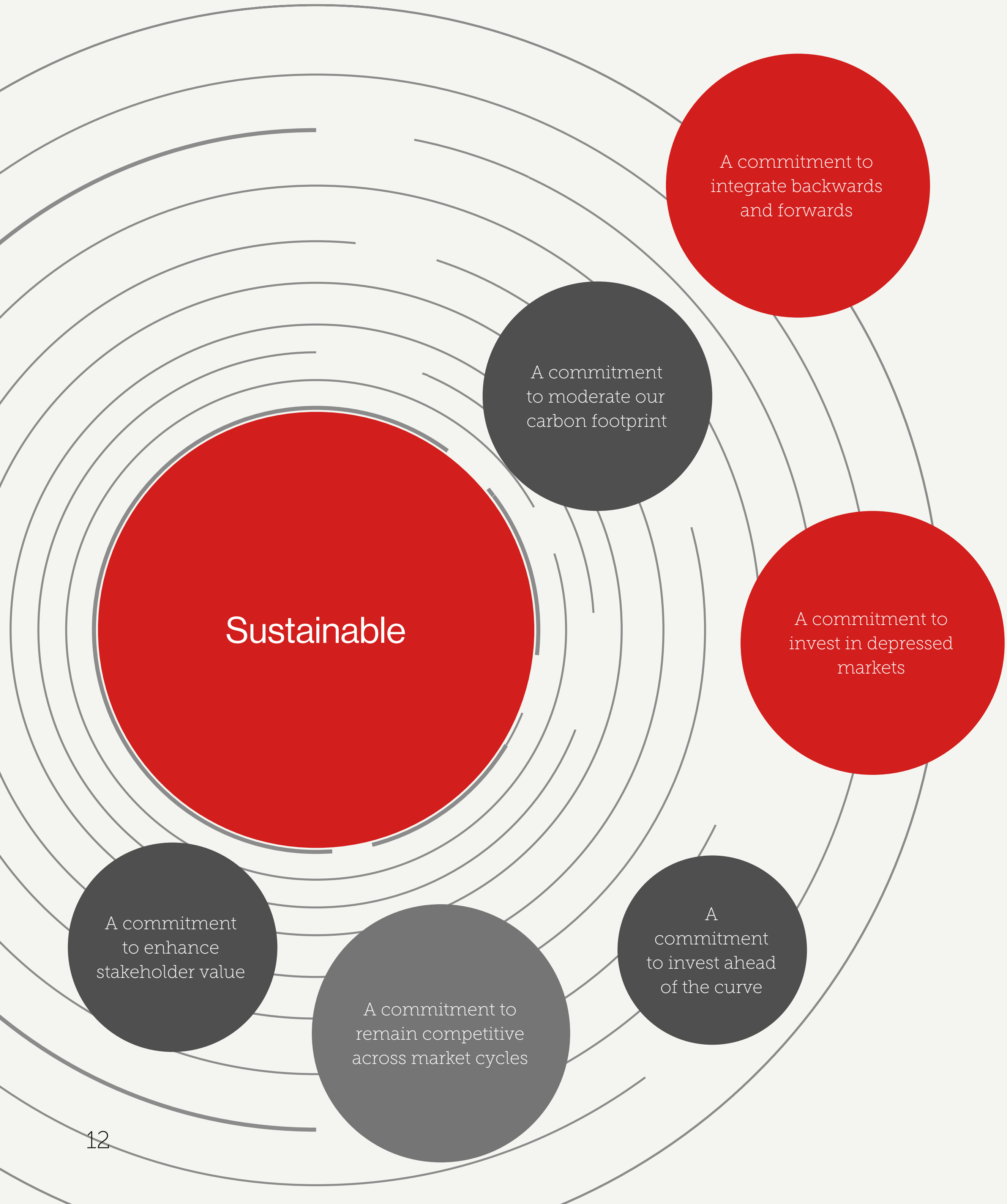
Besides, the Company is investing around Rs. 100 crore in FY 2023-24 in modernisation and debottlenecking to increase manufacturing efficiency and throughput.

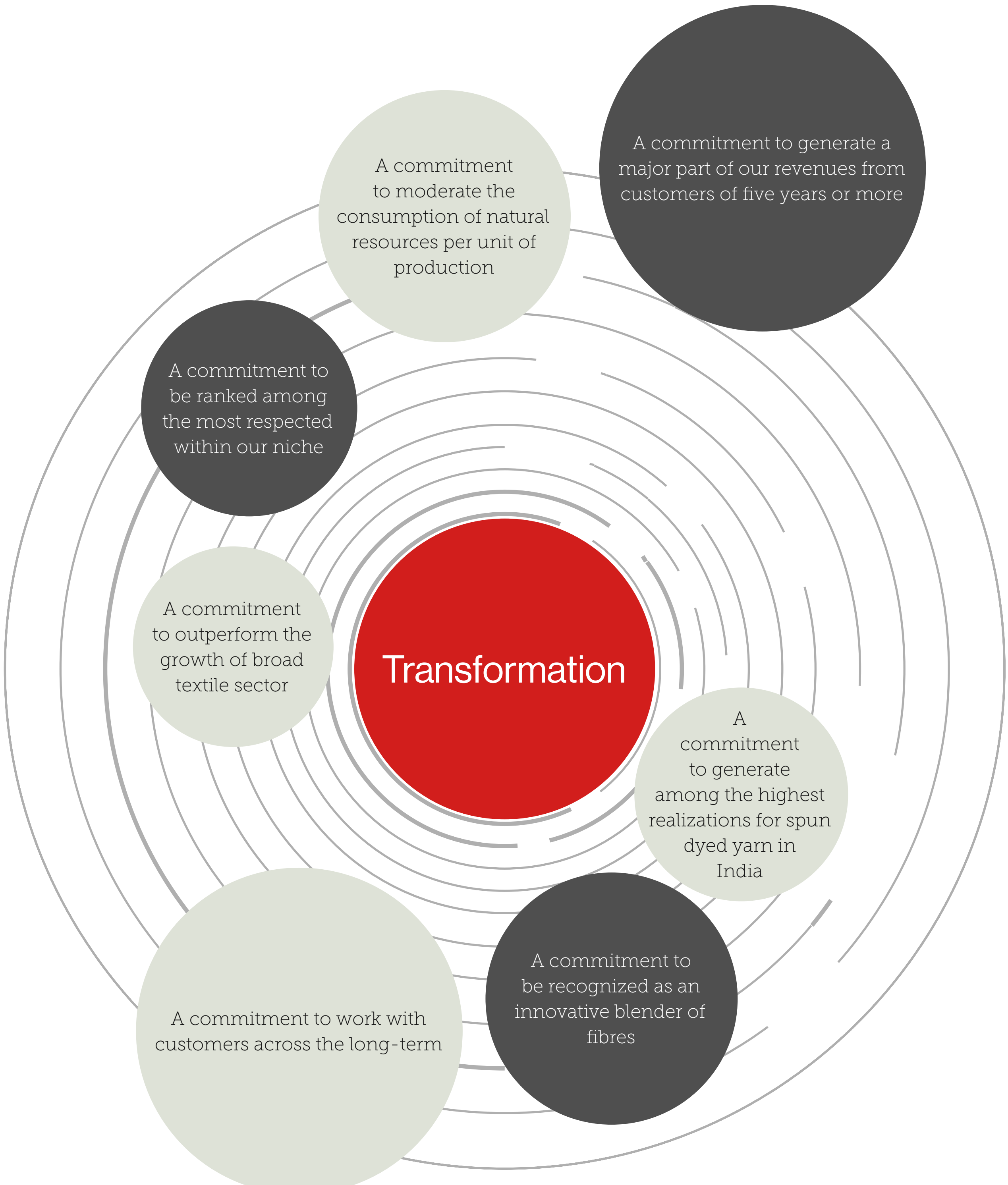
These investments are expected to strengthen the Company's platform around sustainable transformation across the foreseeable future.

100
Rs. crore, expenditure in modernisation and debottlenecking in FY 2023-24

Sustainable **Transformation**

An ethic we have lived across the years




A commitment to moderate the consumption of natural resources per unit of production
A commitment to generate a major part of our revenues from customers of five years or more
A commitment to be ranked among the most respected within our niche
A commitment to outperform the growth of broad textile sector
Transformation
A commitment to generate among the highest realizations for spun dyed yarn in India
A commitment to be recognized as an innovative blender of fibres
A commitment to work with customers across the long-term

The global textiles sector: **An overview of the sudden sectorial weakness in FY 2022-23**

Overview

At Sutlej, a significant portion of our revenues are derived from sales to the global downstream fabric sector. Even as the health of the global textile sector is intrinsic to the progress of humankind, the sector is cyclical, marked by periods of robust consumption leading to overcapacity complemented by deep downtrends marked by sectorial shakeout.

The year under review was marked by both phases; the first half of the financial year was marked by buoyant demand and realizations that arose out of aggressive inventorisation in anticipation of post-pandemic revenge buying. However, once inventories peaked and the buying plateaued, there was a decline in realizations followed by inventory liquidation, precipitating a further decline.

The global textile sector was also affected by an inflation-induced economic stress and energy crisis that had far reaching implications on development issues. The global textile industry was also impacted by a reduction in disposable incomes in the United Kingdom and European Union due to an economic slowdown in both economies.

Economic stress: Global economic growth is expected to reduce from 3.4% in 2022 to 2.8% in 2023 before settling at 3.0% in 2024. This is an estimated restraining sectorial investors from building inventory.

Energy crisis: The global population without access to electricity is expected to rise by 2.7% in 2022. Almost 166 to 538 million people (2.4–7.9% of the global population) in 116 countries are potentially moving into energy poverty due to

> The textile industry is facing the ultimate arbiter in times of crisis: consumers. Individuals made slower consumption, seeking to consume less but consume better.

global energy price spikes, which is moderating their textile offtake.

Reduction in disposable incomes: The real household disposable income per capita in the United Kingdom was expected to reduce 3.7% in FY 2022-23, the biggest decline in living standards since 1956 and causing a drawdown in consumption standards.

Energy supplies at risk: European textile manufacturers were concerned regarding electricity and gas during the beginning of 2023. Gas and electricity crisis remained a source of tension within Spain and Portugal that were able to decouple electricity prices from gas prices to moderate their energy bills. An increase in fuel costs affected the profitability of textile players.

Raw material choice and prices: The invasion of Ukraine caused price fluctuations during 2022. Synthetic fibres account for around two-third of the global textile fibre output, contributing the lion's share of the output since the cotton crisis of FY 2010-11. While prices gradually declined, most fibres have reached a new normal above the pre-Covid level.

Inflation: The textile industry is facing the ultimate arbiter in times of crisis: consumers. Individuals made slower consumption, seeking to consume less but consume better. The forced de-consumption has also been catalyzed by inflation with apparel and footwear no longer being priorities.

(Source: dfupublications.com, imf.org, nature.com, fashionnetwork.com).

The Chairman's **overview**

At Sutlej, our primary objective is to weather the downturn with minimal impairment to our business model or the Balance Sheet

C. S. Nopany,
Executive Chairman

Overview

Your Company grew revenue and profits during the first two quarters of FY 2022-23, but encountered a decline during the last two quarters when a weaker sectorial trend emerged. The decline could have been far greater but for the Company's competitiveness built across the years and responsiveness to the realities of the day.

Instead of waiting for realities to improve, your Company embarked on a concerted response to the prevailing slowdown. This response has been reflected in the theme of this annual report – 'Sustainable Transformation' – which comprises our life cycle response, extending from strategic blueprint to conviction leading to timely action to sustainably positive outcomes. We are optimistic that when the response plays out across the foreseeable future, it will have strengthened the business model, deepened our resistance to similar market cycles and enhanced our capacity to capitalize.

This conviction is not newfound; it was consistently reinforced by the capacity to invest for the long-term on previous occasions, address the premium end of the market, energising the organisation across levels while responding cohesively and uniformly to generate the biggest positive impact. This worked each time, making it possible for the Company to rebound with enhanced vigour. This time the response is going to be no different and we are optimistic that once the sectorial downtrend consumes itself, your Company will be better placed to carve away a larger share of the customer's wallet

> Instead of waiting for realities to improve, your Company embarked on a concerted response to the prevailing slowdown. This response has been reflected in the theme of this annual report – 'Sustainable Transformation'

in a sustainable way. When this transpires, the Company will be attractively positioned to capitalize on superior economies on a larger operating platform, building larger enduring value.

Economic background

The global economic growth declined from 6% to 3.2% in 2022. The Indian economic growth declined from 8.7% in FY 2021-22 to 7.0% in FY 2022-23, which is still a creditable performance considering that the growth of the previous year was on account of a lower base of FY 2020-21, a year marked by the pandemic. Besides, India's growth was possibly the fastest within the G20 economy and the country retained its position as the fifth largest global economy.

The weakness in global sentiment was largely on account of two events. The Russia-Ukraine conflict affected global trade and consumer sentiment through the course of the last year. Besides, the trade disruption between US and China affected product movements across continents. These events translated into a structural shift of importance: the world began to consider resource procurement from non-China supply chain partners with the objective of moderating their excessive dependence on China. We consider this preference to have significant global implications; even if a fifth of the global supply coming out of China could move to alternative countries like India, there could be a considerable redistribution of capacity that could transform some of these nations. We are seeing the beginning of this supply chain restructuring and we expect to see the full impact of this when the textile sector demand revives, the beginning of a new multi-year growth journey for countries that can capitalize on this inflection point.

Priorities

At Sutlej, our primary objective is to weather the downturn with minimal impairment to our business model or the Balance Sheet.

I will explain this at both levels.

The Company is engaged in the manufacture of spun/dyed yarn for downstream fabric makers primarily across developed markets. These fabric makers, in turn, possess enduring back-to-back relationships with prominent and branded garment manufacturers. During a slowdown, branded manufactures protect their revenues and market shares better than the less branded. While it would appear that market-facing brands operate in isolation and face the brunt of the slowdown, the reality is that there is an entire eco-system or related supply chain at work whose objective is to help the apex of the value chain protect its consumer relevance.

At Sutlej, we belong to some of the most enduring textile sector eco-systems that commence from the stable community of vendors from whom we procure resources and extends to fabric makers to garment manufacturers. I am pleased to communicate that our eco-systems remained relatively protected during two quarters of the last financial year when the impact of the sectorial slowdown was pronounced. This does not mean that our eco-system was not impacted; these value chains or supply chains were relatively less impacted on account of their value-addition and by the virtue of addressing non-volatile market segments.

The cascade of this reality was reflected on our performance during the last financial year. During the challenging third and fourth quarters, your Company reported nearly the same sales by tonnage as it had done in the corresponding period of the previous year (this was true for the Company's overall sales of the year when compared with FY 2021-22 as well). By the virtue of retaining customers and holding on to tonnage sales, your Company demonstrated the multi-year stability and longevity of its customer profile. This reality continues to provide the Company with sales visibility through the course of the slowdown, which should generate adequate revenue for overheads to be covered, debt obligations to be addressed and a reasonable surplus to be reported during the worst end of the sectorial cycle.

Sustainable transformation

At Sutlej, we have responded with a two-word blueprint to not just weather the slowdown (that would be too limiting) but to build a stronger organization. Our objective is not merely one-off profitability; our objective is multi-year sustainability through the following priorities.

One, we are responding to the slowdown on one hand and the need to build a reinvented Sutlej with a war room commitment, no less. The elements of our responsiveness comprise the charting out of a central objective that has an organisational buy-in. This is complemented by the urgency of the senior management to be continuously engaged in the pursuit of that objective. There is a wider recognition that every business-influencing variable needs to be strengthened – to protect cash flows from a short-term perspective and prepare the foundation for the next growth round from a medium-term outlook. The result is that more decisions will be taken through cross-functional analysis and conclusions as opposed to the conventional perspective of pricing and marketing alone.

Two, we believe that the best way to beat the slowdown and build long-term sustainable transformation would be through a complement of doing regular things differently and doing different things. The capacity to set ourselves apart from the Sutlej of the past and the competition of the present is being directed to build new revenue engines and enhance our corresponding profitability, strengthening overall value.

Three, we believe that a crisis should be seldom wasted and, in this regard, we are not merely engaged in retooling our organisation; we are focused on reinventing it through sustainable transformation. The reinvention will be derived through the capacity to question everything that we have done through profitability and cash flows prisms. The reinventing

Sutlej may consciously review its customer list and largely service those who can generate the highest capital efficiency (through their growing businesses or the consistent procurement of value-added yarns). This could inspire a probable change in the product mix away from suiting yarns to knitting yarns and from yarns with apparel applications to home textile outcomes. It could also inspire a conscious SKU rationalization, enhancing our sales velocity and working capital efficiency.

Four, the Company will position itself even deeper as a global spun/ dyed yarn organization that has selected to work out of India. The result is that we will derive a larger proportion of our revenues from exports. During the last financial year, your Company was present in 60 countries; our objective will be to selectively widen our geographic footprint to the point where we generate at least 41% of our revenues from international sales. As a measure of prudence, your Company intends to moderate its excessive dependence on Turkey.

Five, if there is one word around which the Sutlej of tomorrow is likely to be referred, the word would be 'nimble'. In the past, the word referred to the capacity to take quick decisions; going ahead, the holistic application of this attribute will mean that we will not only enhance our responsiveness in the face of events transforming around us but also enhance the nimbleness of our customers. The one visible manifestation of this intent is that we will service customer needs in small lot sizes, making it possible for them to nurse lower inventories, turn their working capital around faster and enhance their capital efficiency.

Decisive move

At Sutlej, our leads for the future are derived from the realities of the present.

During the last financial year, cotton prices increased 33%. This increased the price of cotton and cotton blended yarns. In most cases, our customers sought viscose-blended yarns, replacing cotton. When cotton prices correct downwards, there could be a movement away from viscose-blends towards predominant cotton blended yarns. However, we do not expect the swing-back towards cotton blends to be to the extent of the earlier level. In the new normal, the proportion of viscose-blended yarns will be higher than the level of a few years ago. We believe that this will widen the market for blended man-made yarn players like ours.

During the last financial year, despite the sectorial slowdown, your Company operated its overall spindles at 93.43% capacity utilization. If the market revives even marginally, there is a possibility that we may not be left with adequate spare capacity to service our customers. As a Company that enjoys a high customer retention – more than 60% of the Company's revenues were derived from customers of five years or more in FY 2022-23 – the priority is to enhance our spindle capacity in line with the growing businesses of our customers. The Company will explore this option judiciously when the health of the sector revives.

60

% of the Company's revenues were derived from customers of five years or more in FY 2022-23

Conclusion

Our Company is optimistic of generating adequate cash flows to service timely interest outflows and debt repayment, strengthening shareholder value.

I must end by expressing my heartfelt thanks to all our stakeholders for their support.

C. S. Nopany,

Executive Chairman

Financial **overview**

How Sutlej reported a creditably resilient financial performance in a **challenging FY 2022-23**

Overview

There are important messages that the management seeks to communicate at the end of a mixed year for the business.

One, the Company performed creditably during the first two quarters; even as performance weakened in the last two quarters following a weakness in the global textiles sector, the Company performed better than the industry average.

Two, the Company protected its Balance Sheet from impairment; virtually all the Company's fundamental financial indices either improved or remained at the same level, the market weakness notwithstanding.

Three, the Company's relatively creditable performance, when compared with the broad textile sector, was an index of its long-term competitiveness. This is marked by the ability to resist industry declines with moderated profitability impact and the capacity to rebound during periods of recovery.

Broad-based

The Company built a complement of two businesses – spun/dyed yarns and home textiles. The derisking and broad basing of its sectorial presence and risk profile was undertaken with the objective to enhance value-addition, capture a larger share of the customer's wallet and empower the Company to address enhanced opportunities. The yarn spinning business continued to represent the principal business segment, accounting for 95% of the Company's revenues in FY 2022-23.

Financial objectives

In a capital-intensive business, your Company prioritizes the role of stability. This stability is protected by informed decision-making, working within a defined risk matrix, growing the business patiently through calibrated medium-term investments and allocating capital in areas that maximize returns (capacity addition or cost reduction). This institutionalized approach was been directed towards the following objectives:

- Protected or improved credit rating
- Retaining its position of cost leadership within the sector
- Remaining viable (from a cash earnings perspective) across market cycles
- Growing capacities out of balanced accruals/debt

Capital efficiency

At Sutlej, we aspire to superior capital efficiency, the principal index of our success. We seek to generate a return higher than what our risk partners (shareholders) would have generated if they had

95%
Company's revenues from cotton and man-made fibre, FY 2022-23).

At Sutlej, we remained focused on protecting our credit rating through the market weakness. We succeeded to a large extent with our credit rating for long-term debt being retained at A+ and for short-term debt at A1+ .

invested in alternative asset classes; we also seek to generate a return higher than what we may have done in the previous year (this measure could also be taken in blocks of three years and compared with the previous block of three years). The Company's capital efficiency has been strengthened across the long-term by working in product niches, growing a consumption appetite, re-investing accruals and building cost leadership.

Credit rating

At Sutlej, we remained focused on protecting our credit rating through the market weakness. We succeeded to a large extent with our credit rating for long-term debt being retained at A+ and for short-term debt at A1+ .The overall rating, as appraised by credit rating agencies, was retained at the same level, though the outlook was changed on account of weakness in the textile sector.

The objective of the Company will be to protect this credit rating through the challenging market phase. A protected credit rating makes it possible to enhance low-priced debt availability for the expansion, which could translate into superior shareholder value once the expansion has been fully commissioned. The credit rating represents an important index of how we are holistically perceived and we will continue to take credible initiatives in this direction.

Revenue mix

At Sutlej, our objective is to broad base our revenue mix (spun/dyed yarns and home textiles). Even though the Company was and will remain yarn-driven, the non-yarns business (home fabrics) was introduced to enhance value-addition, de-risk the product basket from excess yarn dependence, increase captive yarn consumption and enhance sectorial respect as an integrated player.

Yarns accounted for 95% of the Company's revenues during the year under review.

The Company's principal focus is cotton and man-made fibre yarns for fabric makers (95% of the Company's revenues, FY 2022-23). Within this space, the Company has consciously remained non-commodity and value-added. More importantly, the Company has been a solutions provider, understanding customer needs and responding with customised fibre blends to produce innovative or differentiated yarn outcomes.

At Sutlej, we believe that the best margins lie in cotton-blended yarns. In view of this, a disproportionately large proportion of the Company's capital expenditure is being directed towards the manufacture of cotton-blended yarns. The proportion of revenues derived from cotton-blended yarns was 35.39% during the year under review but likely to rise during the coming financial years. The Company's proposed expansion will be completely dedicated to strengthening realizations.

The Company integrated backwards through the manufacture of green fibre a few years ago (capacity utilization stood at 100% during the last financial year). Nearly 99% of the recycled fibre was consumed within the Company, reducing costs and enhancing the Company's respect as an environmentally responsible manufacturer.

Debt moderation

At Sutlej, prudent debt management is integral to long-term profitability. In a capital-intensive business, the Company has balanced the role of debt and net worth when making fresh capital expenditure. The Company's optimism is derived from the manufacture of value-added yarns, customer loyalty, revenue visibility and a correspondingly low break-even point, which makes it possible to repay debt on schedule.

The Company enjoyed the support of six banks for long-term debt access and nine banks for short-term financing needs. By the close of the year, the Company had drawn net debt of Rs. 925.10 crore against a total net worth of Rs. 1,123.70 crore, which translated into a total debt-equity ratio of 0.82.

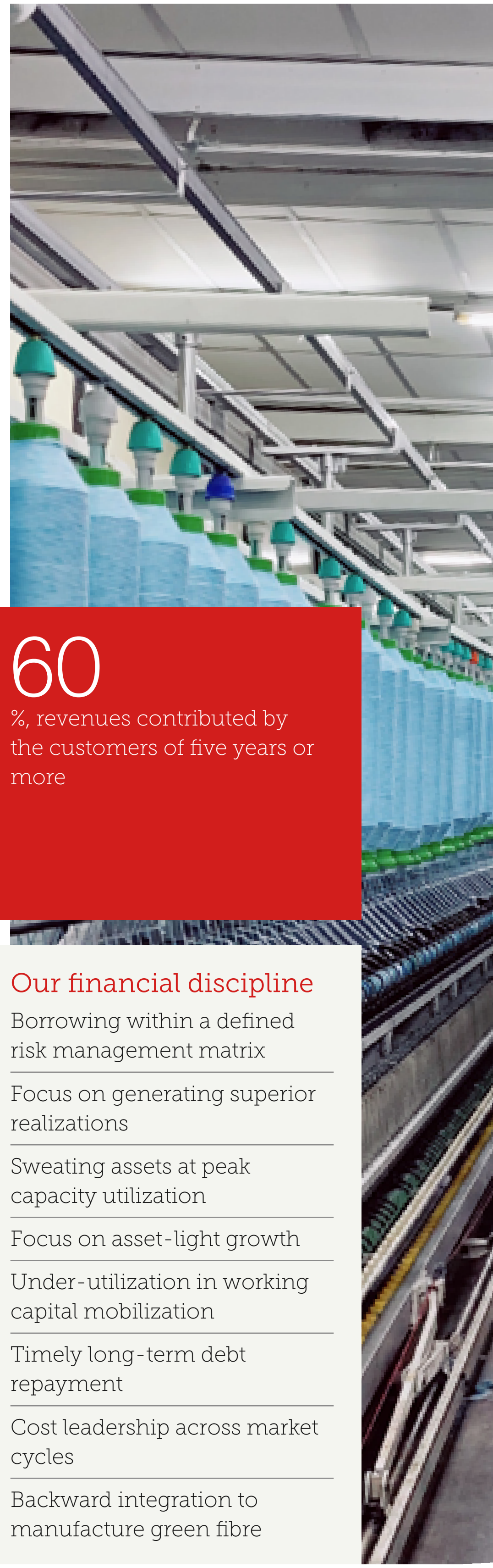
Working capital hygiene

At Sutlej, the Company's competitiveness is visible in its working capital management, marked by controlled receivables, influenced in no small measure by strong terms of trade with customers, fast moving products, value-added yarns and increased cash-and-carry product revenues.

The result is in the numbers. Working capital cycle (days of turnover equivalent) extended from 105 days in FY 2019-20 to 156 days in FY 2020-21 to 133 days in FY 2021-22 to 125 days in FY 2022-23. The Company's receivables were 54 days of turnover in FY 2021-22 and 40 days during the year under review; however, finished goods inventory increased from 19 days of turnover equivalent to 40 days during the same period to protect the supply chain besides the increase was on account of an unanticipated increase in stock when sales declined. However, raw materials inventory decreased from 80 days of raw material consumption equivalent to 59 days during the same period.

Repeat customers

At Sutlej, we seek to work with the same customers by making exactly what they want, delivered around a superior price-value proposition. These customers provide the Company with revenue visibility and the assurance of prospective purchase, which forms the basis for carrying out capacity expansions. In FY 2022-23, the Company generated more than 60% of its revenues from customers of five years or more. This factor was singularly responsible for the Company being able to deliver almost the same sales in FY 2022-23 as in the previous year, an achievement at a time of market weakness. This competence indicates that the Company's products are core to the success of downstream fabric and garment manufacturers.



60

%, revenues contributed by the customers of five years or more

Our financial discipline

- Borrowing within a defined risk management matrix
- Focus on generating superior realizations
- Sweating assets at peak capacity utilization
- Focus on asset-light growth
- Under-utilization in working capital mobilization
- Timely long-term debt repayment
- Cost leadership across market cycles
- Backward integration to manufacture green fibre

How we strengthened our working

Strategic clarity	Capital efficiency	Credit rating	Business mix	Revenue mix
Capital expenditure	Debt moderation	Locational focus	Working capital hygiene	Repeat customers
Countering challenges	Operational upsides	Capital allocation discipline	Financial objectives	

Our financial hygiene

Our debt-equity ratio (x)

FY20	FY21	FY22	FY 23
0.89	0.91	0.82	0.82

Our debt cost (%)

FY20	FY21	FY22	FY 23
6.07	5.42	5.00	7.57

Our consolidated debt (Rs. crore)

FY20	FY21	FY22	FY 23
865.1	899.74	936.49	931.22

Our receivables cycle (days of turnover)

FY20	FY21	FY22	FY 23
40	55	54	40

Our Finished Goods inventory cycle (days of turnover)

FY20	FY21	FY22	FY 23
28	23	19	40

Low utilization of working capital against sanction (%)

FY20	FY21	FY22	FY 23
47.58	55.51	141.50	63.50

Change **at Sutlej**

How we deepened our sustainable transformation **through the 'green fibre' business**

Overview

The world over, there is a growing premium derived from the capacity to manufacture environment friendly inputs for fabrics and garments.

This is being widely accepted as the way forward for the global textile sector to moderate its carbon footprint.

At Sutlej, we responded to this global priority through the commissioning of 120 tonnes per day green fibre manufacturing capacity in March 2021.

The manufacture of 'green' fibre is derived from the recycling of waste PET bottles, transforming an urban waste into a responsibly recycled outcome.

The manufacture of green fibre has achieved more for Sutlej than value-addition; it has helped enhance the 'green' proportion of the business of its customers; it has provided customers with a stronger reason to select garments with a higher recyclable component; it has transformed the Company's brand into dependable supply chain partner.

FY 2022-23 was the second full year of operations of the Company's 'green' fibre unit.

Besides, the initiative addressed a growing consumer need to buy garments utilizing recycled fibre. As prominent garment labels the world over replace synthetic fibres with 'greener' alternatives, a wider market will emerge for green fibre.

Sutlej's manufacture of green fibre generated 100% capacity utilization by the end of the year under review; a large proportion of the fibre produced was consumed within.

At Sutlej, we have responded to this global priority through the commissioning of 120 tonnes per day green fibre manufacturing capacity in March 2021.

120

tonnes per day, installed capacity of 'green' fibre at Sutlej, FY 2022-23

4.8

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

74.27

% of the Company's green fibre appetite serviced from within, FY 2022-23

100

% capacity utilization of the green fibre plant, FY 2022-23

Business **drivers**

Our International **yarn sales business**

Overview

Exports have been a consistently integral part of the Company's operations. Over the years, the Company increased the proportion of revenues from exports and broad-based its presence across countries, moderating its dependence on India. Besides, a widening presence in the global market was validated by a need to be exposed to global trends that could influence the Company's new product development, business practices, proposed investments and corporate respect.

Challenges and counter-initiatives, FY 2022-23

During the last financial year, the global textiles market weakened visibly. The reason for this was primarily seeded in the previous financial year. Following demand normalization and waning of the pandemic, there was a priority among global textile players to build larger inventories. As demand and prices increased, there was a sharper interest in securing supply lines and building inventories. However, once inventory peaked and demand abated following the Ukraine-Russia conflict – however temporarily – prices of a range of textile products declined. For instance, cotton yarn (30s count) that had increased from US$ 3 a kg to US$ 6 a kg, now returned to US$ 3 a kg. The decline was accompanied by most buyers deferring purchases, which accelerated the price erosion.

1179.59
Rs. crore, Global sales, FY 2022-23

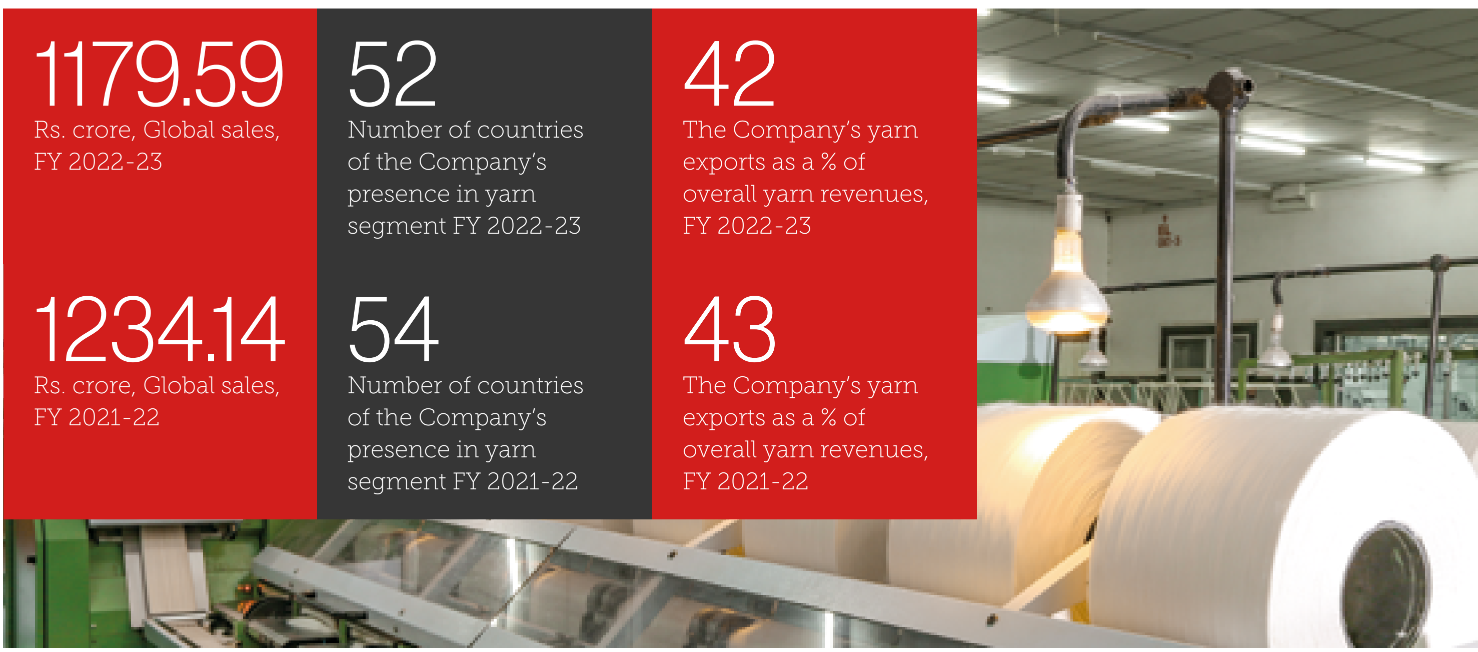
52
Number of countries of the Company's presence in yarn segment FY 2022-23

42
The Company's yarn exports as a % of overall yarn revenues, FY 2022-23

1234.14
Rs. crore, Global sales, FY 2021-22

54
Number of countries of the Company's presence in yarn segment FY 2021-22

43
The Company's yarn exports as a % of overall yarn revenues, FY 2021-22



In a challenging landscape, your Company reported a creditable performance. Even as overall global sales declined 4.42% by amount and 3.78% by volume, your Company protected most of its customer relationships.

The result is that most players across the textile value chain were saddled with large inventories, which were progressively liquidated across lower prices. By the close of the last financial year, the sectorial sentiment was weak, marked by extensive losses for a variety of players.

In this challenging landscape, your Company reported a creditable performance. Even as overall global sales declined 4.42% by amount and 3.78% by volume, your Company protected most of its customer relationships. During the course of the sectorial meltdown, your Company deepened its customer engagements, highlighted the importance of supply chain stability over short-term price arbitrage, enhanced the frequency of sales dispatches that helped customers moderate their working capital outlay and adopted a flexible pricing approach that sustained offtake. This augurs favourably that when the demand cycle revolves, these relationships will empower the Company to build wallet share and report a vigorous rebound.

Highlights, FY 2022-23

- The Company re-engaged in new products development that kept engagements alive with its customers
- The Company sustained its customer engagement, demonstrated its positioning as an any-cycle partner
- The Company's integrity during volatile yarn markets was validated both ways – at a time when prices increased and when they declined – that deepened its respect as a credible partner
- The Company retained its presence in Turkey, Bangladesh and Latin America, underlining its commitment to remain visible in dispersed markets across business cycles
- The Company leveraged the respect derived from the use of recycled fibre in its yarn coupled with corresponding certifications, helping downstream customers (fabric and garment makers) fulfil their sustainability commitments
- The Company continued to operate within the niche segments of the spun/dyed yarn segments, strengthening its brand

Outcomes

At a time when sectorial liquidity weakened, your Company continued to protect its receivables from sales, the receivables cycle was around 66 days of turnover equivalent compared with 71 days in the previous year.

Outlook

The Company intends to extend into new markets, develop new products and deepen its ASEAN focus.

Business **driver**

Our domestic **yarns business**

58

%, Revenue contribution of the domestic business in FY 2022-23

57

%, Revenue contribution of the domestic business in FY 2021-22

Product split

60.53

% of domestic sales contributed by synthetic yarn

39.47

% of domestic sales contributed by cotton blended yarn

Overview

The Company has five major markets in India (Delhi, Ludhiana, Bhilwara, Mumbai and Tirupur). The Company's Bhilwara, Ludhiana and Mumbai markets contribute a major chunk of 65% in domestic sales. The Company deals with a handful of major technical textile manufacturers in India. In home textiles, the Company deals with Mumbai as well as Panipat customers and is gradually building volumes in the segment.

Challenges and responses

The Company faced challenges as overall demand was subdued from September 2022 till March 2023 on account of the ongoing Russia-Ukraine war along with economic conditions in Europe and US. These factors affected retail offtake in the international garments business, in turn resulting in a subdued demand in domestic yarn sales. The Company faced challenges of reduced prices due to subdued demand affecting product realizations.

The Company intensified product development through customer engagements. The Company engaged with customers, listened to their issues, understood their requirements and made new products as per their requirements. The Company manufactured new products for the technical textile segment, knitting textile segment and other segments to ensure a lower dependance on yarn realizations.

The Company faced challenges due to constant volatility in raw material prices (polyester, cotton and viscose) which resulted in lack of stability in the business. Lower demand from exporters and the aggressive pricing of domestic players affected realizations.

The Company changed the product mix, introduced new territories, categories and customers. The Company added more than 30 new customers in the synthetic yarn business during the year. The Company introduced the stretch yarn business segment during the year under review. Around 2% of the Company's revenues were generated from the stretch yarn business.

The Company faced a challenge to finalize product pricing as lower prices from competitors could have affected their market share.

The Company optimized manufacturing costs in terms of raw material, it improved operational efficiency that protected its margins and maximized sales.

Our competitive strengths

Brand: Sutlej has earned respect as a renowned brand in the country's textile industry. The brand name plays a crucial role to attract major institutional customers across the country.

Diversified: The Company's product mix comprises a variety of products as it manufactures all kinds of textile products to meet customer requirements.

Outreach: The Company's sales team enjoys a wider outreach in various parts of the country. The Company operates from five of its key markets to deliver products across the length and breadth of India.

Team: The Company has a skilled and experienced business development team that has translated offers into a competitive advantage.

Quality: The Company enjoys an established track record in manufacturing best-in-class quality yarns that makes it attractive for buyers.

Highlights, FY 2022-23

- The Company added more than 30 new customers in the synthetic yarn business during the year under review.
- The Company arranged interactions with the management to ensure that the customers stayed with the brand despite adverse realities.
- The Company commercialized new products in the technical textiles segment that helped maintain market share and customer profile.
- The Company maintained its market share during the year despite challenging circumstances.
- The Company participated in four exhibitions in Tirupur, Delhi, Mumbai and Ludhiana to showcase new products within the existing range.

Way forward

The Company's domestic yarn sales are expected to remain challenged in the first quarter of FY 2023-24. However, the Company is optimistic of improved sales and realizations in the remaining part of the year.

Business **segment**

How we intend to **strengthen our home textile business**

5%
Of the Company's revenues, FY 2022-23

19.46%
Growth in the segment's revenues, FY 2022-23

Overview

The Company manufactures fabrics used in curtains, cushions and pillow covers. The Company is primarily a fabric producer that also sells readymade products in this business segment. The revenue contribution of the home textiles business stood at 5% during FY 2022-23.

The Company's home textiles segment is small but comprises a high potential growth considering its wide product basket. The Company is marketing home textile products in major international markets like North America, United Kingdom, Middle East, South East Asia, South Africa and Russia. The Company follows a made-to-order model that involves pre-sale of samples, booking orders and manufacturing according to approved samples. The Company's home textiles segment has a separate vertical of branded business called Nesterra. The Company launched the Nesterra brand during FY 2020-21, a made-to-stock model was retailed through more than 450 points in India.

Challenges and responses

Increased competition from small players remained a threat.

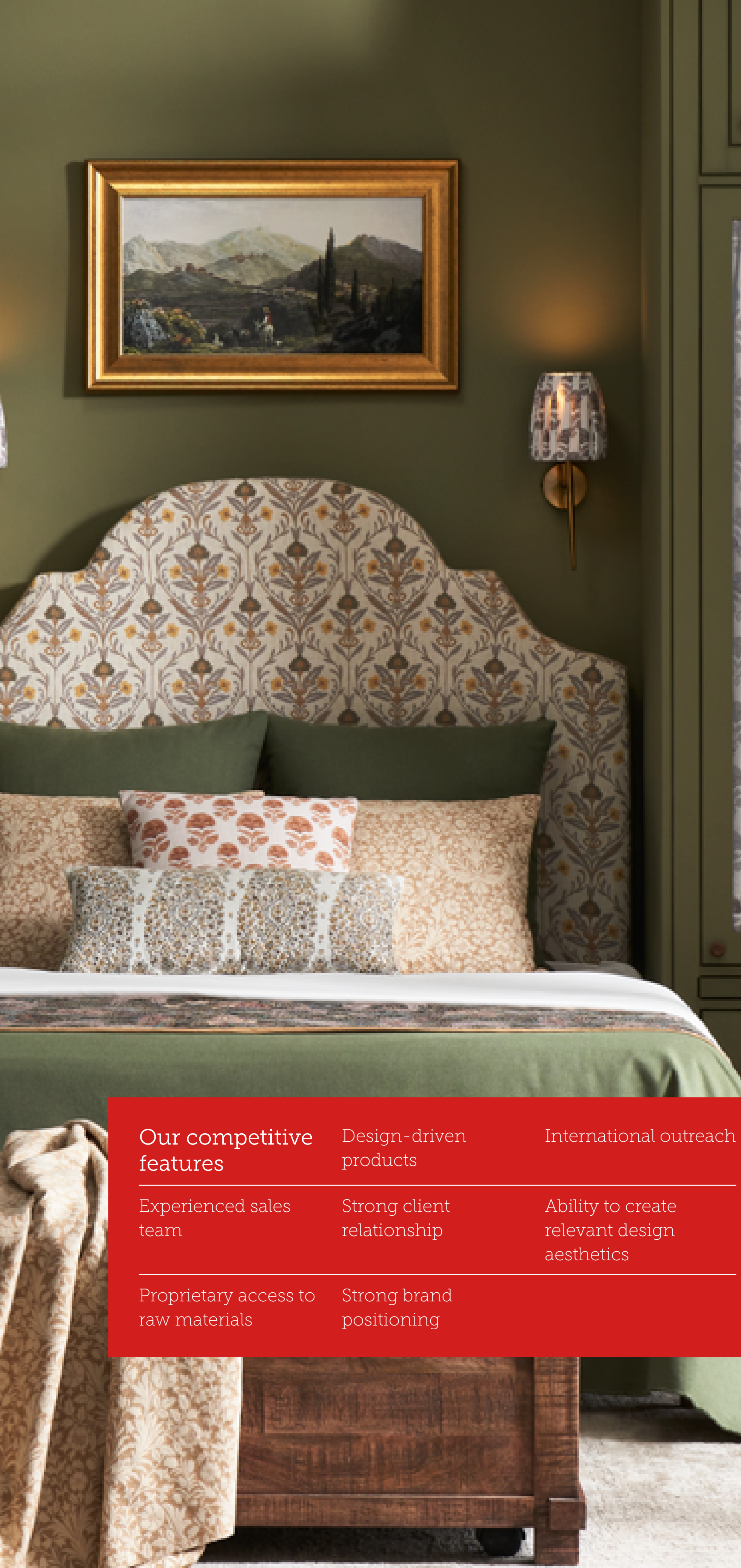
The Company addressed this challenge by entering developed countries with high entry barriers like United Kingdom and North America.

The Company's operations could be potentially affected by nimbler innovation (colours and designs).

The Company's marketing team participated in major exhibitions and design shows to aggregate market intelligence on market trends; it engaged with international design consultants to ascertain market shifts.

A global demand decline affected home textile revenues.

The Company is building its home textiles business, seeking to replace established products.



Our competitive features	Design-driven products	International outreach
Experienced sales team	Strong client relationship	Ability to create relevant design aesthetics
Proprietary access to raw materials	Strong brand positioning	

Highlights, FY 2022-23

- The Company increased its home textiles revenues from Rs. 137.79 crore in FY 2021-22 to Rs. 164.60 crore
- The Company improved its average exports pricing from sub Rs. 273 per metre in FY 2021-22 to Rs. 355 per metre
- The Company opened around 25 new customer accounts across different geographies comprising major country wholesalers
- The Company entered geographies like Kenya and South Africa, marketing products to leading players
- The Company differentiated products through a casual designing style that was appreciated in the western markets
- The Company entered sustainable product categories manufactured from green fibre
- The Company ended the year with 450 Nesterra retail points (100 in FY 2021-22)

Way forward

The Company's home textile segment seeks to grow revenues in FY 2023-24, riding its existing products basket, client portfolio, channel partner relationship, market opportunities and Nesterra aspirations.

Business **driver**

Our technology **competence at Sutlej**

Overview

At Sutlej, the first step in our technological competence journey started with sales invoice, covering functions like accounting and inventory management, creating a centralized IT cell and business applications to evaluate various ERP softwares including SAP S4 HANA with new profit centre accounting features. Solutions like Google G-suite and CISCO Collaboration solution / Zoom helped the organization connect and experience closed unified communication over mail, text, audio and video channels from anywhere and any device.

How IT has transformed Sutlej

Enhanced efficiency	Reduced costs	Improved quality
Enhanced decision making	Empowers to sustain in a highly competitive global market	

Our competitive strengths

Sustained organisational commitment to digitalization		Robust IT team at the corporate and unit levels
Strong business continuity plan back-up system	Full proof anti-virus system	Cyber policy coverage

Our information technology highlights

Strengthened cybersecurity: The Company implemented robust security protocols, conducted regular vulnerability assessments and provided employee training to mitigate cyber risks. These initiatives included advanced security solutions, encryption methods and incident response plans.

The Company implemented information technology control checks and application for organizations. The Company carried out vulnerability assessments / network health check audits from external service providers.

Zero trust framework: The Company implemented SaaS (Software-as-a-Service) base end protection software for cyber security.

Cyber security audit: The Company conducted network health checks and implemented findings.

The integration of technology into all business verticals has changed business operations and customer value offerings leading to digital transformation.

Data management and integration

The Company undertook various initiatives to enhance data management capabilities through the initiatives like workflow for purchase order and purchase receipt, vendor registration mail, weight bridge integration, data analytics solutions, warehouse automation, among others.

Way forward

Increased competition in the textile industry has made it imperative to reduce costs, enhance customer experience and reinforce profitability. The integration of technology into all business verticals has changed business operations and customer value offerings leading to digital transformation. This is expected to lead to a cultural shift that requires organisations to challenge the status quo and remain open to new ideas. This digital technology is expected to lead to increased automation, predictive maintenance, self-optimization of process improvements and enhanced responsiveness. The Company is expected to build its digital transformation journey through 4.0.

ESG represents the **core of Sutlej's personality**

Overview

The abbreviation being increasingly used the world over to appraise and filter companies is 'ESG'. This has emerged as a litmus test being used by analysts, opinion makers, governance agencies, media, communities and bankers to appraise the quality of corporate management. This has helped extend the appraisal discipline beyond the Balance Sheet; in a number of instances, this appraisal has been extended to ESG with the perspective that soon the effects of high / low compliance will translate to the Balance Sheet. ESG-focused companies have proved to be resilient in the face of a rapidly transforming world, reducing costs, improving performance, and gaining a competitive edge over peers.

Sutlej and ESG

At Sutlej, enhancing stakeholder value and trust has been at the core of our business philosophy since our inception. The values of being ethically sustainable and responsible have been embedded in our business strategy and day-to-day operations. Some accreditations that our manufacturing units received comprised SA 8000, EMS 14001, OEKO-TEX 100 and Global Recycled Standard, to name a few.

With this, it only seemed natural to commit to making ESG a core part of our culture.

The environment component at our Company ensures that our business consumes environmentally responsible resources, consumes only as much as is moderately needed, recycles waste, consumes moderate fossil fuels and builds resistance to climate change.

The social component addresses the need to invest in employees, vendors, customers and community engagement, a framework of relationships that protects the Company from unexpected supply or demand or production shocks.

The governance component comprises the articulation of business strategy, values, codes of conduct, Board responsibilities and composition as well as the organisational commitment to UNGC principles.

Since last year, when we publicly made our commitment to ESG, we have been steadily working on developing processes and assessing our performance on key metrics that are relevant to our sector. We have highlighted some of our notable achievements alongside:

8.40

Rs. crore investment in various technologies to improve the environmental and social impact of the manufacturing process.

Our creditable achievements

- The Company engaged in backward integration and developed a plant of 120 tonnes of polyester staple fibre per day by recycling PET bottles.
- The Company recycled around 4.80 million PET bottles per day on average in FY 2022-23.
- Recycled fibre made up almost 29% of the overall inputs procured by the Company (by value).
- We have conducted number of trials of eco-friendly chemicals to reduce our environmental footprint.
- Energy savings of around Rs. 211.36 lakhs were achieved with our energy conservation measures.
- The Company reduced work-related incidents by 21.21%.
- Rs. 8.40 crore was invested in various technologies to improve the environmental and social impact of the manufacturing process.
- Independent assessments of our environmental metrics.
- Human rights assessments conducted at all of our manufacturing units.
- The Company conducted fire and electrical safety audit through external agencies. The audit observations were noted and rectified.

Our environment commitment

The Company's philosophy is to remain conscious about its operational impact on the environment and take measures for a positive impact. The Company's state-of-the-art research and development competence has made it a pioneer in the manufacture of yarns from sustainable sources. An entire manufacturing unit was developed to manufacture green fibre by recycling PET bottles. The Company employed stringent systems, processes and controls across its units for monitoring its environment footprint. It implemented the latest technologies to facilitate waste management, prudent resource allocation, energy-saving and emissions reduction. It is constantly engaged in R&D for incorporating novel, low-carbon technologies across its operations.

Our operational pollutants

Solid pollutants: Yarn waste, fibre waste and packaging material, among others.

Liquid pollutants: Chemicals, dyes, bleaching agents, among others.

Air pollutants: Carbon dioxide, sulphur dioxide, nitrogen oxide, among others.

Our initiatives

- The Company installed a 2.2 MW rooftop solar power plant.
- The Company introduced a wet scrubber to reduce air emissions from the boiler before stack discharge.
- The Company used condensate water as boiler feed water, reducing fresh feed water consumption.
- The Company recycled between 60-100% of boiler ash, which helped moderate coal consumption.
- The Company reused waste heat through the heat recovery units for process requirement, reducing steam consumption.
- The Company monitored air emissions that stayed within the permissible limits.
- The Company conserved energy by effecting processes and machinery modifications, implementing technological advancements, developing new methods, conducting energy audits, engaging in timely maintenance and waste heat recovery, among others.
- The Company installed energy efficient motors and replaced conventional bulbs with energy efficient bulbs.
- The Company maintained a large green area in and around the mill premises by planting thousands of trees.
- The Company encouraged zero liquid discharge in most of its units.
- The Company implemented rain water harvesting at all its plant locations.
- The Company computed its scope 1 & 2 GHG emissions, and is undertaking steps to start measuring its scope 3 emissions as well.

Our social commitment

At Sutlej, our business is driven by the power of relationships. The strength and stability of these relationships makes our business stable. Passionate employees (youth and experienced) drive our performance. Dedicated vendors enhance throughput and efficiency. Primary customers relate our end products with quality and attractive pricing.

At Sutlej, we are an employee-first organization, wherein providing an empowering, inclusive, and safe environment for its employees is key. The Company has been steadily investing in training and career development opportunities for its staff, while rigorously working on implementing health and safety initiatives across its units. All of our locations are periodically assessed for working conditions and human rights violations. We have been able to maintain zero complaints with respect to health and safety, working conditions, as well as human rights violations.

Sutlej's commitment to quality makes it a top choice among its customers. As part of our commitment to stakeholder trust, we are not only constantly working on bettering the quality of the products we create, but also engaging with our stakeholders.

The Company is not only driven by the need to make the world a better and cleaner place through the manufacture of quality products but also through a widening prosperity effect across the less privileged. Sutlej's CSR intervention is an extension of the prosperity-enhancing ethos of the Company into the domain of social responsibility and environmental sustenance. The Company takes a holistic approach to sustainable value creation for all its stakeholders (employees, communities and others) by nurturing its long-standing relationships and building new ones.

Our employee health and safety facilities

- The Company established first-aid stations, with first aid kits being placed in prominent locations throughout its facilities.
- The Company maintained medical rooms or clinics.
- The Company instituted medical professionals or nurses.
- The Company conducted health promotion programs (workshops on stress management, nutrition education, fitness challenge or mental health awareness campaigns).

Our initiatives

- The Company advocates the use of proper protective gear for employees exposed to critical functions.
- The Company celebrates National Safety Week annually and conducts safety awareness programs.
- The Company provides on-the-job safety training on shop floor to develop safety awareness.
- The Company uses signages and display boards to promote safe work environment.
- The Company provides health checks in its dispensaries.
- The Company conducts regular health education and training sessions on topics such as proper lifting techniques, stress management, nutrition and mental health.
- For FY 2022-23, various CSR projects were implemented in the domains of education, sports, rural development, healthcare and sanitation.

Our key health measures

For blue collar employees

- The Company provides comprehensive training programs that address safety protocols, proper use of machinery and equipment, handling of chemicals, ergonomics and personal protective equipment.
- The Company periodically educates employees about potential health risks and ways to mitigate them.
- The Company ensures the availability and proper use of personal protective equipment including gloves, safety goggles, masks, respiratory protection and hearing protection. The Company trains employees on the correct usage, maintenance and replacement of personal protective equipment.

For white collar employees

- The Company provided workstations with adjustable chairs, desks and computers to support proper posture and reduce the risk of musculoskeletal disorders.
- The Company encourages employees to keep their workstations clean, organized and free of clutter to prevent accidents and tripping hazards.
- The Company provided training to employees on office safety including electrical safety, proper use of equipment and the safe handling of office supplies.
- The Company encourages a work-life balance by promoting reasonable work hours and flexible schedules. The Company encourages employees to take breaks and vacations.
- The Company promotes education on healthy eating and the maintaining a balanced diet for overall well-being.

Our governance commitment

At Sutlej, our governance platform provides clarity on how to do business, attracting like-minded stakeholders.

Stakeholders: We exist for the benefit of all our stakeholders: the vendor must be able to grow with us; the customer must experience enhanced competitiveness arising out of our business solution; the employee must derive pride, remuneration, career advancement and engagement stability; the investor must generate a superior return on employed capital over competing investment opportunities; the community must benefit from our presence; the government must benefit through taxes and livelihood creation.

Board of Directors: At Sutlej, our governance platform is rooted in accountability, transparency and credibility. This ethos is echoed by our Board of Directors, which consists of a diverse set of esteemed professionals and industrialists, who strongly abide by the Code of Conduct. Collectively comprising a rich experience in the textile sector, governance, strategic leadership, risk management, as well as environmental and social topics, the Board of Directors provides the oversight and strategic guidance that are key for the Company's sustainability and progress. The Board, through its committee, is responsible for reviewing the ESG commitment, as well as a periodic monitoring of the Company's performance with respect to its ESG metrics.

Integrity: Fairness in dealing is why customers seek products from us, employees work in our Company, vendors sell to us, investors provide risk capital, bankers lend and communities support.

Long-term perspective: Our long-term investments in locations, assets, technologies, people, products and the selection of trade partners have been based on character and competence.

Process-driven: Our direction and professionalized day-to-day management have made our growth scalable, coupled with checks and balances. Our audit-driven and compliance-driven approach have enhanced trust in our financials, validating our conservative accounting interpretations. The same process-driven approach is applied to our ESG reporting, allowing our stakeholders to make informed decisions, and further strengthening their trust in us.

The Company abides by the National Guidelines for Business Conduct and believes that business excellence can only be achieved by good governance, along with environmental and social responsibility. Sutlej will continue to ensure zero instances of non-compliance of regulatory requirements, as well as zero cases of data breach.

Business **driver**

Our social **responsibility at Sutlej**

Overview

Sutlej is a responsible company, not only driven by the need to make the world a better place but also through a widening prosperity circle.

The Company's responsible citizenship is defined by the following priorities:

Our social responsibility projects are aligned with regional priorities; we believe in making initial investments where a moderate engagement from our side can translate into disproportionately larger societal impact; we engage in programmes relevant to grass-root existences; our CSR engagement is directed by a defined policy, implemented under the guidance of our CSR Committee and the senior management; the outcomes of these programmes are periodically tracked.

The Company seeks to deliver long-term sustainable growth while driving change on important issues like health and wellbeing, education, rural development, etc. with the objective of creating a better world for people to live in. The Company strives to create a fairer and more inclusive world, where everyone lives with, rather than at the expense of, nature and the environment.

The Company invested Rs. 2.08 crore towards CSR commitments during the year under review. The Company is strongly committed to a wider all-round social progress, as well as to a sustainable development that balances the needs of the present with those of the future. The Company is not only committed to complying with regulations relating to Corporate Social Responsibility but also aims at creating Corporate Social Value.

2.08
Rs. crore, CSR expenditure during the year under review

Corporate Information

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. Bipeen Valame (Wholetime Director and CFO) (till 11th June, 2022)

Mr. Rajib Mukhopadhyay (Wholetime Director and CFO) (w.e.f. 11th June, 2022)

Executives

Corporate office

Mr. Updeep Singh Chatrath - President & CEO

Mr. Bipeen Valame - Wholetime Director and CFO (till 11th June, 2022)

Mr. Rajib Mukhopadhyay - Wholetime Director and CFO (w.e.f. 11th June, 2022)

Mr. Manoj Contractor - Company Secretary & Compliance Officer

Unit Heads

Bhawanimandi Unit

Mr. H. M. Vashisth - Executive President

Kathua Unit

Mr. Umesh Gupta - Executive President

Baddi Units

Mr. Sachin Kulkarni - 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, 247 Park

L.B.S. Marg, Vikhroli (West)

Mumbai 400 083

Tel. (022) 4918 6270; 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

Registered Office

Pachpahar Road, Bhawanimandi 326 502, Rajasthan

Manufacturing Units

Rajasthan Textile Mills

Bhawanimandi 326 502

Rajasthan

Chenab Textile Mills

Kathua 184 102

Jammu & Kashmir

Birla Textile Mills

Baddi 173 205

Himachal Pradesh

Damanganga Units

1) Home Textiles
2) Processing

Village - Daheli

Near Bhilad 396 105, Gujarat

Sutlej Green Fibre

Baddi 173 205

Himachal Pradesh

Financial Highlights (Standalone)

(Rs. in crore)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Revenue from Operations	3,039.17	3,041.98	1,861.08	2,379.43	2,561.64
Total Income	3,063.89	3,072.25	1,892.19	2,404.72	2,589.37
Earnings Before Depreciation Impairment, Finance Cost and Taxes (EBDIT)	289.06	417.62	146.04	203.49	246.97
Depreciation, Impairment and Amortization	125.41	120.03	94.07	99.53	100.58
Profit before Tax and Exceptional Items	107.02	248.87	15.14	59.02	89.85
Exceptional Items	56.00	7.81	-	4.36	-
Profit before Tax	51.02	241.06	15.14	54.66	89.85
Profit after Tax	22.84	155.68	9.51	36.12	65.70
Equity Dividend (%)	100	185	30	30	65
Dividend Payout	16.38	30.31	4.91	4.91	12.83
Equity Share capital	16.38	16.38	16.38	16.38	16.38
Reserves and Surplus	1,107.32	1,113.80	963.64	954.62	930.45
Net worth	1,123.70	1,130.18	980.02	971.00	946.83
Gross Fixed Assets	2,497.29	2,481.68	2,414.44	2,312.53	2,085.65
Net Fixed Assets	1,120.17	1,187.13	1,230.65	1,210.79	1,074.03
Total Assets	2,420.77	2,442.49	2,149.30	2,117.52	2,130.56
Market Capitalization	664.33	1,165.64	643.03	321.10	647.12
Capital Employed	2,056.28	2,066.67	1,879.76	1,838.48	1,869.42

Key Indicators

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Earnings Per Share (Rs.) $	1.39	9.50	0.58	2.20	4.01
Book Value per Share (Rs.)	68.59	68.99	59.82	59.27	57.80
Debt Equity Ratio	0.82:1	0.82:1	0.91:1	0.89:1	0.97:1
EBDIT / Gross Turnover (%)	9.51	13.73	7.85	8.55	9.64
Net Profit Margin (%)	0.75	5.12	0.51	1.52	2.56
Return on Net worth (%)	2.03	13.77	0.97	3.72	6.94
Return (PBDIT) to Capital Employed (%)	14.07	20.21	7.77	11.07	13.21

Directors' Report

To

The members,

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

Your Directors are pleased to present the Eighteenth Annual Report, together with the audited financial statements of your Company for the year ended 31st March, 2023.

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, 2023 as well as comparative figures for the year ended 31st March, 2022 are Ind AS compliant.

The financial highlights of your Company for the year ended 31st March, 2023 are summarized as follows:

(Rs. in crore)

Particulars	Standalone		Consolidated	
	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2023	Year ended 31st March, 2022
Total Income	**3,063.89**	**3,072.25**	**3,100.46**	**3,112.20**
EBITDA	289.06	417.62	286.12	414.33
Less: Depreciation	125.41	120.03	126.88	121.03
EBIT	163.65	297.59	159.24	293.30
Less: Finance Cost	56.63	48.72	57.92	49.77
Profit before exceptional items and tax	107.02	248.87	101.32	243.53
Less: Exceptional items	56.00	7.81	36.38	7.81
Profit Before Tax	51.02	241.06	64.94	235.72
Less: Tax	28.18	85.38	27.66	85.49
Profit after Tax	**22.84**	**155.68**	**37.28**	**150.23**

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 transferred Rs. 2 crore to Reserves for the year ended 31st March, 2023.

2. DIVIDEND

Your Directors are pleased to recommend a dividend of Re.1/- per share for the year ended 31st March, 2023, subject to shareholders' approval at the forthcoming 18th Annual General Meeting (AGM) of the Company. The total outgo on account of dividend to the shareholders will be Rs. 16.38 crore (subject to deduction of TDS as per Section 194 of the Income Tax Act, 1961).

3. FINANCE

3.1 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.

3.2 Rating

Your Company has been assigned a rating of:

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

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

3.3 Deposits

Your Company has discontinued its Fixed Deposit Scheme with effect from 31st March, 2014 and has not accepted any public deposits during the year under review. As on 31st March, 2023, there were no unclaimed / outstanding deposits or accrued interest with respect to deposits.

3.4 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.

4. MODERNIZATION AND OTHER CAPITAL PROJECTS

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

Your Company also proposes to set up a green field project for 89,184 Spindles comprising of Cotton Mélange Yarn and PC Grey Yarn along with Dye House at J&K at an estimated project cost of Rs. 914 crore.

Your Company during the year has invested an amount of Rs. 97.62 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.

5. 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 2022 - 23 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

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The detailed review of the operations, state of 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.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

7.1 Change in Directors and Key Managerial Personnel

a) Mr. Bipeen Valame resigned as the Wholetime Director and Chief Financial Officer of the Company w.e.f. 11th June, 2022.

b) Mr. Rajib Mukhopadhyay (DIN: 02895021) was appointed as the Wholetime Director and Chief Financial Officer (KMP) of the Company w.e.f. 11th June, 2022.

7.2 Re-appointment of Directors

Mr. Rohit Dhoot (DIN: 00016856), a Director of the Company retires by rotation and being eligible has offered himself for re-appointment.

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

7.3 Independent Directors

All the 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 given declarations 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, functional and managerial experience, legal and risk management, corporate governance systems and practices, finance, banking and accounts and they hold highest standards of integrity.

7.4 Board Effectiveness

7.4.1 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/STIl-Familiarisation%20Programme.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.

7.4.2 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.

7.5 Criteria for selection of Directors, KMPs and Senior leadership positions and their remuneration

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors, Senior Management Personnel 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 Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of Directors, etc.

7.6 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. Updeep Singh Chatrath, President & Chief Executive Officer;
- Mr. Bipeen Valame, Wholetime Director & CFO (upto 11th June, 2022);
- Mr. Rajib Mukhopadhyay, Wholetime Director & CFO (w.e.f. 11th June, 2022); and
- Mr. Manoj Contractor, Company Secretary & Compliance Officer.

8. MEETINGS OF THE BOARD

A calendar of prospective meetings is prepared and circulated in advance to the Directors. During the year, six 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 prescribed period under the Act and Listing Regulations, 2015.

9. 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

10. 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 organization'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 the records and the 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. 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.

11. AUDITORS

11.1 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 the 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, 2023 is part of this Report. There has been no qualification, reservation, adverse remark, reporting of any fraud or disclaimer by the Auditors in their Report.

11.2 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 2023 - 24.

11.3 Cost Auditors

In conformity with the provisions of Section 148 of the Act read with The Companies (Cost Records and Audit) Amendment Rules, 2014, 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, 2024, at a remuneration as specified in the Notice convening the 18th 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 18th AGM.

11.4 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 2022 - 23 has been submitted to stock exchanges.

12. 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 better corporate 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.

13. 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.

14. 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 Secretaries 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.

15. CORPORATE SOCIAL RESPONSIBILITY

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 2022-23, your Company has spent Rs. 2.08 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. The activities undertaken by your Company have been duly acknowledged and appreciated by the concerned State Governments and communities. A report on CSR activities as prescribed under the Act and Rules made thereunder is annexed herewith as "Annexure IV".

16. 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

17. 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").

As per the SEBI Circulars, effective from the financial year 2022-23, filing of BRSR is mandatory for top 1000 listed companies by market capitalization. Accordingly, for the financial year ended 31st March, 2023, the BRSR is annexed as "Annexure V" and forms an integral part of this Report.

18. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, your Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at workplace. 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.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There are no significant or material orders passed by any Regulators / Courts which would impact the going concern status of the Company and its future operations.

20. 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, 2023 is uploaded on the website of the Company and can be accessed at www.sutlejtextiles.com

21. 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.

22. 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.

23. 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.

24. 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

25. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to your 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, 2023, 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, 2023 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.

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: 05th May, 2023

Annexure-I to the Directors' Report

Management discussion and analysis

Global economy

Overview: The global economy is estimated to have grown at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the war between Russia and Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.8% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended 2022 concerned that the following year would be slower.

The global equities, bonds, reported an aggregated value drawdown of US$ 26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10 year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to $55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity – these fell 15% to $36.75 billion between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI (benchmark for commodity investments and a measure of global commodity performance) fell from a peak of 4288 in June 2022 to 3233.4. There was a sharp decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realizations. Brent crude oil dropped from a peak of around US$ 120 per barrel in June 2022 to US$ 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Performance of major economies

United States: Reported GDP growth of 2.1% compared to 5.9% in 2021

China: GDP growth is expected to contract from 8% in 2021 to 3% in 2022

United Kingdom: GDP is expected to grow 4.1% in 2022 compared to 7.6% in 2021

Japan: Reported growth of 1.7% in 2022 compared to 1.6% in 2021

Germany: Reported GDP growth of 1.8% compared to 2.6% in 2021

[Source: PWC report, EY report, IMF data, OECD data]

Outlook: The global economy is projected to grow a weak 2.9% in 2023, marked by sustained Russia-Ukraine conflict and higher interest rates. Global inflation is projected to be 6.5% in 2023 (Source: IMF). On the positive side, the re-opening of China's economy after the waning of the pandemic, the decline in the European energy crisis and robust US consumption outlook (despite high inflation) remain positives. Interestingly, even as the global economy is projected to grow less than 3% for five years, India and China are likely to account for half the global growth in 2023 (IMF).

Indian economy

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India reported an estimated economic growth of 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India has retained its position as the fifth-largest global economy and was seen as a principal driver of the global economy (with China).

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY23
Real GDP growth(%)	3.7	-6.6%	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Real GDP growth(%)	13.1	6.3	4.4	6.1

(Source: Budget FY24; Economy Projections, RBI projections)

India's exports (merchandise and services) in April-February 2022-23 were estimated to have grown 16.18 percent over the same period of the previous year. As India's domestic demand remained steady amidst a global slowdown, imports in April-February 2022-23 were estimated to have grown 19.93% over the corresponding period of the previous year. India's exports in FY 2021-22 were $676 billion and are likely to achieve a record $750 billion in FY23.

Till Q3, FY23, India's current account deficit, an indicator of the country's balance of payments position, decreased to $18.2 billion, or 2.2% of GDP from $22.2 billion (2.7% of GDP) a year ago. India's fiscal deficit was estimated in nominal terms at ~ Rs. 17.55 lakh crore and 6.4% of GDP for the year ending 31st March, 2023.

India's headline foreign direct investment (FDI) numbers rose from US$ 74.01 billion in 2021 to a record US$ 84.8 billion in 2021-22, a 14% Y-o-Y increase due to 100% FDI approval via automatic route in the insurance, civil aviation, coal , telecom, pharma and infrastructure sectors. In 2022-23, the government was estimated to have addressed 77% of its disinvestment target (Rs. 50,000 crore against a target of Rs. 65,000 crore).

After three consecutive years of rise, India's foreign exchange reserves declined by around US$ 70 billion in 2022 amid rising inflation and interest rates. The country's forex reserves, which stood at US$ 606.47 billion on 1st April 2022, declined to US$ 578.44 billion on 31st March, 2023. India's currency weakened from Rs. 75.91 to a US dollar to Rs. 82.34 as on 31st March, 2023 due to a stronger dollar and weaker current account deficit.

The country's retail inflation, measured by the consumer price index (CPI), accelerated to 5.66% in March 2023. Inflation data on the wholesale Price Index (which calculates the overall prices of goods before selling at retail prices) eased to 4.73% during the period. In 2022, CPI hit its highest of 7.79% in April 2022; WPI reached its highest of 15.88% in May 2022.

In 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1% Y-o-Y in RE 2022-23.

Per capita income almost doubled in nine years to Rs. 1,72,000 during the year under review, a rise of 15.8 % over the previous year. India's GDP per capita was US$ 2,320 (March 2023), close to the magic figure of US$ 2,500 when consumption spikes across countries.

India moved up in the Ease of Doing Business rankings from 100th in 2017 to 63rd in 2022.

Outlook: According to the World Bank April 2024 projections, India's GDP is projected to expand by 6.3% in FY24, supported by domestic demand and increased public investment. India's retail inflation rate could decline from 6.6% to 5.2% in FY24. The growth could also be driven by broad-based credit expansion, better capacity utilization and improving trade deficits. Headline and core inflation rates could trend down. Private sector investments could revive.

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing their highest inflation in 40 years.

India's production-linked incentive appeared to catalyze downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and is emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remained positive despite an increase in interest rates. India was less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilization, government's thrust on capital spending and infrastructure should bolster investment activity. According to surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The protracted geopolitical tensions, tightening global financial conditions and slowing external demand are the downside risks.

Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy through projects like PM Gati Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. The capital expenditure of the Indian government expanded 35.4% from Rs. 5.54 lakh crore to Rs. 7.50 lakh crore. An outlay of Rs. 5.25 lakh crore was made to the Ministry of Defence (13.31% of the total Budget outlay). An announcement of nearly Rs. 20,000 crore was made for the PM Gati Shakti National Master Plan to catalyze the infrastructure sector. An expansion of 25,000 km was initiated for the national highways network. An outlay of Rs. 1.97 lakh crore was announced for Production Linked Incentive schemes across 13 sectors.

Global textile and apparel industry overview

The global textile market grew from US$ 573.22 billion in 2022 to US$ 610.91 billion in 2023 at a compound annual growth rate (CAGR) of 6.6%. The textile market consists of sale of plant-based, animal-based, cellulosic, synthetic, semi-synthetic textiles, wool, natural fibers and inorganic-based textiles. The global textile market is expected to grow to US$ 755.38 billion in 2027 at a CAGR of 5.5%.

Asia Pacific was the largest region in the global textile market in 2022, followed by Western Europe. The global sale of textiles is expected to garner a market value of US$ 995 billion in 2022 and is expected to register a CAGR of 3.77% by accumulating a market value of US$ 1.4 trillion between 2022 and 2032. The penetration of online platforms to sell and distribute goods made from textiles is driving the demand of the sector. Moreover, an increase in the demand for apparel from the fashion industry from all age groups is enhancing the sales of textiles.

The global fashion e-commerce market size will grow from US$ 744.4 billion in 2022 to US$ 821.19 billion in 2023 at a CAGR of 10.3%. The global fashion e-commerce market size is expected to grow to US$ 1,222.32 billion in 2027 at a CAGR of 10.5%. The increasing use of the internet and smartphones is expected to contribute to the expansion of the fashion e-commerce industry. Further, demand for smart textile is expanding at an impressive pace due to increasing demand for the mining, oil and gas exploration activities. (Source: the business research company, textile technology.net)

Top 8 textile trends in 2022

1. **Novel textiles:** The advancement and novel technologies in materials science have been steadily growing toward adopting ethical practices. Moreover, novel fabrics are acquiring unique properties such as sensory capabilities, electrical conductivity, and data transmission.

2. **Smart textiles:** Smart clothes use a variety of IoT sensors to collect the person's biometric and physical data for effective health and activity monitoring. Also, textile manufacturers incorporate microelectronics, biotechnology and nanomaterial's to improve the interconnection between components.

3. **Advanced apparel manufacturing:** Advanced apparel manufacturing develops energy-efficient and high-speed processes. They include ICT-based systems, computer-aided programs, fast digital printing, and robotic devices. These applications deliver automation and accuracy in quality control, production, and human resources management. As a result, emerging technologies in textile manufacturing replace unsustainable and inefficient practices to meet customers' new demands.

4. **Sustainable supply chain:** To meet the growing demand for low-cost clothing, brands have developed supply chains that produce high volumes of synthetic, petroleum-based garments. Therefore, tech-enabled strategies accelerate the shift of fast fashion to a circular economy and closed-loop systems. Startups are introducing environmentally-conscious practices like reuse and recycling.

5. **3D technologies:** The availability of 3D technologies is driving the efficiency of textile manufacturing and design. 3D printing allows experiments with imaginative structures, shapes and prototypes. The technology also enables the production of different materials ranging from soft polymers to rigid ceramics. It also contributes to zero-waste goals by enforcing green materials.

6. **Customization and personalization:** There has been a significant demand for customized clothes that customers personalize according to their taste, purpose and occasion. Modern software involves individual customers directly in product conceptualization, sizing, and fitting.

7. **AI and data analytics:** The implementation of artificial intelligence and data analytics varies from management automation to product inspection. These technologies detect visual defects and measure wrinkles in the fabric. Also, machine learning algorithms identify previously hidden operating patterns to optimize business processes.

8. **Immersive fashion:** Focusing on brand enhancement, digital sampling and virtual showrooms empowered by AR/VR technology significantly improves cost-efficiency and marketing efforts. The use of immersive technologies also reduces fashion waste by replacing physical objects with digital assets.

   (Source: start us-insights.com)

Global and Indian cotton industry overview

Cotton has played a major role in industrial evolution at the beginning of the eighteenth century, playing a crucial role in the textile industry. According to United Nations, cotton occupies merely 2.1% of the world's arable land, yet it meets 27% of the world's textile needs.

Global cotton production in 2022-23 is expected to decline by 300,000 bales to 115.4 million on account of lower yields in India. Consumption of cotton is expected to decrease globally due to lower use in India, Indonesia and Vietnam. Major consumers including India, China and Pakistan are facing challenges including a downward trend in profit margins and yarn orders which has resulted in conservative buying practices for cotton lint. As per the US department of Agriculture, global cotton consumption is estimated to decline by 3.3 million bales to 111.7 million bales in December 2022. Various factors like declining supplies, falling yarn orders from fabric and apparel companies, lower profit margins for spinning mills and higher inflation levels are all pressuring consumption.

India's cotton acreage in 2022-23 is expected to rise 9% year on year to 13.2 million hectare. India's cotton imports have gathered pace after the government exempted customs duty. According to the Cotton Association of India (CAI), cotton has maintained production estimates at 344 lakh bales of 170 kg for market year (MY) 2022-23. CAI has estimated cotton consumption for 2022-23 season at 300 lakh bales against previous year's consumption of 318 lakh bales. The cotton supply estimated by CAI till the end of the cotton season 2022-23 is 387.89 lakh bales. The total cotton supply consists of the opening stock of 31.89 lakh bales. Cotton exports in 2022-23 have been estimated at 30 lakh bales, 5 lakh bales lower than the previous estimate. (Source: sourcing journal.com, fibre2fashion.com, USDA.gov, triplepundit.com)

Global yarn industry overview

The global yarn market is expected to grow by US$ 42.18 billion during 2022-2026, accelerating at a CAGR of 5.77% during the forecasted period. Capacity expansions by vendors in the textile industry along with the trends of personalization and customization of home textile products are expected to result in a sizable demand in the market.

Textile yarn market size is valued at US$ 12.09 billion in 2021 and is expected to reach US$ 16.06 billion by 2028, at a CAGR of 4.8% between 2022-2028.

The global cotton yarn market size is pegged at US$ 66.91 billion in 2023 and is expected to reach US$ 108.99 billion by 2030, growing at a CAGR of 7.19%. The growth is catalyzed by a growing population, rising disposable incomes, infrastructure and urban construction, broadening applications, consumer awareness on the texture and preferential shift towards branded apparels.

The global fancy yarn market size is valued at US$ 4208.3 million in 2022 and is expected to reach US$ 5417.7 million by 2028, growing at a CAGR of 4.3%. Europe is the largest market for fancy yarns accounting for a market share of about 45%, followed by the United States with about 40%.

(Source: apparel resources.com, digital journal.com, research and markets)

Indian yarn industry overview

India's yarn production was pegged at 341.91 lakh bales in FY 2022-23. India's yarn exports declined in volume but increased in value during the first half of 2022. India exported 9.69 lakh ton yarn worth $3.472 during the year under review. Bangladesh remained the top buyer with 32.72% share, while Turkey stood second with import of 11.40% of all Indian exports during the period.

Indian textiles and apparel industry

The domestic and apparel textiles sector is one of the oldest in India, accounting for 2.3% of the country's GDP and 7% of the industry output in value terms and 12% of the country's export earnings. The Indian textile sector is the second largest employer in the country, offering direct employment to 45 million people and 100 million people in allied sectors.

India's revenues in the apparel market amounts to US$ 96.47 billion in 2023, and expected to grow annually at a CAGR by 3.34% between 2023 and 2027. Rising population, demographic dividend, urbanization and consumer preference are the key growth drivers, reinforcing sectorial demand. Women's apparel is the largest market segment with a market volume of US$ 43.65 billion in 2023. Total volume in the Indian apparel market is expected to amount to 38,933.6 million pieces by 2027. The average volume per person in the apparel market is expected to amount to 23.8 pieces in 2023. India's textiles and apparel industry is segmented into - yarn & fibre and processed fabrics & apparel. The country is the largest producer of cotton and jute and the second largest producer of silk. According to the Ministry of Textiles, India's technical textiles market showed a promising growth of 20% from US$ 16.6 billion in 2017-18 to US$ 28.7 billion in 2020-21 on account of the rising demand in various sector such as infrastructure, water, health and hygiene, defence, security, automobiles and aviation. The Indian textile industry is aiming to export products worth US$ 40 to US$ 100 billion within 2027. The promotion of the textile and apparel industry through several government schemes has been the greatest in the last three decades. The apparel industry is progressing fast with the manufacturing of more varieties of products. This textile business is also spreading in more countries across the world, leading to more earning of foreign money. (Source: Statista, fashinza.com)

Government initiatives

- The government has improved the existing Credit Guarantee Trust for micro and small enterprises by adding more funds for textile business owners.
- The government allowed 100% foreign direct investment (FDI) in the textile industry, making it easier for small companies to grow and export their products to other countries.
- The National Technical Textiles Mission proposed in the Union Budget for 2020-21 will be active till 2023-24 with an estimated expense of Rs. 1,480 crore for the betterment of the textile industry.
- The government announced that the packaging of food grains, sugar and other dry food materials will be only in jute sacks. This is expected to boost jute textile with better business profits in India.
- The rates of incentives for the exports of readymade garments and dress materials have been increased from 2% to 4% by the Directorate General of Foreign Trade. This will help textile industry to earn more profits by exporting their products.
- The Indian government approved the Integrated Wool Development Programme (IWDP) to support the production of woolen garments. The quality and production speed of woolen garments are expected to improve with the use of high-quality materials.
- The government launched the Scheme for Capacity Building in Textile Sector (SCBTS) with an estimated expense of Rs. 1,300 crore for skill development in the textile industry.
- The government launched Prime Minister Mega Integrated Textile Region and Apparel (PM MITRA) scheme to improve the infrastructure of the textile industry. (Source: fashinza.com)

Indian home textiles industry overview

The Indian home textile industry's revenue is expected to grow 11-12% in FY 2022-23 mainly because of higher price realizations. Domestic demand for home textiles is expected to grow by 13% fueled by sharp demand recovery in the domestic hospitality industry and continued focus on health and hygiene.

Exports account for 60-70% of the Indian home textile industry's revenue. United States remains the largest market for Indian home textiles contributing for a sizeable 58% of the total exports. Global demand for home textiles is expected to be impacted in the near term by inflationary pressures with big retailers cutting down on inventory and consumers cutting down on discretionary spending. The growth in export demand is expected to moderate to 10% in 2022-23 compared to 25% in 2021-22 on the account of slower recovery in the international travel and hospitality segments globally.

(Source: new indian express.com)

Growth drivers of the Indian textile industry

Rising population: India is expected to surpass China in 2023 as the most populous country. India's population has grown from 715.4 million in 1981 to 1.39 billion in 2021. By 2050, India is expected to have a population of 1.67 billion, higher than the 1.32 billion people forecast for China by the middle of the century. (Source: dw.com)

Raw material abundance: India is ranked as the largest producer of jute and cotton and the second largest producer of silk. Due to substantial availability of raw materials along with cheap labour costs, the cost of manufacturing textile and apparel is lower compared to many other countries.

Youth Populace: The median age in India is 28.4 years compared to the world median age of 30 years. India's young demographics has been a well-documented global story over the past three decades, strengthening domestic demand in a sustainable way. (Source: moneycontrol.com)

Digital penetration: Growing internet penetration and online retailing has witnessed strong growth in the country on account of ease of shopping, multiple options, better offers and easy return policies. Online sales growth enabled the textile industry to reach consumers across the length and breadth of the nation.

Preferential shift: The industry is witnessing a shift in consumer preferences from need-based clothing to aspiration-based and comfortable clothing. Purchasing clothes is no longer a basic necessity but the symbol of personality and status. This has increased the demand for attractively designed clothes in recent years.

Health consciousness: The pandemic has helped the industry shift towards new products like anti-viral fabrics, PPE kits, masks and other goods. This is expected to serve the demand for hygiene products and uplift the textile and apparel industry. (Source: InvestIndia, fortuneindia.com, Imarc group, downtoearth.org)

SWOT analysis

Strengths

Continuous government support

Substantial availability of raw materials

Relatively lower costs

Reduced supply lead time

Digitalization catalyzing e-commerce growth

Low cost and skilled manpower

Rising population

Growing urbanization

Rising disposable incomes

Weaknesses

Growing competition from e-commerce

Competitive imports

Unadaptable labour laws

Increased reliance on cotton

Use of outdated technology

Opportunities

Economic growth and manufacturing of value-added products to boost unit value realization

Growing investments and FDI opportunities

Government of India's 'Make in India' initiative

Constant innovation and technological upgradation

Threats

Growth of international brands

Outbreak of pandemic like COVID-19 hampering manufacturing and sales

International labour and environmental laws

Inventory pile ups on account of global slowdown

Geographical disadvantages

Company overview

Sutlej Textiles and Industries Limited is among the largest integrated textile manufacturing companies in India with a presence across the value chain – from yarn to home textiles. The Company is among the flagship companies of the multi-business conglomerate promoted by late Dr. K. K. Birla. The Company's manufacturing locations are situated in Rajasthan, Jammu & Kashmir, Himachal Pradesh and Gujarat with an aggregate spinning capacity of around 4.22 lakh spindles at the close of FY 2022-23. The Company manufactures synthetic, natural and blended yarns, all types of spun yarns, home textile furnishings and polyester staple fibre by re-cycling PET bottles. It is among the largest manufacturers of spun-dyed yarn and value-added mélange yarn in India.

Key ratios

Particulars	FY23	FY22
Debt-equity ratio	0.82	0.82
Debtors' turnover (days)#	40	54
Inventory turnover (days)	164	138
Debtors' turnover#	9.16	6.78
Inventory turnover	2.23	2.65
Interest coverage ratio (x)*	5.10	8.57
Current ratio (x)	1.31	1.38
EBIDTA margin (%)*	9.51	13.73
Net Profit margin (%)*	0.75	5.12
Return on Net Worth (%)*	2.03	13.77

** The decrease in Interest Coverage, Operating Profit Margin, Net Profit Margin, Return on Net Worth ratios was mainly on account of lower profitability in FY 2022-23, due to uncertain geo-political situation, consequential volatility in raw material prices and weak demand on account of recession.*

 # Due to higher/better recovery from debtors, outstanding is lower in comparison to previous year, which tends to lower Debtors Turnover days and higher debtor turnover.

Risk management

Efficiency of the Company's risk management practice is derived from the knowledge and hands-on engagement of our management team. The Risk Management Committee is involved in timely risk identification and risk mitigation. The Company acknowledges that risk is an integral and unavoidable component of the business and intends to manage the risk proactively and efficiently.

Quality risk: Insufficient product quality and manufacturing inefficiency could hamper business performance.

Mitigation: The Company has invested in advanced technologies to ensure its manufacturing units operate at peak efficiencies and maintain quality.

Raw material risk: Unstable raw material costs could hamper the business.

Mitigation: The Company works with various fibres (natural and man-made) to ascertain reduced raw material costs and enhanced product functionality. The Company's raw material cost as a percentage of revenues stood at 53.79% in FY23 (51.87% in FY22).

Trend risk: Inability to address consumer preferences could hamper the business of the Company.

Mitigation: The Company continuously invests in product development and innovation. The Company allocated 41% of spindles capacity for the production of value added yarn in FY 2022-23 as compared to 43% in last financial year, ensuring high technological relevance.

Competition risk: Emergence of new competitors could hamper profitability

Mitigation: The Company exports to ~60 countries. The Company continuously develops innovative products, has a strong brand recall and operational efficiency, ensuring that the Company is able to mitigate this risk.

Customer attrition risk: Inability to retain customers could affect revenues and profits.

Mitigation: The Company continuously develops new yarns (cotton blended dyed yarn and cotton mélange) and specialty yarns (cotton mélange and blended yarns) and is a one-stop textile solutions provider that builds loyalty. In FY 2022-23, the Company sold 1,00,871 tonnes of yarns.

Internal control systems and adequacy

The Company has in place adequate and effective internal control systems and processes commensurate with the nature of its business and the size and complexity of its operations. The Company has implemented robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors. These are tested and evaluated on a regular basis for improvement.

Human resources

The Company's prudent HR practices have helped reinforce its leadership. The Company's permanent workforce stood at 18,075 as at 31st March, 2023. The Company invested extensively in formal and informal training as well as on the job learning programmes. Sutlej reinforced engagements with employees across all levels by providing an enriched workplace, invigorating job profile and an on-going dialogue.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward–looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

Annexure-II to the Directors' Report

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 and machinery modifications, implementation of technological advancements, development of newer methods, energy audit, proper and timely maintenance, 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 year 2022-23 with a view to reduce cost of energy and consequently, the cost of production:

A. Spinning

a. Installed :

i. Capacitor bank and addition of cable to reduce low power factor at a capital cost of Rs. 2.07 lakhs resulting in saving 161 Kwh/day and Rs. 4.09 lakhs per annum.

ii. Inverters on Pneumafil suction and material transport fan on various machines at a capital cost of Rs. 30.15 lakhs resulting in saving 2,576 Kwh/day and Rs. 38.50 lakhs per annum.

iii. Inverters on SAF and RAF motors at a capital cost of Rs. 14.30 lakhs resulting in saving 686 Kwh/day and Rs. 13.76 lakhs per annum.

b. Optimized / converted

i. Optimized WRS of carding without any cost resulting in saving 680 Kwh/day and Rs. 10.16 lakhs per annum.

ii. Increased Boiler efficiency by arresting leakages by which steam to fuel ratio increased from 12.20 to 12.39 resulting in saving 123.90 tons pet coke and Rs. 28.46 lakhs per annum.

iii. Decreased use of steam dyeing ratio of Acrylic and Polyster from 2.20 to 2.08 resulting in saving of 226.00 tons pet coke and Rs. 51.91 lakhs per annum.

iv. Decreased use of steam in dyeing ratio of Cotton from 5.53 to 5.52 resulting in saving of 5.11 tons pet coke and Rs. 1.17 lakhs per annum.

v. Decreased use of steam use in dyeing ratio for Yarn Dyeing from 5.92 to 5.90 resulting in saving of 3.42 tons pet coke and Rs. 0.78 lakhs per annum.

vi. Arrested leakages on machines by changing new spares at a capital cost of Rs. 7.00 lakhs resulting in saving of 1,400 Kwh/day and Rs. 13.86 lakhs per annum.

c. Replaced

i. 13 low efficiency old pumps with high energy efficient pumps at a capital cost of Rs. 8.25 lakhs resulting in saving of 293 Kwh/day and Rs. 7.45 lakhs per annum.

ii. 53 low and repeated rewind motors with high energy efficient motors at a capital cost of Rs. 35.18 lakhs resulting in saving of 853 Kwh/day and Rs. 16.05 lakhs per annum.

iii. Ceiling CFL lights of 18 watts with LED lights of 7.5 watts and 30 watt lights with 15 watt LED lights at a capital cost of Rs. 0.50 lakhs resulting in saving of 13 Kwh/day and Rs. 0.29 lakhs per annum.

iv. 14 main motors of Ring Frame machine at a capital cost of Rs. 34.20 lakhs resulting in saving of 522 Kwh/day and Rs. 10.48 lakhs per annum.

B. Home Textiles

a. Installed new power efficient compressor @ 600 cfm at a capital cost of Rs. 26.00 lakhs resulting in saving of 318 Kwh/day and Rs. 14.40 lakhs per annum.

FORM – A

(A) Power and Fuel Consumption:

	2022-2023	2021-22
1. Electricity:		
(a) Purchased:		
Units (in lakhs)	4,647.72	4,501.95
Total Cost (Rs. in lakhs)	23,599.51	22,019.09
Rate/Unit (Rs.)	5.08	4.89
(b) Own Generation:		
(i) Through Diesel Generators		
Units (in lakhs)	16.45	10.18
Units per litre of Diesel Oil (Kwh/Ltr.)	3.49	3.55
Cost/Unit (Rs.)	24.79	25.42
(ii) Through Furnace Oil Generators		
Units (in lakhs)	0.84	1.81
Units per litre of Furnace Oil	4.00	4.08
Cost/Unit (Rs.)	10.68	9.00
(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)	41.27	39.37
Total Cost (Rs. in lakhs)	36.44	36.28
Cost/Unit (Rs.)	0.88	0.92
2. Coal :		
(a) Steam Coal Quantity (Tons)	25,960.42	25,534.09
Total Cost (Rs. in lakhs)	3,147.90	2,362.24
Average Rate (Rs.)/Ton	12,125.77	9,251.31
(Note : Previous year figures have been regrouped)		
(b) Wooden Chips		
Quantity (Tons)	1,984.58	2,157.67
Total Cost (Rs. in lakhs)	123.42	129.72
Average Rate (Rs.)/Ton	6,218.88	6,012.19
(Note : Previous year figures have been regrouped)		
(c) Pet Coke		
Quantity (Tons)	16,265.02	16,393.78
Total Cost (Rs. in lakhs)	3,742.87	2,682.51
Average Rate (Rs.)/Ton	23,011.79	16,362.95
3. Furnace Oil :		
Quantity (Kilo Litres)	20.89	44.30
Total Cost (Rs. in lakhs)	8.93	16.28
Average Rate (Rs. Per Kilo Litre)	42,746.58	36,744.99
4. HSD Oil :		
Quantity (Kilo Litres)	471.76	286.83
Total Cost (Rs. in lakhs)	407.79	258.81
Average Rate (Rs. Per Kilo Litre)	86,439.72	90,232.76

(B) Consumption per unit of production:

	2022-2023	2021-22
Production :		
Electricity per Ton of Yarn Production (Units) @	2,960	3,038
Electricity per Ton of Knitting Fabric Production (Units) €	197	175
Coal per Ton of Yarn Production (Tons) #	0.361	0.347
Pet Coke per Ton of Yarn Production (Tons) #	0.134	0.143
Electricity per thousand meters of Processed fabrics (Units) €	543	556
Electricity per thousand meters of Home Furnishings (Units) $	1,000	1,351
Coal per thousand meters of processed fabrics (Tons)	0.84	1.01

@ *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 2023-2024

A. Spinning

Following measures are contemplated to save energy consumption during the year 2023-2024:

Install :

VFD for reducing frequency at Humidification Plant, SA Fan, RA Fan and pump, harmonics filter panel in PV section and VFD compressor, pressure powered packing pumping unit to improve flash steam and condensate recovery to increase packed water temperature all at an estimated capital cost of Rs. 145.50 lakhs which is expected to save 5,812 Kwh/day, 432 tons coal/annum and Rs. 70.00 lakhs per annum.

Optimize / Convert :

Reduce air leakage at carding machine, harmonic improvement from 28% to below 10% leading to reduction of power losses and minimize electronic failure, cable additions in the plant to reduce line losses, conversion of Trumac Card and PLC, auto blow down at TPH Boiler, use STP water in flush system and optimize WRS, all at an estimated capital cost of Rs. 74 lakhs which is expected to save 1,404 Kwh/day, 135 tons of coal/annum, 7,260 KL of water/annum and Rs. 48.17 lakhs per annum.

Replace :

76 low efficient and re-winded motors with energy efficient motors, 3 low capacity transformers with 1 higher capacity transformer, 1500 KVA old transformer, 14 Prerna TFO's with 10 Savio TFO's with higher efficiency motors, 3" air line with 6" line between synthetic section and cotton section to reduce pressure drop, 37 Ring Frame motors with higher efficiency motors, balancing and WCS with advance technology fan and energy efficient motors all at an estimated capital cost of Rs. 505 lakhs which is expected to save 4,665 Kwh/day and Rs. 85.15 lakhs per annum.

B. Home Textiles

Install :

Drive in 5 motors of ETP and turbine at an estimated capital cost of Rs. 7.00 lakhs which is expected to result in saving 2,565 Kwh/day and Rs. 72.00 lakhs per annum.

Optimize / Modify :

3 stenters which will reduce the exhaust fan energy, load sharing of one transformer, water return pump, boilers and TFH for automation, increase feed water temperature by line modification, all at an estimated capital cost of Rs. 46 lakhs which is expected to result in saving 682 Kwh/day, 500 MT of coal/ annum and Rs. 131.67 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 an estimated cost of Rs. 33.00 lakhs which is expected to result in saving 962 Kwh/day and Rs. 27.00 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 (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 has been carried out by the Company

a) Spinning

The Company has well equipped lab for testing from raw materials to finish goods, dyes, and all kind of packing material, etc. Our New Product Development team is also involved in development of new products with innovation based on market trend and their own skill. A separate cell for development of samples to fulfill customer requirements on time with their satisfaction is also available.

Our R&D lab has latest 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, Online Monitoring System, Lab Expert System all from Uster, Auto Dispenser, Beaker Dyeing machines, Uster Quantum 4, Premier iQ2, Premier Tensomaxx 7000, etc. The Company has also been certified for certifications which consist of ISO 9001-2015 (QMS), ISO-14001-2015 (EMS) and ISO-45001/2018 (OHSAS). Apart from these, the Company has 14 different certifications including Usterised Lab, Oeko-Tex, GOTS/GRS/OCS/RCS, Fair Trade and SA 8000 certificate.

The Company has continued to launch shade cards of Suiting and Shirting containing several shades based on different themes during the year under review.

b) Home Textiles

The Company has a well-equipped, most modern and state of the art quality, testing and development equipment, managed by committed team of highly qualified and experienced professionals. Latest technological equipment's like Advance Fibre Information System (AFIS), Uster Quantum 4, Premier iQ2 and Premier Tensomaxx 7000 along with other quality testing equipment's aid in 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 Uster Quantum clearer for auto corner of synthetic section, One Friction Tester for cotton melange section. Two Flexi Clean's are planned for enhancing productivity and quality in synthetic section. Further, to enhance our product development cell, we are planning for a miniature loom for cotton development to penetrate in weaving sector more vigorously.

The Company also intends to replace Draw Frame LDF 3S Single Delivery, Speed Frame LF4280A Autoconers Murata make, Qpro+/ Schlafhorst X-6, Yarn Clearer Uster Quantum 4.0, 2 Transfer (3000 and 1500 KVA), Autodoffing Ringframe LMW (LR9SX), Card LC-361 with finfeed, LMW blowroom and chute feed line with LC 361 cards and LMW Auto-doffing Ring Frames LR9AXL (1,056 spindles each) for improving quality of product. It also plans to install TOT Beater attachment addition for Tuft blender, Rovo Stop Motion & Spindle Monitoring System, Precision Cheese Winding Machine Make- PS/Reshmi with Audodoffer (60 drums), PP Contamination clearer- I scan Nano plus, Semi-Automatic Packing System (Strapping & Sealing Machine), R.F. Dryer 100 KW and Autoconer Q-Pro+ (72 Drums). It is planned to upgrade and convert LT Panel, Savio Orion Autoconer from old to new type spindle PCB to develop various types of fancy yarn and launch shade book of Sustainable Fibre Product, Linen World containing all Linen blend product and all function fibre product and also develop a new range of sustainable product for coming future

2) **Expenditure incurred towards R&D**

(Rs. in lakhs)

Sr. No.	Particulars	2022-23	2021-22
a	Capital	107.97	387.84
b	Recurring	704.51	551.84
c	Total	812.48	939.68
d	Total R&D expenditure as a percentage of Total Turnover	0.272%	0.315%

2. Technology Absorption, Adaptation and Innovation

A. Spinning

The Company is having latest state of the art plant and machinery and has the policy of continuous modernization and up-gradation of machines. The Company has installed latest technology Plant and Machinery in replacement of old technology machines to achieve higher productivity, efficiency and better quality, viz. KTTM Ring Frame RX300E in melange unit, Murata make Autoconer and Autoconer X6 Type RM. For absorption, adoption and innovation, the following capital expenditure has been incurred during the year:

a) Incurred Rs 5,628 lakhs on replacement of old technology, plant machinery and equipment.

b) Incurred Rs. 2,842 lakhs on addition and modification of existing plant and machinery.

c) Incurred Rs. 1,051 lakhs on purchase of machines and equipment for debottlenecking.

B. Home Textiles

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

a) Incurred Rs. 6.32 lakhs on replacement of old technology, machinery and equipment.

b) Incurred Rs. 234.77 lakhs on addition and modifications of existing plant and machinery.

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)

Particulars	2022-23	2021-22
Foreign Exchange Earned	1,170.36	1,111.70
Foreign Exchange Used	87.71	68.21

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 aimed at building trust of all stakeholders, such as shareholders, 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, 2023 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. The Chief Executive Officer of the Company (designated as 'President'), manages the business of the Company under the overall superintendence, guidance and control of the Executive Chairman and the Board, with the help of a competent team and able assistance from the Wholetime Director (also designated as the CFO) and the Company Secretary of the Company (also designated as the Compliance Officer).

Composition of the Board

The Company has a balanced and diverse Board which includes independent professionals and conforms to the 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 per cent of the Board's strength as against the minimum requirement of 50 per cent as per the 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, 2023. 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, 2023, 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 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	1	0	Leadership experience of leading operations of large organizations with deep understanding of complex 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 and governance and regulatory requirements of large companies.

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. Amit Dalal (DIN: 00297603)	I	Nil	1. #Phoenix Mills Limited - Independent Director 2. #Tata Investment Corporation Limited -Executive Director 3. 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	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.
Mrs. Sonu H. Bhasin (DIN: 02872234)	I	Nil	1. #Whirlpool of India Limited - Independent Director 2. #Berger Paints India Limited - Independent Director 3. #Indus Towers Limited - Independent Director 4. #KFIN Technologies Limited - Independent Director 5. #Multi Commodity Exchange of India Limited - Independent Director 6. Max Life Pension Fund Management Limited - Independent Director 7. PNB MetLife India Insurance Company Limited - Independent Director 8. Mahindra First Choice Wheels Limited - Independent Director	1	5	Financial management and accounting. Business strategies and governance.

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. 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. Young Buzz India Limited - Director 4. Aakarshak Synthetics Limited - Director	0	2	Financial management and accounting. Business strategies and innovations. Risk management
Mr. Ashok Mittal (DIN: 00016275)	NED	Nil	Nil	0	0	Financial management, banking and accounting. Business strategies and innovations. Risk management
#Mr. Bipeen Valame (DIN: 07702511)	ED	Nil	Nil	0	0	Financial management and accounting.
$Mr. Rajib Mukhopadhyay (DIN: 02895021)	ED	5,200	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, 2023, none of the Directors of the Company were related to each other.

iv. # Mr. Bipeen Valame ceased to be the Wholetime Director and Chief Financial Officer of the Company with effect from 11th June, 2022.

v. $ Mr. Rajib Mukhopadhyay was appointed as the Wholetime Director and Chief Financial Officer of the Company with effect from 11th June, 2022.

Except Mr. C. S. Nopany and Mr. Rajib Mukhopadhyay, 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 are expected to possess the required qualification, integrity, expertise and experience for the position. They should 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.

FAMILIARZATION 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. 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/STIl-Familiarization%20Programme.pdf

BOARD MEETINGS AND PROCEDURE

The Board meets atleast 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, six Board meetings were held on 09th May, 2022; 11th June, 2022; 09th August, 2022; 04th November, 2022; 28th December, 2022 and 03rd February, 2023. 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	6	6	Yes
Mr. U. K. Khaitan	6	5	Yes
Mr. Amit Dalal	6	6	Yes
Mr. Rajan A. Dalal	6	5	Yes
Mr. Rajiv K. Podar	6	5	No
Mrs. Sonu H. Bhasin	6	5	Yes
Mr. Rohit Dhoot	6	6	No
Mr. Ashok Mittal	6	5	Yes
Mr. Bipeen Valame*	6	1	N.A.
Mr. Rajib Mukhopadhyay**	6	4	Yes

** Mr. Bipeen Valame resigned from the Board w.e.f. 11th June, 2022.*

*** Mr. Rajib Mukhopadhyay was appointed as Wholetime Director w.e.f. 11th June, 2022.*

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. 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 29th March, 2023 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 a 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 2022 - 23. A declaration to this effect signed by the President and CEO 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 Insurance')

In line with the requirements of Regulation 25(10) of the Listing Regulations, 2015, the Company has taken D&O Insurance for all its Directors and members of 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 2022 - 23, 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 five times on 09th May, 2022; 10th June, 2022; 08th August, 2022; 03rd November, 2022 and 02nd February, 2023.

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	5
Mr. Rajiv K. Podar	Member	Independent	4
Mr. Rohit Dhoot	Member	Non - Executive	5

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 four times on 05th May, 2022; 05th August, 2022; 03rd November, 2022 and 02nd February, 2023. 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	4
Mr. Rajiv K. Podar	Member	Independent	4
Mrs. Sonu H. Bhasin*	Member	Independent	2
Mr. Bipeen Valame#	Member	Executive	1
Mr. Rajib Mukhopadhyay@	Member	Executive	3

**Mrs. Sonu H. Bhasin was appointed as a member w.e.f. 11th June, 2022.*

#Mr. Bipeen Valame ceased to be a member w.e.f. 11th June, 2022.

@Mr. Rajib Mukhopadhyay was appointed as a member w.e.f. 11th June, 2022.

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 brief terms of reference inter alia 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 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 performance evaluation report of Independent Directors.

MEETINGS AND ATTENDANCE

During the year under review, the Committee met thrice on 10th June, 2022; 03rd August, 2022 and 02nd February, 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	3
Mr. Rajan A. Dalal	Member	Independent	3
Mr. Rajiv K. Podar	Member	Independent	3

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 06th May, 2022; 05th August, 2022 and 23rd March, 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	3
Mr. Amit Dalal	Member	Independent	3
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.

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, Non - Executive Director; Mr. Ashok Mittal, Non - Executive Director and Mr. Updeep Singh Chatrath, President and Chief Executive Officer.

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 21st July, 2022 and 06th January, 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	1
Mr. Ashok Mittal**	Member	Non-Executive	2
Mr. Updeep Singh Chatrath	Member	President and CEO	2

** Mr. Rohit Dhoot was appointed as a member w.e.f. 11th June, 2022.*

*** Mr. Ashok Mittal was appointed as a member w.e.f. 11th June, 2022.*

Note: Mr. Bipeen Valame ceased to be a member w.e.f. 11th June, 2022.

VI. FINANCE & CORPORATE AFFAIRS COMMITTEE

COMPOSITION

The Finance & 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 H. 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.

During the year under review, no meetings of the Committee were held.

E. 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 of Rs. 10,00,000/- per year, payable proportionately to their tenure in office as Directors of the Company.

The total commission payable to all the Non-Executive Directors for the financial year 2022-23 will be Rs. 70,00,000/- for which provision has been made in the books of accounts. The commission shall be paid after the adoption of annual accounts of the Company for the financial year ended 31st March, 2023 by the shareholders at the forthcoming AGM. 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 payable and sitting fees (including for Committee meetings) paid to the Non-Executive Directors during F. Y. 2022 - 23 is as follows:

Sr. No.	Name of Director	Commission (Rs.)	Sitting Fees (Rs.)
1.	Mr. U. K. Khaitan	10,00,000	4,00,000
2.	Mr. Amit Dalal	10,00,000	6,25,000
3	Mr. Rajan A. Dalal	10,00,000	4,25,000
4.	Mr. Rajiv K. Podar	10,00,000	5,75,000
5.	Mrs. Sonu H. Bhasin	10,00,000	3,75,000
6.	Mr. Rohit Dhoot	10,00,000	4,50,000
7.	Mr. Ashok Mittal	10,00,000	3,25,000
	Total	**70,00,000**	**31,75,000**

ii. Remuneration paid / payable to the Executive Directors of the Company for the year ended 31st March, 2023 is as under:

(in Rs.)

Executive Chairman and Wholetime Director	Salary etc.	Perquisites	Retirement Benefits	Sitting Fees	Total
Mr. C. S. Nopany	3,00,00,000	-	-	3,00,000	3,30,00,000
Mr. Bipeen Valame*	21,90,526	2,69,753	42,05,933	-	66,66,212
Mr. Rajib Mukhopadhyay**	1,01,97,342	8,77,160	4,34,859	-	1,15,09,361

** Mr. Bipeen Valame resigned from the Board w.e.f. 11th June, 2022.*

*** Mr. Rajib Mukhopadhyay was appointed as Wholetime Director w.e.f. 11th June, 2022.*

F. 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 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, senior management personnel and determination of remuneration payable to them. The policy contains, *inter alia*, criteria's for directors' 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 the 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

The Listing Regulations, 2015 mandate top 1,000 listed entities based on market capitalization to include a Business Responsibility and Sustainability Report (BRSR) as part of its Annual Report. A Business Responsibility Policy is also required to be framed and approved by the Board of Directors. In compliance with the Listing Regulations, 2015, BRSR forms part of the Annual Report. This policy is available on the Company's website at the weblink:

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

G. 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.

H. 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. 45 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 the 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 the 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/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 2022-23.

(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 CEO and CFO of the Company, regarding the financial statements for the year ended

31st March, 2023, was placed before the Board at its meeting held on 05th May, 2023.

(n) Remuneration to the Statutory Auditor

Details of the total fees paid to the Statutory Auditors by your Company are disclosed in Note No. 37 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 2022-23.

(p) Details of material subsidiaries of the Company

The Company had no material subsidiary during the financial year 2022-23.

I. 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, 2023 and the list of shareholders whose shares have been transferred to the IEPF Authority on the Company's website: www.sutlejtextiles.com

J. 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, the information for the public at large. For the benefit of the shareholders, a separate email id has been created for shareholder correspondence viz. stil.investor_grievance@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
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 of the Company.
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.
15th	2019-20	16th September, 2020	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. Bipeen Valame as the Wholetime Director of the Company. 3. Alteration of Articles of Association. 4. Payment of Commission to Non-Executive Directors of the Company.

Postal Ballot:

During the financial year 2022 - 23, 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, 2022	30	60, 300
Shares transferred to Unclaimed Suspense Account during the year	Nil	Nil
Number of shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense account upon receipt and verification of necessary documents	3	4,150
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	1	150
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on 31st March, 2023	26	56, 000*

**Voting Rights in respect of the aforesaid 56,000 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) General Shareholders' information

a) 18th Annual General Meeting:

Date	21st August, 2023
Day	Monday
Time	3.00 p.m.
Mode	Through video conference / other audio video means Registered Office: Pachpahar Road, Bhawanimandi 326 502 (Raj.) [Deemed Venue]

b) Record Date

The record date for the purpose of entitlement of dividend will be Friday, 18th August, 2023.

c) Tentative financial calendar:

Next financial year	1st April, 2023 to 31st March, 2024
First Quarter Results & Limited Review	mid August, 2023
Second Quarter Results & Limited Review	mid November, 2023
Third Quarter Results & Limited Review	mid February, 2024
Audited Annual Results (2023-24)	mid May, 2024

(v) Dividend

Payment date (tentative): on or after 26th August, 2023.

The Board of Directors at their meeting held on 05th May, 2023, have recommended a Dividend of Re. 1/- per share for the year ended 31st March, 2023, subject to shareholders' approval at the forthcoming 18th AGM. If approved, the dividend will be paid to the shareholders on or after 26th August, 2023 but within 30 working days from the date of AGM. The Company will continue to use NECS / ECS or any other electronic mode for payment of dividend to the shareholders located in places where such facilities / system is in existence.

(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 2023 - 24 has been paid to the Stock Exchanges within the stipulated time.

(vii) Corporate Identification Number

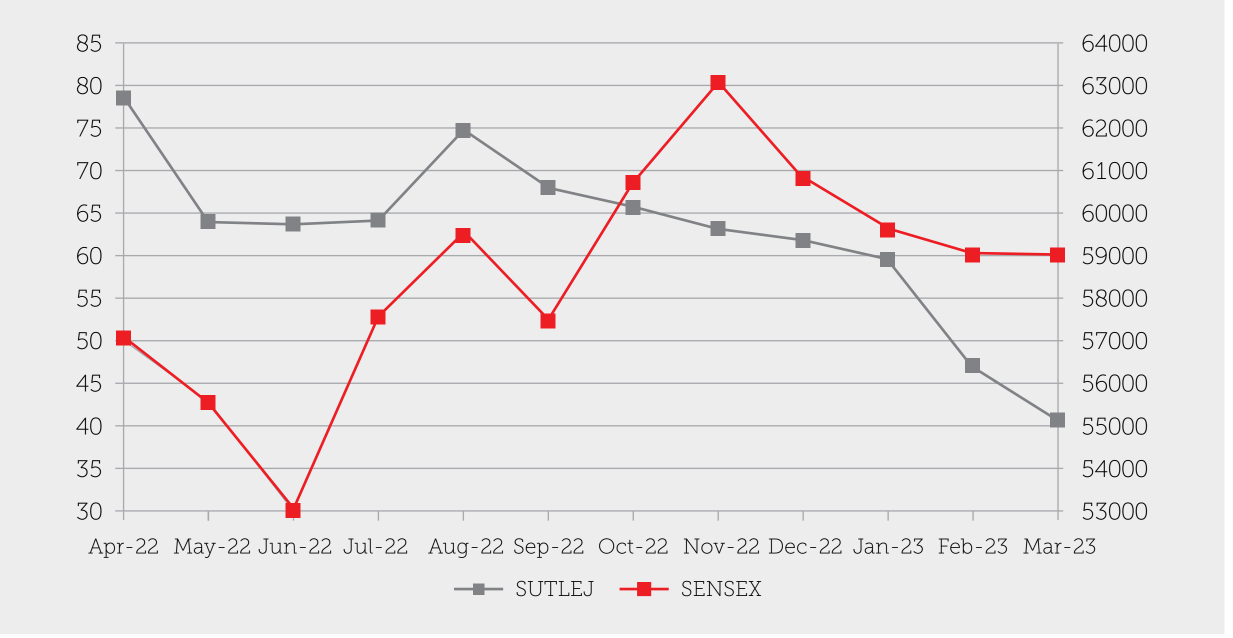
Corporate Identification Number of the Company allotted by the Ministry of Corporate Affairs, Government of India is L17124RJ2005PLC020927.

(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, 2022	87.90	71.80	88.00	71.00
May, 2022	78.90	59.70	79.90	59.75
June, 2022	73.00	55.60	72.85	56.00
July, 2022	69.05	60.00	69.50	54.40
August, 2022	78.05	63.20	78.50	63.50
September, 2022	78.20	64.70	83.90	65.20
October, 2022	69.95	61.30	69.70	61.20
November, 2022	68.95	57.80	69.00	57.55
December, 2022	67.70	55.05	65.80	54.70
January, 2023	65.05	58.10	65.00	58.25
February, 2023	61.50	46.65	61.45	46.60
March, 2023	49.59	38.25	49.65	38.00

BSE Sensex v/s Sutlej share price



(ix) Distribution of shareholding:

The distribution of shareholding as on 31st March, 2023 was as follows:

Sr. No.	Number of Equity Shares	Number of Shares held	% of total Shares
1.	Up to 1000	45,39,490	2.77
2.	1001 to 5000	52,53,078	3.21
3.	5001 to 10000	27,30,992	1.67
4.	10001 to 50000	61,08,665	3.73
5.	50001 to 100000	35,60,064	2.17
6.	100001 to 1000000	79,12,332	4.83
7.	1000001 to 5000000	1,70,59,469	10.41
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, 2023 was as under:

Sr. No.	Particulars	As on 31st March, 2023	
		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	12,79,480	0.78
4.	Indian Public :		
a.	Bodies Corporate - LLP	2,76,17,620	16.85
b.	Individuals / HUF / Trusts	2,71,95,040	16.60
c.	Stock Exchange / Clearing Members	19,322	0.01
5.	FIIs and FPIs	20,56,171	1.26
6.	NRI / Foreign Nationals	7,86,027	0.48
7.	Unclaimed shares	56,000	0.04
	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, 2023, 99.59% 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 2022 - 23.

(xii) Communication to Members

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 SEBI Circular No.SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 03rd November, 2021.

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 only in demat form while processing service only 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 have 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 authorised 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 dematerialised 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 modes). 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, 247 Park,

Lal Bahadur Shastri Marg,

Vikhroli West, Mumbai 400 083.

Tel. 022 - 4918 6000

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

Fax : 022 - 4219 8830 / 31

E-mail ID: manojcontractor@sutlejtextiles.com

(xviii) Investor Relations:

In order to facilitate investor servicing, the Company has designated an e-mail id - stil.investor_grievance@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 the polices 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) 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 2015 - 16 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 31.03.2023 (Rs.)	Last date for claiming unpaid Dividend amount (on or before)	Date when amount becomes due for transfer to IEP Fund
31.03.2016	27.08.2016	22,97,009.00	03.10.2023	02.11.2023
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	5,93,958.95	28.09.2026	28.10.2026
31.03.2020	16.09.2020	2,10,169.84	22.10.2027	22.11.2027
31.03.2021	31.08.2021	1,72,808.41	07.10.2028	06.11.2028
31.03.2022	30.08.2022	6,73,575.20	06.10.2029	05.11.2029

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 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 - 2220 52 / 2220 82 / 2220 90

Fax: 07433 - 222354

E-mail: stil.investor_grievance@sutlejtextiles.com

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,

Lal Bahadur Shastri Marg, Vikhroli West,

Mumbai 400 083.

Tel. 022 - 4918 6000

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)	Cotton and Manmade fibre yarn
Birla Textile Mills	Baddi, Solan, 173 205 (Himachal Pradesh)	Cotton and Manmade fibre yarn
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

Annexure-IV to the Directors' Report

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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	3
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

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

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	2021-22	12.60	-

6. Average net profit of the Company as per Section 135(5): Rs. 10,412 lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs. 208.25 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: Nil

   (d) Total CSR obligation for the financial year (7a + 7b - 7c): Rs. 208.25 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. 208.30 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 Impleme-ntation - Direct (Yes/ No)	Mode of Implementa-tion - Through Implementing Agency
-	-	-	-	-	-	-	-	-	-	-

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

(Rs. in lakhs)

<table>
<tr><th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th><th colspan="2">(5)</th><th>(6)</th><th>(7)</th><th colspan="2">(8)</th></tr>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Name of the Project</th><th rowspan="2">Item from the list of activities in Schedule VII to the Act</th><th rowspan="2">Local area (Yes/ No)</th><th colspan="2">Location of the project</th><th rowspan="2">Amount spent for the project</th><th rowspan="2">Mode of Implementa-tion – Direct (Yes/No)</th><th colspan="2">Mode of Implementation – Through Implementing Agency</th></tr>
<tr><th>State</th><th>District</th><th>Name</th><th>CSR Registration number</th></tr>
<tr><td>1.</td><td>Donation of Ambulance</td><td rowspan="3">Health Care and Sanitation</td><td>Yes</td><td colspan="2">Kathua, J&K</td><td>8.12</td><td>Yes</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>2.</td><td>Donation of Ambulance</td><td>Yes</td><td colspan="2">Baddi, Himachal Pradesh</td><td>8.39</td><td>Yes</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>3.</td><td>Donated Oxygen Analyser Sensor for Oxygen Generation Plant to Government Public Health Centre, Chaumahla</td><td>Yes</td><td colspan="2">Jhalawar, Rajasthan</td><td>0.55</td><td>Yes</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>4.</td><td>Contribution to Police Martyrs North Zone T-20 Cricket Tournaments.</td><td rowspan="2">Promotion of Sports Activities</td><td>Yes</td><td colspan="2">Kathua, J&K</td><td>3.50</td><td>Yes</td><td>N.A.</td><td>N.A.</td></tr>
<tr><td>5.</td><td>Contribution for creating awareness about Sansad Khel Spardha Program</td><td>Yes</td><td colspan="2">Kathua, J&K</td><td>1.00</td><td>Yes</td><td>N.A.</td><td>N.A.</td></tr>
</table>

(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
6.	Construction of a borewell at Govindsar village	Rural Development and Social Welfare	Yes	Kathua, J&K		0.48	Yes	N.A.	N.A.
7.	Construction of 250 meter wide road from Chakk Rajju village to cremation ground		Yes	Kathua, J&K		5.13	Yes	N.A.	N.A.
8.	Construction of passenger sheds		Yes	Kathua, J&K		6.16	Yes	N.A.	N.A.
9.	Distribution of blankets to families of Marytyrs		Yes	Kathua, J&K		1.47	Yes	N.A.	N.A.
10.	Construction of bathing ghat on bank of canal, Shiva Nagar		Yes	Kathua, J&K		1.48	Yes	N.A.	N.A.
11.	Donation of Water Cooler at Tehsildar Office and other places		Yes	Jhalawar, Rajasthan		0.29	Yes	N.A.	N.A.
12.	Contribution for Cotton Development and Extension activities		Yes	Jhalawar, Rajasthan		0.30	No	CITI Cotton Develop-ment and Research Association	CSR00006775
13.	Provided Printer to Labour Welfare & Conciliation Office		Yes	Jhalawar, Rajasthan		0.11	Yes	N.A.	N.A.
14.	Provided Desert Cooler to Himalaya Jan Kalyan Samiti, Baddi		Yes	Baddi, Himachal Pradesh		0.89	Yes	N.A.	N.A.
15.	Provided inverter for power supply for public convenience		Yes	Bhawanimandi, Rajasthan.		0.39	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
16.	Sponsorship for Rajasthan Environment and Energy Conservation Centre		No	Jaipur, Rajasthan		3.00	Yes	N.A.	N.A.
17.	Repairing of Bal Bharti School at Nalagarh		Yes	Baddi, Himachal Pradesh		1.18	Yes	N.A.	N.A.
18.	Renovation of 4 Anganwadis		Yes	Jhalawar, Rajasthan		19.86	Yes	N.A.	N.A.
19.	Contribution towards promotion of education	Promotion of Education	No	Ranchi, Jharkhand		80.00	No	Through Manav Vikas Vidyalaya Trust	CSR00046106
20.	Contribution towards promotion of education		No	Kolkata, West Bengal		20.00	No	Through Nopany Education Trust	CSR00019941
21.	Contribution towards promotion of education		No	Kolkata, West Bengal		46.00	No	Through Nopany Foundation	CSR00047189
	TOTAL					**208.30**			

(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. 208.30 lakhs

(g) Excess amount for set off, if any: Rs. 0.05 lakhs

(Rs. in lakhs)

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the Company as per Section 135(5)	208.25
(ii)	Total amount spent for the financial year	208.30
(iii)	Excess amount for the financial year [(ii)-(i)]	0.05
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.05

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.

Updeep Singh Chatrath
Chief Executive Officer

U. K. Khaitan
Chairman
CSR Committee

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** - 2022 - 23
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

II. Products/services

14. **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	89.32%
2	Weaving Fabrics - Home Textiles	Manufacturer	3.60%
3	Recycled Polyester Staple Fibre	Manufacturer	0.18%

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

Sr. No.	Product/Service	NIC Code	% of total turnover contributed
	Preparation and spinning of textile fibres		
1	Preparation and spinning of cotton fibre including blended cotton	13111	33.63%
2	Preparation and spinning of man-made fibre including blended man-made fibre	13114	61.08%

III. Operations

16. 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

17. 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?

41.16%

c. A brief on types of customers

The Company is present in two segments viz. yarn and home textiles. Under the yarn segment the Company manufactures cotton melange and synthetic dyed yarn which includes polyester viscose yarn (PV) and polyester acrylic yarn (PA). Cotton melange yarn is mostly used/ 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 making. Home Textile products i.e. upholstery and curtains are sold in the B2B and B2C segment.

IV. Employees

18. 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)	1,490	1,438	96.51%	52	3.49%
2	Other than Permanent (E)	99	94	94.95%	5	5.05%
3	Total employees (D + E)	1,589	1,532	96.41%	57	3.59%
	Workers					
1	Permanent (F)	12,815	10,583	82.58%	2,232	17.42%
2	Other than Permanent (G)	3,671	2,873	78.26%	798	21.74%
3	Total Workers (F + G)	16,486	13,456	81.62%	3,030	18.38%

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)	1	1	100.00%	0	0.00%
2	Other than Permanent (E)	1	1	100.00%	0	0.00%
3	Total differently abled employees (D + E)	2	2	100.00%	0	0.00%
	Differently Abled Workers					
1	Permanent (F)	51	51	100.00%	0	0.00%
2	Other than Permanent (G)	7	7	100.00%	0	0.00%
3	Total Workers (F + G)	58	58	100.00%	0	0.00%

19. Participation/Inclusion/Representation of women

	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%

20. Turnover rate for permanent employees and workers.

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.59	3.41	19.4	20.38	1.66	20.07	21.53	4.35	21.00
Permanent Workers	51.07	22.2	46.17	53.62	21.36	47.48	70.63	31.95	70.02

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

21. (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

22.

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

(ii) Turnover (in Rs.)- 30,39,17,19,152

(iii) Net worth (in Rs.)- 11,23,69,73,143

VII. Transparency and Disclosures Compliances

23. 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 2022-23			FY 2021-22		
		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	https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/GrievanceRedressalPolicy.pdf	0	0	-	0	0	-
Investors (other than shareholders)	https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/GrievanceRedressalPolicy.pdf	0	0	-	0	0	-
Shareholders	https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/GrievanceRedressalPolicy.pdf	0	0	-	0	0	-
Employees and workers	https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/GrievanceRedressalPolicy.pdf	0	0	-	0	0	-
Customers	https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/GrievanceRedressalPolicy.pdf	279	19	All other complaints have been attended to and resolved satisfactorily	291	0	All complaints have been attended to and resolved satisfactorily
Value Chain partners	https://www.sutlejtextiles.com/pdf/Policies%20&%20Codes/GrievanceRedressalPolicy.pdf	0	0	-	0	0	-

24. 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. As part of that, 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 develop an Energy Conservation Plan every year in order to bring down the energy expenditure, and subsequently lower the cost of production.	-	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, which have 90% water recovery. We have rain water harvesting facilities at all our plant locations.	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. We ensure that the dyes and chemicals in dye house 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 its risk. In addition the Company has also developed a backward integration process for the manufacture of Polyster Fibre by recycling waste PET bottles (green fibre). Our manufacturing unit in Baddi is dedicated to manufacturing green fibre.	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 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 organise 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.	-	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 procure- ment practices. Chenab Textile Mills has been assessed as per the Global Recycled Standard as well as the OEKO-TEX® Standard 100. In addition, the Rajasthan Textile Mills and Birla Textile Mills also hold	We are SA8000: 2014 certified by BSI for our Social Accountability Management System. In addition, our units at Kathua and Bhawanimandi hold ISO 45001:2018 certification as well.	-	We are SA8000:2014 certified by BSI for our Social Accountability Management System.	Our organisation's mission has been to keep our operations environment- friendly and reduce our carbon footprint by investing in green technologies and following sustainable practices. Chenab Textile Mills has been assessed as per the	-	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. Our Chenab Textile Mills also holds the Usterized licence.

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
			the OEKO-TEX® Standard 100. Sutlej Textiles is also certified by GOTS-IN (Global Organic Textiles Standard), OCS-IN (Organic Content Standard) and BCI (Better Cotton Initiative)				Global Recycled Standard as well as the OEKO-TEX® Standard 100. In addition, the Rajasthan and Birla Textile Mills also hold the OEKO-TEX® Standard 100. Sutlej Textiles is also certified by GOTS-IN (Global Organic Textiles Standard), OCS-IN (Organic Content Standard) and BCI (Better Cotton Initiative) Birla Textile Mills also holds ISO 14001:2015 certification			
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are strongly committed to being a socially and environmentally responsible business that is driven by value creation for all its stakeholders. As a part of this commitment, we have recently initiated our ESG journey, wherein we are engaging with domain experts to determine our priorities, as well as develop our ESG roadmap with specific goals and targets.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	As and when our goals and targets are developed, we will be initiating monitoring processes to track our progress periodically.								
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)	As a business that has a journey spanning more than a century, the principles of 'Sustain.Empower.Grow' have not only driven our business aspirations but also our Company's vision and culture. In the past years, we have made strides in our sustainability journey, with backward integration for green fibre manufacturing at our Baddi unit, as well as installations such as zero liquid discharge, which so far have 90% recovery. We are committed to make the good even better, to not only ensure sustainability for our business, but also to further enhance the trust that our stakeholders have in us. Recognizing the crucial role that ESG factors are playing in driving value creation and sustainable growth, we have embarked on our next step of wholeheartedly embedding ESG into our Company's DNA.								

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		While we are in the early stages of our ESG journey, we are enthusiastic about the road ahead of us. We recognize that there may be several challenges ahead of us, however we are deeply committed to learning and improving as we move forward. We are already collaborating with domain and tech experts to accelerate our journey and foster knowledge sharing to make a positive impact on the environment, society and economy at large. While we have always fostered a culture of innovation, sustainability and empowerment, the start of our ESG journey marks a significant milestone in the evolution of Sutlej Textiles. We sincerely appreciate the support and understanding of our stakeholders during this exciting transition. We are looking forward to creating a positive impact and are committed to enhancing value for all stakeholders associated with Sutlej Textiles.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Corporate Social Responsibility Committee of the Board								
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	CEO - Management Team updates									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	CEO - Management Team updates									Quarterly								

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: No.

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

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 covered 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	2	National Guidelines on Responsible Business Conduct (NGRBC) principles. These trainings are intended to provide a supporting tool for the Board to oversee ethical and responsible business conduct throughout our operations, and while taking decisions for the future of the business.	100
Key Managerial personnel	3	National Guidelines on Responsible Business Conduct (NGRBC) principles, policy framework on human rights, sustainable procurement, Consumer and Market Insights, Code of Business Conduct and principles of responsible business. These topics ensure that our KMPs are business and future ready while ensuring ethical and responsible business conduct throughout our operations.	100
Employees other than BoD and KMPs	149	Code of Conduct, National Guidelines on Responsible Business Conduct (NGRBC) principles, POSH training, Skill Upgradation & Transition Assistance Programmes, Human Rights Policies & Procedures, Sustainable Practices, Health & Safety. We choose topics that ensure that enables our teams to ensure ethical and responsible business conduct across operations and throughout their engagement with value chain partners. With this, we aim to develop future-ready and empowered leaders. In addition, our training on skill development as well as health and safety ensures that our employees can grow and prosper in a safe and healthy workplace.	70.10
Workers	900	First Aid Training, PPE Awareness Training, Fire & Safety Training, Skill Development Training, Waste Reduction & Energy Conservation Training, The trainings conducted ensure that our workers are able to conduct operations using proper safety protocols, but also while reducing the impact on the environment, but also promoting opportunities for growth and career development.	81.50

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.**

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
-	-

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	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

Category	Number (FY 2022-23)	Remarks (FY 2022-23)	Number (FY 2021-22)	Remarks (FY 2021-22)
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.

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 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	0.25%	30.22%	For enhanced testing procedure, new instruments have been added for conducting testing of yarn parameters, which improves accuracy, reduces time, and thus energy consumption as well
Capex	6.15%	0.95%	A wet bath scrubber with venturi was installed which is highly efficient at removing airborne particulate matter, thus reducing air pollution. In addition, the STP plant at Birla Textile Mills was also modified to increase the capacity of wastewater that can be treated and safely released to 400 m3/day. A sludge dewatering press was also installed. Lastly, a rain water harvesting well was also created, to ensure more sustainable water consumption

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?**

   28.87% of inputs were sourced sustainably. This value constitutes the recycled fibre purchased as inputs for use in our manufacturing units.

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.**

   All plastics including packaging, hazardous waste and e-waste are sold to authorised vendors for safe disposal, while other waste is segregated and re-used or sold in the market for further use.

   - 60-100% boiler ash is recycled.
   - Sewage water is recycled and entire treated water is used in process house like boilers, humidification plants, flushing of toilets, gardening, etc.
   - Zero Liquid Discharge (ZLD) based ETP to ensure zero waste water discharge.
   - Condensate water used as boiler feed water to reduce fresh feed water consumption.

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.

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	Total (A)	% of employees covered by									
		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	1,438	596	41.45%	1,309	91.03%	0	0.00%	79	5.49%	79	5.49%
Female	52	36	69.23%	48	92.31%	29	55.77%	0	0.00%	2	3.85%
Total	**1,490**	**632**	**42.42%**	**1,357**	**91.07%**	**29**	**1.95%**	**79**	**5.30%**	**81**	**5.44%**

Category	Total (A)	% of employees covered by									
		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)
Other than permanent Employees											
Male	94	87	92.55%	92	97.87%	0	0.00%	0	0.00%	0	0.00%
Female	5	5	100.00%	5	100.00%	5	100.00%	0	0.00%	0	0.00%
Total	**99**	**92**	**92.93%**	**97**	**97.98%**	**5**	**5.05%**	**0**	**0.00%**	**0**	**0.00%**

b. **Details of measures for the well-being of workers. (Permanent Workers).**

Category	Total (A)	% of employees covered by									
		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	10,583	7,362	69.56%	10,352	97.82%	0	0.00%	0	0.00%	0	0.00%
Female	2,232	1,220	54.66%	2,224	99.64%	2,224	99.64%	0	0.00%	0	0.00%
Total	**12,815**	**8,582**	**66.97%**	**12,576**	**98.13%**	**2,224**	**17.35%**	**0**	**0.00%**	**0**	**0.00%**
Other than permanent Workers											
Male	2,873	1,576	54.86%	2,596	90.36%	0	0.00%	185	6.44%	185	6.44%
Female	798	480	60.15%	746	93.48%	746	93.48%	0	0.00%	0	0.00%
Total	**3,671**	**2,056**	**56.01%**	**3,342**	**91.04%**	**746**	**20.32%**	**185**	**5.04%**	**185**	**5.04%**

2. **Details of retirement benefits, for current and previous financial year.**

Benefits	FY 2022-23			FY2021-22		
	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

3. **Accessibility of workplace**

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.

The Company's premises are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016, and are equipped with necessary facilities such as lifts, ramps, and slopes for easy access.

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	-	-	-	-
Female	-	-	87.10%	63.64%
Total	**-**	**-**	**87.10%**	**63.64%**

Parental leave was only taken by female permanent workers in FY 2021 - 22 and FY 2022 - 23.

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 Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes, procedures are in place for redressal of grievances which include discussions with IR officers, redressal committees, etc.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	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	1,490	0	0.00%	1,493	0	0.00%
- Male	1,438	0	0.00%	1,444	0	0.00%
- Female	52	0	0.00%	49	0	0.00%
Total Permanent Workers	**12,815**	**8,375**	**65.35%**	**12,965**	**8,528**	**65.78%**
- Male	10,583	6,957	65.74%	10,798	7,137	66.10%
- Female	2,232	1,418	63.53%	2,167	1,391	64.19%

8. **Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	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	1,532	1,151	75.13%	793	51.76%	1,558	913	58.60%	768	49.29%
Female	57	48	84.21%	18	31.58%	54	41	75.93%	15	27.78%
Total	**1,589**	**1,199**	**75.46%**	**811**	**51.04%**	**1,612**	**954**	**59.18%**	**783**	**48.57%**

Category	FY 2022-23					FY 2021-22				
	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)
Workers*										
Male	13,456	8,701	64.66%	6,368	47.32%	13,482	6,848	50.79%	6,329	46.94%
Female	3,030	1,553	51.25%	878	28.98%	2,984	1,374	46.05%	1,107	37.10%
Total	**16,486**	**10,254**	**62.20%**	**7,246**	**43.95%**	**16,466**	**8,222**	**49.93%**	**7,436**	**45.16%**

** includes employees and workers employed on contractual basis.*

9. Details of performance and career development reviews of employees and workers

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees*						
Male	1,532	1,507	98.37%	1,558	1,547	99.29%
Female	57	54	94.74%	54	50	92.59%
Total	**1,589**	**1,561**	**98.24%**	**1,612**	**1,597**	**99.07%**
Workers*						
Male	13,456	5,720	42.51%	13,482	5,698	42.26%
Female	3,030	1,226	40.46%	2,984	1,223	40.99%
Total	**16,486**	**6,946**	**42.13%**	**16,466**	**6,921**	**42.03%**

** includes employees and workers employed on contractual basis.*

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, an Occupational Health and Safety Management System has been implemented which includes ISO 45001:2018 (OHSAS) and ISO 14001:2015 (EMS) certifications. The same extends to the entire organization.

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 entity identifies work-related hazards and assesses risks on a routine and non-routine basis using Hazards Identification and Risk Assessment, Permit To Work system, Job Safety Analysis, Why-Why tools, Elimination control, Substitutional control, Engineering control, Administrative control and PPEs.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes. We have processes for workers to report work-related hazards as well as remove themselves from such risks, such as Unsafe Act and Unsafe Condition Tracker, safety committee meetings, Health and Safety Internal Audits, and Daily Inspection Reports.

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	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.25	0.50
	Workers	0.72	0.89
Total recordable work-related injuries	Employees	1	2
	Workers	23	34
No. of fatalities	Employees	0	0
	Workers	0	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.**

Documented procedures are in place to provide safe working conditions which is conducive to the maintenance of health of the employees and workers in all operations and categories.

Various measures to ensure a safe and healthy workplace are prevalent such as safety awareness training, safety committee meetings, regular inspections of emergency equipment, incident investigation and reporting, health and wellness programs, permits to work system, log out tag out system, material safety data sheets, emergency preparedness and response plan, use of personal protective equipment, periodical health and safety audits, firefighting training and fire drills, occupational medical health tests, machine guarding, shift wise designated fire fighter and other safety awareness initiatives.

13. **Number of complaints on the following made by employees and workers**

	FY 2022-23			FY 2021-22		
	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	0	0	0	0
Health & Safety	0	0	0	0	0	0

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 externals assessments on different parameters helps 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, performing hazards identification and preventive measures, and providing health check-ups for workers including Hazards Identification and Risk Assessment.

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 calls 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 Meetings.
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:**

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total(C)	No. of employees / workers covered (D)	% (D/C)
Employees*						
Permanent	1,490	784	52.62%	1,493	861	57.67%
Other than permanent	99	28	28.28%	119	48	40.34%
Total Employees	**1,589**	**812**	**51.10%**	**1,612**	**909**	**56.39%**
Workers*						
Permanent	12,815	8,681	67.74%	12,965	10,271	79.22%
Other than permanent	3,671	1,587	43.23%	3,501	1,776	50.73%
Total Workers	**16,486**	**10,268**	**62.28%**	**16,466**	**12,047**	**73.18%**

** includes employees and workers employed on contractual basis.*

2. **Details of minimum wages paid to employees, in the following format:**

Category	FY 2022-23					FY 2021-22				
	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	1,490	0	0.00%	1,490	100.00%	1,493	0	0.00%	1,493	100.00%
Male	1,438	0	0.00%	1,438	100.00%	1,444	0	0.00%	1,444	100.00%
Female	52	0	0.00%	52	100.00%	49	0	0.00%	49	100.00%
Other than Permanent	99	5	99	94	94.95%	119	4	3.36%	115	96.64%
Male	94	5	5.32%	89	94.68%	114	4	3.51%	110	96.49%
Female	5	0	0.00%	5	100.00%	5	0	0.00%	5	100.00%
Workers*										
Permanent	12,815	1,723	13.45%	11,092	86.55%	12,965	4	0.03%	12,961	99.97%
Male	10,583	1,545	14.60%	9,038	85.40%	10,798	4	0.04%	10,794	99.96%
Female	2,232	178	7.97%	2,054	92.03%	2,167	0	0.00%	2,167	100.00%
Other than Permanent	3,671	1,726	47.02%	1,690	46.04%	3,501	1691	48.30%	1,884	53.81%
Male	2,873	1,352	47.06%	1,291	44.94%	2,684	1301	48.47%	1,497	55.77%
Female	798	374	46.87%	399	50.00%	817	390	47.74%	387	47.37%

** includes employees and workers employed on contractual basis.*

3. **Details of remuneration / salary / wages, in the following format:**

	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	1,36,00,000	0	N.A.
Employees other than BoD and KMP	1,532	3,82,188	57	3,04,332
Workers	13,456	1,88,520	3,030	1,39,500

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 organised 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:**

	FY 2022-23			FY 2021-22		
	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	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. **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 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.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)-** Yes.

9. **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

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    No significant risks or concerns have arisen from the assessment.

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 Gigajoule)

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	1683501.85	1631851.27
Total fuel consumption (B)	1297025.24	1290909.88
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	2980527.09	2922761.15
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	980.70 GJ/ Crore	960.81 GJ/ Crore

Indicate if any independent assessment / evaluation /assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

We have been certified by BSI for Environment Management System 14001:2015. RECON Group has also conducted an independent assessment of our facility at Bhawanimandi.

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.**

   Our Bhawanimandi unit has received the Target from BEE (PAT) for SEC reduction by 1.8623 to 1.7655 for FY 2022-23 to 2024-25.

   Our Baddi unit has received a target for SEC (2024-25) : 0.4960 and has achieved SEC (2022-23) : 0.4871.

3. **Provide details of the following disclosures related to water, in the following format: Water withdrawal by source (in kilolitres)**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,68,644	2,58,036
(ii) Groundwater	22,84,893	24,18,438
(iii) Third party water	1,53,641	2,54,165
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	27,07,178	29,30,639
Total volume of water consumption (in kilolitres)	24,46,687	26,87,851
Water intensity per rupee of turnover (Water consumed / turnover)	805.0505 KL / Crore	883.5863 KL / Crore

Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Independent assessments / evaluation has been carried out by M/s ECO Envirotech Consultant & Engineers; Green Dash Environmental Solutions Pvt. Ltd.; BQC Assessment Pvt. Ltd. and BSI certification for Environment Management System 14001:2015.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   All our manufacturing facilities are reusing water / waste water to the maximum extent possible, ZLD plants have been installed and are fully operational at two of our facilities with capacities of 3,000 KLD, 1370 KLD and 1150 KLD each.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	MG/NM3	82.95	69.92
SOx	MG/NM3	41.30	105.75
Particulate matter (PM)	MG/NM3	91.60	96.94
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	MG/NM3	370	340
Others – please specify	0	0	0

5. **Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

   Independent assessments / evaluation has been carried out by M/s ECO Envirotech Consultant & Engineers; Shri Om Testing & Research Laboratory; Team Test House; Shivalik Solid Waste Management Ltd.; Interstellar Testing Centre Pvt. Ltd. and BSI certification for Environment Management System 14001:2015.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	1770	1312.46
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	375450.70	363977.09
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO2e / rupee of turnover	124.1196 tCO2e / Crore	120.0829 tCO2e / Crore

   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

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

   Yes. The Company has two roof top solar plants with capacity to produce 2,171 kWp and 599 kWp electricity.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	6,369.5	6,480.7
E-waste(B)	0.31	0.47
Bio-medical waste (C)	0.171	0.164
Construction and demolition waste (D)	24	24
Battery waste (E)	1.13	0.67
Radioactive waste (F)	0	0
Other Hazardous waste.Please specify, if any. (G)	283.97	211.68
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	13,485.6	12,632.28
Total (A + B + C + D + E + F + G + H)	**20,164.681**	**19,349.964**

Hazardous Waste: ETP Sludge. Plastic Drum and Used Oil.
Non-Hazardous Waste: Production Waste, Iron Scrap / Wood, etc.

Parameter	FY 2022-23	FY 2021-22
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	594.5	544.7
(ii) Re-used	0	0
(iii) Other recovery operations	5,775	5,936
Total	**6,369.5**	**6,480.7**
Category of waste - E-Waste		
(i) Recycled	0.3	0.28
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0.3**	**0.28**
Category of waste - Bio-medical waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - Construction and demolition waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - Battery waste		
(i) Recycled	1.13	0.67
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**1.13**	**0.67**
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	1.83	2.28
(ii) Re-used	0	0
(iii) Other recovery operations	170.05	149.11
Total	**171.88**	**151.39**
Category of waste - Other Non-Hazardous waste		
(i) Recycled	0	0
(ii) Re-used	664.03	1,009.35
(iii) Other recovery operations	8,766.27	8,469.55
Total	**9,430.30**	**9,478.9**
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**

Parameter	FY 2022-23	FY 2021-22
Category of waste - E-Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0.01	0.19
Total	**0.01**	**0.19**
Category of waste - Bio-medical Waste		
(i) Incineration	0.171	0.164
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0.171**	**0.164**
Category of waste - Construction and demolition waste		
(i) Incineration	0	0
(ii) Landfilling	24	24
(iii) Other disposal operations	0	0
Total	**24**	**24**
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.		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	112.089	60.29
Total	**112.089**	**60.29**
Category of waste - Other Non-hazardous waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	4,055.3	3,153.38
Total	**4,055.3**	**3,153.38**

8. **Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

   Independent assessments / evaluation has been carried out by M/s ECO Envirotech Consultant & Engineers and BSI certification for Environment Management System 14001:2015 for two of our facilities.

9. **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.**

   Documented Waste Management Policy and procedures are in place for proper segregation and disposal of wastes. The waste management practices adopted by the Company include proper waste segregation and storage, recycling, reuse and disposal of wastes, trials of eco-friendly chemicals to reduce consumption of hazardous and toxic chemicals, use of chemical dispensers, optimization of processes, sedimentation process to reduce TSS and use of PPE for handling chemicals. We recycle 60-100% of our boiler ash, and the Sewage water is recycled and entire treated water is used in process house like boilers, humidification plants, flushing of toilets, gardening, etc. In addition, to reduce the use of hazardous and toxic chemicals some of our units are also undertaking activities such as replacing quantities of caustic soda with other chemicals, replacing sodium hydrosulphite with less hazardous chemicals, etc.

10. **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**

    The Company does not have operations or offices in and around ecologically sensitive areas.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year**

    Not Applicable.

12. **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**

    Yes.

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-** 7

  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.**

S. 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	Textile Sector Skill Council	

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**

   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**

   During FY 2022-23, 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**

   During FY 2022-23, 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 2022-23	FY 2021-22
Directly sourced from MSMEs / small producers	12.01	11.98
Sourced directly from within the district and neighbouring districts	11.87	10.41

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Complaints from customers are monitored through Customer Complaint Module in ERP system. Complaints received by the marketing department are uploaded in the ERP system. QC department analyses the complaints 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.

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**

	FY 2022-23			FY2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-

4. **Details of instances of product recalls on account of safety issues:**

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.

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 were no instances which required corrective actions to be taken in respect of the above.

ANNEXURE- VI
PARTICULARS OF EMPLOYEES

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

Sr. No.	Name of Director / KMP	Remuneration of Director/ KMP for FY 2022-23 (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	N.A.	294.74
2.	Mr. U. K. Khaitan	10.00	Non-Executive Director	0.00	5.92
3.	Mr. Amit Dalal	10.00	Non-Executive Director	0.00	5.92
4.	Mr. Rajan Dalal	10.00	Non-Executive Director	0.00	5.92
5.	Mr. Rajiv K. Podar	10.00	Non-Executive Director	0.00	5.92
6.	Mrs. Sonu Bhasin	10.00	Non-Executive Director	0.00	5.92
7.	Mr. Rohit Dhoot	10.00	Non-Executive Director	0.00	5.92
8.	Mr. Ashok Mittal	10.00	Non-Executive Director	0.00	5.92
9.	Mr. Rajib Mukhopadhyay*	111.00	Whole time Director & Chief Financial Officer	N.A.	65.69
10.	Mr. Updeep Singh Chatrath	352.00	President & Chief Executive Officer	13.36	208.33
11.	Mr. Manoj Contractor	100.00	Company Secretary & Compliance Officer	17.09	59.18
12.	Mr. Bipeen Valame*	25.00	Whole time Director & Chief Financial Officer	N.A.	14.80

** Note: Mr. Rajib Mukhopadhyay was appointed as Wholetime Director & Chief Financial Officer w.e.f. 11th June 2022. Mr. Bipeen Valame resigned from the position of Wholetime Director & Chief Financial Officer w.e.f. 11th June 2022.*

2. In the financial year, there was increase of **11.73%** in the median remuneration of employees.
3. There were **18,075** permanent employees on the rolls of Company as on 31st March, 2023.
4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2022-23 was **8.05%** whereas the decrease in the managerial remuneration for the same financial year was **39.39%**.
5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note:

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 2023 (Rs.)
1.	Mr. C.S. Nopany	Executive Chairman	4,98,00,000
2.	Mr. Updeep Singh Chatrath	Chief Executive Officer	3,52,41,280
3.	Mr. Umesh Gupta	Executive President	1,30,59,767
4.	Mr. Hari Mohan Vashisth	Executive President	1,16,73,058
5.	Mr. Manoj Vinod Contractor	Company Secretary and Compliance Officer	99,77,634
6.	Mr. Dhiraj Banka	Sr. Vice President (Exports)	94,44,729
7.	Mr. Deepak Bhala	Sr. Vice President (Marketing)	91,29,074
8.	Mr. Kamal Kumar Kamila	Executive Vice President (Operations)	75,33,541
9.	Mr. Jitender Kumar	Vice President (Raw Material- Fibres)	66,30,340
10.	Mr. Sunil Sharma	Sr. Vice President	64,18,466

(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 32 years	Regular	Executive Management	1st July, 2015	57	Chairman and Managing Director of Oudh Sugar Mills Ltd.
Mr. Updeep Singh Chatrath President & Chief Executive Officer	3,52,41,280	BSC, MBA (Mktg. & HR) 34.5 years	Regular	Overall Management	24th January, 2018	58	ITEMA Weaving India Pvt. Ltd.
Mr. Umesh Gupta Executive President	1,30,59,767	B.Text. (Textile Technology), Post Graduate Diploma in Marketing Management 39 years	Regular	Overall Management of Chenab Textile Mills, Kathua.	04th March, 2019	60	Ginni International Limited
Mr. H. M. Vashisth Executive President	1,16,73,058	B.Tech, MBA 32 years	Regular	Overall management of Rajasthan Textile Mills, Bhawanimandi.	15th March, 2018	54	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. Bipeen Valame Whole-time Director and Chief Financial Officer*	24,60,279	C.A., Executive MBA (PGPMAX), Advanced Diploma in Management Accounting (CIMA) 28 years	Regular	Overall Financial Management	25th October, 2016	54	Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd.
Mr. Rajib Mukhopadhyay Whole-time Director and Chief Financial Officer**	1,10,74,502	B.Com, C.A.	Regular	Overall Financial Management	11th June, 2022	53	Indofil Industries Limited

** Mr. Bipeen Valame resigned from the position of Wholetime Director & Chief Financial Officer w.e.f. 11th June, 2022.*

*** Mr. Rajib Mukhopadhyay was appointed as Wholetime Director & Chief Financial Officer w.e.f. 11th June, 2022.*

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 relatives 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
Mr. Rajib Mukhopadhyay	5,300	0.00

Annexure-VII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2023

[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, 2023, 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, 2023, 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 there under;

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.
- 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: F005118E000173088

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

Place: JAIPUR
Date: 24.04.2023

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: F005118E000173088

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

Place: JAIPUR
Date: 24.04.2023

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, 2023, 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, 2023.

For and on behalf of the Board

(C. S. Nopany)
Executive Chairman
DIN: 00014587

Place: Mumbai
Dated: 05th May, 2023

Annexure- IX

Form 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 2022-2023	FY 2022-2023
2.	Reporting Currency	**INR**	**INR**
3.	Exchange Rate	82.08	82.08
4.	Share Capital	51,30,49,458	33,63,54,895
5.	Reserves and Surplus	(21,08,31,894)	(46,03,06,134)
6.	Total Assets	**30,22,47,851**	**33,86,88,672**
7.	Total Liabilities	**30,287**	**46,26,39,911**
8.	Investments	6,45,54,895	-
9.	Turnover	-	38,69,68,128
10.	Profit / (Loss) before Taxation	**99,29,036**	**(6,68,59,468)**
11.	Exceptional item (see note Note-1)	(27,18,00,000)	(6,02,32,500)
12.	Tax (expense)/reversal	50,87,897	-
13.	Profit & Loss after Taxation	**(25,67,83,067)**	**(12,70,91,968)**
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

(a) Sutlej Holdings, Inc. has performed an impairment assessment on investment made of Rs.3,363.55 lakhs (carried at cost) in its wholly owned subsidiary "American Silk Mills, LLC " as at 31st March, 2023. The Company has involved an independent expert for computing recoverable amount as per Ind AS 36. The estimated recoverable amount of the investment is Rs. 645.55 lakhs. This resulted in an impairment loss of Rs. 2,718.00 lakhs (31st March, 2022: INR Nil).

(b) American Silk Mills, LLC has performed an impairment assessment of Goodwill which was recognised on the acquisition of the business amounting to Rs. 602.33 lakhs as at 31st March, 2023. Based upon valuation carried out by the independent experts, the Company has completely written down the carrying value of the Goodwill by Rs. 602.33 lakhs for the consequential impairment loss.

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

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 05th May, 2023

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 05th May, 2023

Updeep Singh Chatrath
President & CEO
Place: Mumbai
Date: 05th May, 2023

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 02895021
Place: Mumbai
Date: 05th May, 2023

Manoj Contractor
Company secretary
M. No. A11661
Place: Mumbai
Date: 05th May, 2023

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 31 March 2023, 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 a summary of significant 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 31 March 2023, and its profit 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 51 to standalone financial statements. The Damanganga cash generating unit (which includes property, plant and equipment with a carrying value of Rs 137.18 crore as on 31 March 2023) 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 an 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 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

The key audit matter	How the matter was addressed in our audit
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 in wholly owned subsidiary amounting to Rs. 52.83 crore as at 31 March 2023 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. During the current year, the Company has recognised an impairment loss of Rs. 27.18 crore. 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. This included obtaining and reading of impairment assessment memo prepared by auditor of subsidiary, 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 board approved business plan, historical data, our knowledge of the Company and the industry, observable market data with assistance of our valuation specialist. – 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 report the fact.

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.

   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 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to 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 31 March 2023 on its financial position in its standalone financial statements - Refer Note 40 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 53 (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 53 (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.

As stated in Note 18 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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:23094549BGYNUI3528

Place: Jaipur
Date: 05 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2023

(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 As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (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 22	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	537.86	534.95	2.91	Yes*
		Trade receivables	390.02	393.26	(3.25)	Yes*
June 22		Inventory	646.40	638.14	8.25	Yes*
		Trade receivables	347.79	346.22	1.57	Yes*
September 22		Inventory	571.60	565.91	5.69	Yes*
		Trade receivables	327.58	325.71	1.87	Yes*
December 22		Inventory	630.07	634.01	(3.93)	Yes*
		Trade receivables	236.88	230.85	6.04	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 31 March 2023, the Company has submitted revised DP statements tallying with the books of accounts. In FY22-23, 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 in companies, firms, limited liability partnership or any other parties during the year. The Company has provided guarantee or security to Companies during the year in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to firms, limited liability partnership or any other parties during the year.

(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	Security	Loans	Advances in nature of loans
Aggregate amount given during the year.				
– Subsidiary	19.73		-	-
– Other	-		2.31	-
Balance outstanding as at balance sheet date				
– subsidiary	19.73		-	-
– Other	-		1.45	-

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party 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 is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(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.

(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 1 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, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or 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 or Cess or other statutory dues were in arrears as at 31 March 2023 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 or Cess or 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
Income Tax, 1961	Income Tax	0.16	A.Y. 2016-2017	CIT (Appeal)
		0.02	A.Y. 2017-2018	CIT (Appeal)
Urban Cess	Urban Cess	1.29	F.Y. 2014-2022	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) During the course of our 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 year except one matter of theft of Rs 3.85 crore, as explained in Note 52 of the financial statements. As further explained in the said note, this loss has been accounted for in the financial statements and the Company has taken appropriate steps to the address the situation including filing an FIR with the police.

(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 one CIC as part of the Group as detailed in note 53 (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 not incurred cash losses in the current and 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:23094549BGYNUI3528

Place: Jaipur
Date: 05 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2023

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)(f) 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 31 March 2023 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 31 March 2023, 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 standalone 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 standalone 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 standalone 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:23094549BGYNUI3528

Place: Jaipur
Date: 05 May 2023

Standalone Balance Sheet as at 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,106.18	1,165.53
Capital work-in-progress	3B	8.60	15.65
Right-of-use assets	3C	3.95	3.99
Intangible assets	4	1.44	1.96
Financial assets			
(i) Investments	5	25.65	53.90
(ii) Other non-current financial assets	6	14.79	11.38
Non-current tax assets (net)	7	20.30	6.06
Other non-current assets	8	62.07	18.07
Total non-current assets		**1,242.98**	**1,276.54**
Current assets			
Inventories	9	733.81	596.45
Financial assets			
(i) Investments	10	1.24	-
(ii) Trade receivables	11	326.46	441.78
(iii) Cash and cash equivalents	12	3.65	2.32
(iv) Bank balances other than (iii) above	13	2.47	2.60
(v) Other current financial assets	14	58.68	85.79
Other current assets	15	40.17	36.98
Assets classified as held for sale	16	11.31	0.03
Total current assets		**1,177.79**	**1,165.95**
Total assets		**2,420.77**	**2,442.49**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	16.38	16.38
Other equity	18	1,107.32	1,113.80
Total equity		**1,123.70**	**1,130.18**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	276.44	353.15
(ii) Lease liabilities	47	0.46	0.46
(iii) Other financial liabilities	20	7.25	8.18
Provisions	21	12.70	12.11
Deferred tax liabilities (net)	22A	99.92	85.78
Other non-current liabilities	23	4.26	5.71
Total non-current liabilities		**401.03**	**465.39**
Current liabilities			
Financial liabilities			
(i) Borrowings	24	654.78	583.34
(ii) Trade payables	25		
(a) Total outstanding dues of micro enterprises and small enterprises and;		14.08	13.86
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		125.27	136.78
(iii) Other financial liabilities	26	64.71	75.17
Other current liabilities	27	21.80	18.82
Provisions	28	15.40	13.63
Current tax liabilities (net)	29	-	5.32
Total current liabilities		**896.04**	**846.92**
Total liabilities		1,297.07	1,312.31
Total equity and liabilities		**2,420.77**	**2,442.49**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the stanadalone 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: 05 May 2023

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 05 May 2023

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 05 May 2023

Updeep Singh Chatrath
President & CEO
Place: Mumbai
Date: 05 May 2023

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 05 May 2023

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 05 May 2023

Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from operations	30	3,039.17	3,041.98
Other income	31	24.72	30.27
Total income		**3,063.89**	**3,072.25**
Expenses			
Cost of materials consumed	32	1,790.30	1,607.80
Purchase of stock-in-trade		37.97	32.32
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(193.54)	(62.27)
Employee benefits expense	34	427.31	403.13
Finance costs	35	56.63	48.72
Depreciation and amortisation expense	36	125.41	120.03
Other expenses	37	712.79	673.65
Total expenses		**2,956.87**	**2,823.38**
Profit before exceptional items and tax		107.02	248.87
Exceptional items	38	56.00	7.81
Profit before tax		**51.02**	**241.06**
Tax expense:	22B		
Current tax		14.57	41.63
Deferred tax		13.61	43.75
Tax expenses		**28.18**	**85.38**
Profit for the year		**22.84**	**155.68**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	22C	1.52	(0.94)
Tax relating to remeasurement of defined benefit plans		(0.53)	0.33
Total other comprehensive income/(loss) for the year		**0.99**	**(0.61)**
Total comprehensive income for the year		**23.83**	**155.07**
Earnings per equity share of face value of Re 1/- each	39		
Basic and diluted (in Rs.)		1.39	9.50

Summary of significant accounting policies 2

The accompanying notes form an integral part of the 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: 05 May 2023

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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DIN: 2895021
Place: Mumbai
Date: 05 May 2023

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 05 May 2023

Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	51.02	241.06
Adjustments for :-		
Depreciation and amortisation expense	125.41	120.03
Profit on sale/discard of property, plant and equipment (net)	(4.52)	(0.94)
Finance costs	56.63	48.72
Interest income	(9.44)	(10.59)
Deferred government grants	(1.13)	(1.13)
Net fair value gain on financial assets measured at FVTPL	(0.17)	(0.15)
Provision for doubtful debts	2.87	-
Provision for expected credit loss	-	0.25
Unrealised (gain)/loss on foreign currency fluctuations (net)	3.35	0.28
Fair value (gain)/loss on derivatives	(0.36)	0.14
Provision for doubtful claims written back	-	(0.34)
Impairment loss on valuation of investment	27.18	-
Loss on discarded/sale of captive co-generation power plant	20.51	-
Sundry credit balances written back (net)	(1.26)	(1.32)
Operating profit before working capital changes	**270.09**	**396.01**
Net change in		
Inventories	(137.36)	(143.54)
Trade receivables	108.94	(164.36)
Other financial assets	24.12	(21.74)
Other assets	(7.77)	11.68
Trade payables	(10.32)	40.27
Other financial liabilities	(5.68)	14.32
Provisions	3.88	3.92
Other liabilities	(1.95)	3.18
Cash generated from operations	**243.95**	**139.74**
Income tax paid (net of refund)	(34.13)	(38.57)
Net cash from operating activities	**209.82**	**101.17**
B. Cash flow from investing activities		
(Increase)/decrease in deposits with banks	0.13	(1.14)
Interest received	9.38	9.47
Purchase of property, plant and equipment	(139.75)	(85.25)
Investment in equity shares of foreign subsidiary company	-	(13.35)
Proceeds from sale of property, plant and equipment #	15.12	1.54
Net cash used in investing activities	**(115.12)**	**(88.73)**
C. Cash flow from financing activities		
Net proceeds/(repayment) of long term borrowings	(83.27)	(88.72)
Net proceeds/(repayment) of short term borrowings	78.46	123.58
Finance costs (net of interest subsidies)	(58.21)	(48.39)
Repayment of lease liabilities	(0.04)	(0.04)
Dividend paid	(30.31)	(4.91)
Net cash used in financing activities	**(93.37)**	**(18.48)**

Standalone Statement of Cash Flows for the year ended 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net increase/(decrease) in cash and cash equivalents	**1.33**	**(6.04)**
Cash and cash equivalents at the beginning of the year*	2.32	8.36
Cash and cash equivalents at the end of the year*	3.65	2.32
	1.33	**(6.04)**

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 31 March 2023	For the year ended 31 March 2022
Opening balance of borrowings		
Term loan (including current maturities)	477.99	566.71
Current borrowings	458.50	333.03
Cash flows**		
Repayment of term loan	(127.57)	(135.30)
Proceeds from term loan	44.30	46.58
Change in current borrowings (net)	78.00	125.47
Closing balance of borrowings		
Term loan (including current maturities)	**394.72**	**477.99**
Current borrowings	**536.50**	**458.50**

* 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 sale of Rs. 4.93 crore.

The accompanying notes form an integral part of the 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: 05 May 2023

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: 05 May 2023

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 05 May 2023

Standalone Statement of Changes in Equity for the year ended 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

(a) Equity share capital

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	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

Particulars	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 31 March 2021	**190.06**	**765.74**	**7.84**	**963.64**
Changes in accounting policy/prior period errors	**-**	**-**	**-**	**-**
Restated balance at the beginning of the previous reporting period	**190.06**	**765.74**	**7.84**	**963.64**
Profit for the year as per statement of profit and loss	-	155.68	-	155.68
Other comprehensive income for the year	-	-	(0.61)	(0.61)
Total comprehensive income for the year	**-**	**155.68**	**(0.61)**	**155.07**
Transfer to general reserve	16.00	(16.00)	-	-
Dividend paid	-	(4.91)	-	(4.91)
Balance as at 31 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 31 March 2023	**208.06**	**891.04**	**8.22**	**1,107.32**

The accompanying notes form an integral part of the 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: 05 May 2023

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: 05 May 2023

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 05 May 2023

Notes to the Standalone Financial statements for the year ended 31 March 2023

(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 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 significant 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 at their meeting held on 05 May 2023.

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 takes 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 (INR), which is also the Company’s functional currency. All amounts have been rounded to the nearest crore, unless otherwise indicated.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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. 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.

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 44).
- Recognition of deferred tax assets: availability of future taxable profit against which Minimum Alternative Tax (MAT) credit can be used (note 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 40).
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows (note 46).
- Impairment of non-financial assets: key assumptions used in estimating recoverable amount (note 5B and 51).

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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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.

2.5 Property, plant and equipment

Recognition and measurement

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 equipments 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.

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 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/3years and 6 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.

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

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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 (depends on software licence period) against useful life of 4 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.

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.

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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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 ('INR'), 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.

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

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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 (Contd.)

(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. 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, Merchandise Export Incentive Scheme 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 (Contd.)

(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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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.

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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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 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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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.

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,

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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.

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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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 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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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. Refer note 41 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.

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 standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

3A. Property, plant and equipments

Particulars	Freehold Land	Leasehold Land	Buildings (refer note 1)	Plant and equipment	Vehicles	Furniture and fixtures	Office equipments	Total
Gross Block								
Balance as at 31 March 2021	**38.53**	**-**	**541.43**	**1,123.98**	**12.83**	**13.74**	**11.99**	**1,742.50**
Additions	15.97	-	35.67	45.31	2.16	2.38	1.72	103.21
Disposals	-	-	-	1.45	0.31	-	0.07	1.83
Balance as at 31 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 31 March 2023	**54.50**	**-**	**578.83**	**1,208.47**	**14.38**	**17.63**	**15.02**	**1,888.83**
Accumulated Depreciation								
Balance as at 31 March 2021	-	-	71.27	467.35	6.89	7.56	7.37	560.44
Additions	-	-	15.77	99.34	1.18	1.30	1.55	119.14
Disposals	-	-	-	0.96	0.23	-	0.04	1.23
Balance as at 31 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 31 March 2023	**-**	**-**	**103.64**	**650.06**	**8.46**	**10.03**	**10.46**	**782.65**
Net Block								
Balance as at 31 March 2022	**54.50**	**-**	**490.06**	**602.11**	**6.84**	**7.26**	**4.76**	**1,165.53**
Balance as at 31 March 2023	**54.50**	**-**	**475.19**	**558.41**	**5.92**	**7.60**	**4.56**	**1,106.18**

Notes:

1. Building, includes share of the Company in a premises at Haridwar (jointly owned with others) having carrying value as at 31 March 2023 Rs.0.57 crore and 31 March 2022 Rs.0.60 crore respectively (Original Cost Rs. 1.23 crore as at 31 March 2023 and Rs.1.23 crore as at 31 March 2022)
2. Borrowing cost capitalized amounting to Rs.1.65 crore (31 March 2022 Rs.1.63 crore) under the head plant and equipment, building and capital work-in-progress (refer note 43)
3. Property, plant and equipment given as security for borrowings refer note 19 (a)
4. Refer note no 51
5. Refer note no 16

Notes to the Standalone Financial Statements (Contd.)

(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 31 March 2023 and 31 March 2022 Rs.1.31 crore and Rs.2.45 crore respectively (Original cost Rs. 1.53 crore and 31 March 2022 : 2.92 crore) and in case of Baddi units freehold land having carrying value as at 31 March 2023 and 31 March 2022 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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

3B. Capital work-in-progress

Capital work-in-progress - Rs.8.60 crore (31 March 2022 : Rs.15.65 crore)

***Details of pre-operative expenses / trial run expenses included under Capital work in progress**

Particulars	for the year ended 31 March 2023	for the year ended 31 March 2022
Opening Balance	-	1.76
Less : Capitalised to respective property, plant and equipment	-	1.76
Closing balance	**-**	**-**

a) CWIP aging schedule

CWIP	Amount in CWIP for a period of				As at 31 March 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.05	0.46	-	0.09	8.60

CWIP	Amount in CWIP for a period of				As at 31 March 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15.56	0.00	-	0.09	15.65

3C. Right-of-use assets*

Particulars	Gross Block			Depreciation			Net Block	
	As at 31 March 2022	Additions	As at 31 March 2023	As at 31 March 2022	Additions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Right-of-use assets	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**

Particulars	Gross Block			Depreciation			Net Block	
	As at 31 March 2021	Additions	As at 31 March 2022	As at 31 March 2021	Additions	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Right-of-use assets	4.36	0.01	4.37	0.32	0.06	0.38	3.99	4.04
	4.36	**0.01**	**4.37**	**0.32**	**0.06**	**0.38**	**3.99**	**4.04**

*Refer note 47 for lease liability

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

4. Intangible Assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 31 March 2022	Additions	Disposals	As at 31 March 2023	As at 31 March 2022	Additions	Disposals	As at 31 March 2023	As at 31 March 2023	As at 31 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**

	Gross Block				Amortisation				Net Block	
	As at 31 March 2021	Additions	Disposals	As at 31 March 2022	As at 31 March 2021	Additions	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Software	3.76	0.35	-	4.11	1.32	0.83	-	2.15	1.96	2.44
	3.76	**0.35**	**-**	**4.11**	**1.32**	**0.83**	**-**	**2.15**	**1.96**	**2.44**

Additional disclosure as per previous GAAP

Particulars	As at 31 March 2022			As at 31 March 2023		
	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	632.78	142.72	490.06	634.52	159.33	475.19
Plant and equipment	1,711.54	1,109.43	602.11	1,730.27	1,171.86	558.41
Vehicles	16.69	9.85	6.84	16.14	10.22	5.92
Furniture and fixtures	22.53	15.27	7.26	24.02	16.42	7.60
Office equipments	19.10	14.34	4.76	20.31	15.75	4.56
Right-of-use assets	4.93	0.94	3.99	4.93	0.98	3.95
Total	**2,462.08**	**1,292.56**	**1,169.52**	**2,484.70**	**1,374.57**	**1,110.13**
Capital work-in-progress	15.65	-	15.65	8.60	-	8.60
Total	**2,477.73**	**1,292.56**	**1,185.17**	**2,493.30**	**1,374.57**	**1,118.73**

Intangible assets

Particulars	As at 31 March 2022			As at 31 March 2023		
	Gross Block	Accumulated depreciation	Net Block	Gross Block	Accumulated depreciation	Net Block
Intangible assets						
Software	3.95	1.99	1.96	3.99	2.55	1.44
Total	**3.95**	**1.99**	**1.96**	**3.99**	**2.55**	**1.44**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

5 Non current investments

Particulars	As at 31 March 2023	As at 31 March 2022
A. Investment in equity instruments (fully paid-up) valued at FVTPL		
Unquoted		
50 (31 March 2022: 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 (31 March 2022: Rs. 5,000), for reporting purpose rounded up to Rs. 0.0 crore.		
B Investment in wholly owned subsidiary (fully paid up) valued at cost		
Unquoted		
7,500 (31 March 2022: 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)	27.18	-
	25.65	52.83
Total investments cost (A+B) (net of impairment)	**25.65**	**52.83**

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.

Particulars	As at 31 March 2023	As at 31 March 2022
Long term growth rate	3.00%	3.00%
Revenue growth rate (average of next 5 years)	30.00%	10.00%
Weighted average cost of capital	25.00%	12.40%

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 INR 27.18 crore is recogised during the year ended 31 March 2023 (31 March 2022: nil) . This impairment loss has been recognised under "Exceptional item" (refer note 38).

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

5 Non current investments (Contd.)

Particulars	As at 31 March 2023	As at 31 March 2022
C Investment in preference shares (fully paid up) [refer note 46(I)] valued at FVTPL		
Unquoted		
1,300,000 (31 March 2022: 1,300,000) 8.5% Non-Convertible Cumulative Redeemable Preference shares in Palash Securities Limited of Rs. 10/- each**	-	1.07
Total investments measured at FVTPL	**-**	**1.07**
Total investments cost (A+B+C) (net of impairment)	**25.65**	**53.90**
Aggregate value of unquoted investment (A+B+C)	**52.83**	**53.90**
Aggregate value of impairment in the value of investments	27.18	-
Movement of investment in preference shares		
Opening balance	1.07	0.92
Change in fair value of preference shares	0.17	0.15
Closing balance	**1.24**	**1.07**

** classified to current investment (refer note 10).

6 Other non-current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposits	14.79	11.38
	14.79	**11.38**

7 Non current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax receivable (net)	20.30	6.06
	20.30	**6.06**

8 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Capital advances	49.92	10.54
Balances with government authorities	11.88	7.30
Prepaid expenses	0.27	0.23
	62.07	**18.07**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

9 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost and net realisable value)		
Raw materials (refer note -52)	274.64	333.20
Dyes and chemicals	6.50	7.64
Work-in-progress	131.03	103.30
Finished goods	293.58	127.18
Stock in trade	0.51	1.37
Stores, spare-parts and consumables	21.91	18.39
Wastage material	5.64	5.37
	733.81	**596.45**
Goods in transit included in above inventories are as under :		
Raw materials	10.38	10.76
Stores, spare-parts and consumables	0.71	0.38

Inventories are hypothecated to secure borrowings (refer note 19 and 24).

10 Investment in preference shares valued at FVTPL (fully paid up) [refer note 46(I)]

Particulars	As at 31 March 2023	As at 31 March 2022
Unquoted		
1,300,000 (31 March 2022: 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	1.07	-
Change in fair value of preference shares	0.17	-
Closing balance	**1.24**	**-**

** classified from non-current investments (refer note 5).

11 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good, Unsecured - Others*	326.46	441.78
Trade receivables credit impaired	4.79	1.92
	331.25	443.70
Less: Loss allowance	(4.79)	(1.92)
	326.46	**441.78**

Note

*Out of above, trade receivables from Related Party is Rs. 2.20 crore (31 March 2022 Rs.1.02 crore) (refer note 45).

(a) Trade receivables are hypothecated to secure current borrowings (refer note 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 46.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

11 Trade receivables (Contd.)

(d) Trade Receivables ageing schedule

Particulars	As at 31 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**

(e) Trade Receivables ageing schedule

Particulars	As at 31 March 2022						
	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	342.36	98.27	0.98	0.05	-	-	441.66
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.13	0.29	0.92	0.58	1.92
(iv) Disputed Trade Receivables– considered good	-	-	-	0.12	-	-	0.12
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Unbilled dues	-	-	-	-	-	-	-
Less :- Provision for Doubtful debts	-	-	(0.13)	(0.29)	(0.92)	(0.58)	(1.92)
Total	**342.36**	**98.27**	**0.98**	**0.17**	**-**	**-**	**441.78**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

12 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks:		
- In current accounts	3.50	2.21
Cash on hand	0.15	0.11
	3.65	**2.32**

13 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks:		
Unpaid dividend account	0.76	0.89
Deposits with remaining maturity for more than 3 months but less than 12 months	1.71	1.71
	2.47	**2.60**

14 Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Insurance claim receivable	-	0.01
Export benefit receivable - considered good	30.54	58.00
Government subsidies - considered good	13.27	22.34
Government subsidies - credit impaired	1.44	1.95
Less: Allowance for credit impairment	(1.44)	(1.95)
	13.27	22.34
Advances recoverable in cash	13.28	4.27
Forward contract receivables	1.50	1.14
Interest accrued on deposits	0.09	0.03
	58.68	**85.79**

15 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Balances with government authorities	25.67	16.21
Duty paid under protest	0.19	0.20
Prepaid expenses	3.38	3.07
Advances to suppliers	10.93	17.50
	40.17	**36.98**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

16 Assets classified as held for sale

Particulars	As at 31 March 2023	As at 31 March 2022
Assets classified as held for sale (refer note below)	11.31	0.03
	11.31	**0.03**

(a) Asset classified as held for sales includes plant and machinery along with other category of Property, plant and equipments of discarded assets of Captive Co-Generation Power Plant ('CGPP') of Rs. 11.00 crore. CGPP has been valued at recoverable amount based on agreement entered by the Company. Accordingly, an impairment losses of Rs. 20.51 crore for write-downs of the disposal assets to the lower of its carrying amount and its fair value less costs to sell have been recognised in 'Exceptional Item' (see note 38). No liability is attached to these assets.

(b) The Company decided to sell other obsolete plants & equipment's and building of Rs. 0.31 crore (31 March 2022 Rs. 0.03 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 31 March 2023	As at 31 March 2022
Authorised:		
500,000,000 equity shares of Rs.1/- each (31 March 2022: 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 (31 March 2022: 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.

b. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year :

Particulars	As at 31 March 2023		As at 31 March 2022	
	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**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

17 Equity Share capital* (Contd.)

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

Name of shareholders	As at 31 March 2023		As at 31 March 2022	
	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:

Shares held by promoters at the end of the year

S. No.	Promoter name	As at 31 March 2023			As at 31 March 2022		
		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%	200000.00%
16	Nandini Nopany	100	0.00%	-	100	-	-
		10,47,78,660	**64.01%**		**10,47,78,660**	**64.01%**	

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

18 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
a. General reserve		
Balance at the beginning of the year	206.06	190.06
Add: Amount transferred from retained earnings	2.00	16.00
Balance at the end of the year	**208.06**	**206.06**
b (i). Retained earnings		
Balance at the beginning of the year	900.51	765.74
Profit for the year	22.84	155.68
Less: Dividend on equity shares	(30.31)	(4.91)
Less: Amount transferred to general reserve	(2.00)	(16.00)
	891.04	**900.51**
b (ii). Other comprehensive income		
Balance at the beginning of the year	7.23	7.84
Addition during the year	0.99	(0.61)
Balance at the end of the year	**8.22**	**7.23**
Sub total (b(i)+ b(ii))	**899.26**	**907.74**
Total (a +b)	1,107.32	1,113.80

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 31 March 2023	For the year ended 31 March 2022
Final dividend for the year ended 31 March 2022 Rs.1.85 per equity share of Rs. 1 each (31 March 2021 Rs. 0.30 per equity share of Rs.1 each)	30.31	4.91
	30.31	**4.91**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

18 Other equity (Contd.)

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 31 March 2023	For the year ended 31 March 2022
Proposed final dividend for the year ended 31 March 2023 Rs. 1/- per equity share of Rs. 1 each * (Previous year Rs.1.85 per equity share of Rs. 1 each)	16.38	30.31
	16.38	**30.31**

*On 05 May 2023, the Board of Directors of the Company has recommended a final dividend of Rs. 1/- per share (face value of Rs. 1 per share) for the financial year ended 31 March 2023, subject to approval of the shareholders in the ensuing Annual General Meeting.

19 Non - Current Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Term loans (Secured)		
- From banks	276.44	353.15
	276.44	**353.15**

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.

b. Terms of repayment and interest are as follows :

Secured loan from	Repayment frequency	Year of maturity	Rate of interest p.a. (%)	As at 31 March 2023	As at 31 March 2022
Punjab National Bank, Kota	Quarterly	FY 2024-25	9.30	14.99	28.49
Bank of Maharashtra, Jaipur	Quarterly	FY 2026	7.50	68.73	93.70
Jammu & Kashmir Bank, Kathua	Quarterly	FY 2024-29	8.15 to 8.25	153.49	200.06
ICICI Bank, Kolkata	Quarterly	FY 2026	8.50	17.55	24.56
State Bank of India, Mumbai	Quarterly	-	-	-	1.63
HDFC Bank, Jaipur	Quarterly	FY 2024-29	8.07 to 9.30	139.96	129.55
				394.72	477.99
Less : Current maturities of long term debt (refer note 24)				118.28	124.84
				276.44	**353.15**

c. The Company's exposure to interest rate, foreign currency and liquidity risk is included in note 46.

d. The Company had complied with the loan covenant attached to secured bank loan.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

20 Other Non Current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Trade deposits	6.25	6.19
Employee security deposits	0.03	0.03
Deferred payment liabilities	0.97	1.96
	7.25	**8.18**

21 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provisions for employee benefit		
Provision for compensated absenses (refer note 44)	12.70	12.11
	12.70	**12.11**

22 Deferred tax liabilities (net)

A. Movement in deferred tax balances

Particulars	As at 31 March 2022	Recognized during the year	Utilised during the year	As at 31 March 2023
Deferred tax assets				
MAT credit entitlement	28.07	-	28.07	-
Disallowance 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**

Particulars	As at 31 March 2021	Recognized during the year	Utilised during the year	As at 31 March 2022
Deferred tax assets				
MAT credit entitlement	61.29	-	33.22	28.07
Disallowances u/s 43B of Income Tax Act, 1961	10.72	2.44	-	13.16
Provision for doubtful debts and others	2.90	-	1.23	1.67
Unabsorbed Depreciation	6.04	-	6.04	-
Total (A)	**80.95**	2.44	40.49	**42.90**
Deferred tax liabilities				
Property, plant and equipment	123.31	5.37	-	128.68
Total (B)	**123.31**	5.37	-	**128.68**
Net deferred tax liability (B)-(A)	**42.36**	2.93	(40.49)	**85.78**

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 have utilized the MAT credit of Rs. 28.07 crore during the year. The Company is assessing tax position in consulting with a tax consultant for adoption of new tax regim from the next financial year.

Notes to the Standalone Financial Statements (Contd.)

(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 31 March 2023	For the year ended 31 March 2022
Current tax expense		
Current tax	14.57	41.63
	14.57	41.63
Deferred tax expense		
Origination and reversal of temporary differences	13.61	43.75
	13.61	**43.75**
Tax expenses	**28.18**	**85.38**

C. Amounts recognised in other comprehensive income

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Remeasurements of defined benefit liability	1.52	(0.53)	0.99	(0.94)	0.33	(0.61)
	1.52	**(0.53)**	**0.99**	**(0.94)**	**0.33**	**(0.61)**

D. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax from operations	51.02	241.06
Tax using the Company's domestic tax rate @ 34.94 % (31 March 2022: 34.94%)	17.83	84.24
Tax effect of:		
Non-deductible expenses	10.08	1.03
Others	0.27	0.11
Income tax expenses reported in the statement of profit and loss	**28.18**	**85.38**
Effective tax rate	**55.23%**	**35.42%**

23 Other non-current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred government grants (refer note 40 B (b))		
Capital subsidies on specific plant and machineries	3.94	5.06
Non-current portion of the gain on deferred payment liabilities	0.32	0.65
Movement of deferred government grants is as below:	**4.26**	**5.71**
Balance at the beginning of the year	5.06	6.19
Grant amortized and transferred to statement of profit and loss	(1.12)	(1.13)
Balance at the end of the year	**3.94**	**5.06**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

24 Current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Loan repayable on demand (Secured)*		
- From banks	527.34	438.31
Bills discounted**	9.16	20.19
Current maturities of Long term debt	118.28	124.84
	654.78	**583.34**

* 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 2022	Punjab National Bank, Jammu & Kashmir Bank, HDFC Bank, DBS Bank, Standard Chartered Bank, DCB Bank, ICICI Bank, Federal Bank, Axis Bank and Kotak Mahindra Bank	Inventory	537.86	534.95	2.91	Yes*
March 2022		Trade Receivables	390.02	393.26	(3.24)	Yes*
June 2022		Inventory	646.4	638.14	8.26	Yes*
June 2022		Trade Receivables	347.79	346.22	1.57	Yes*
September 2022		Inventory	571.6	565.91	5.69	Yes*
September 2022		Trade Receivables	327.58	325.71	1.87	Yes*
December 2022		Inventory	630.07	634.01	(3.94)	Yes*
December 2022		Trade Receivables	236.88	230.85	6.03	Yes*

*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 and debtors are done as per the bank sanction letter. On 31 March 2023, the Company has submitted revised DP statements tallying with the books of accounts. In FY22-23, the actual utilization of working capital remained within the bank sanction/DP limits.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

25 Trade Payables

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Total outstanding dues of micro enterprises and small enterprises #	14.08	13.86
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises*	125.27	136.78
Total	**139.35**	**150.64**
Note		
The Company's exposure to credit and currency risk, and loss allowances related to trade payable is disclosed in note 46.		
* Trade payable includes due from related parties, refer note 45.		
# Dues to Micro Enterprises and Small Enterprises (as per the intimation received from vendors):		
a. Principal and interest amount remaining unpaid	14.08	13.86
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.		
	14.08	**13.86**

f. Trade Payables ageing schedule

Particulars	As at 31 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	30.41	63.34	3.93	1.11	5.92	104.71
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Provision MSME (unbilled dues)	-	-	-	-	-	-
(vi) Provision Others (unbilled dues)	3.36	15.54	0.23	-	1.43	20.56
Total	47.85	78.88	4.16	1.11	7.35	139.35

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

25 Trade Payables (Contd.)

g. Trade Payables ageing schedule

Particulars	As at 31 March 2022					
	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	13.86	-	-	-	-	13.86
(ii) Others	36.62	32.61	1.59	1.36	2.37	74.55
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Provision MSME (unbilled dues)	-	-	-	-	-	-
(vi) Provision Others (unbilled dues)	29.31	21.65	8.77	0.53	1.97	62.23
Total	**79.79**	**54.26**	**10.36**	**1.89**	**4.34**	**150.64**

26 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Unpaid dividend	0.76	0.89
Interest accrued and due on borrowings	1.36	2.94
Employees related liabilities	51.59	55.47
Creditors for capital goods	2.00	5.47
Current portion of deferred payment liabilities	1.25	1.25
Security deposits (Including Retention money)	1.74	4.08
Director's commission	0.60	0.61
Others	5.41	4.46
	64.71	**75.17**

27 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract liabilities	8.14	10.03
Advance against sale of fixed assets #	4.93	-
Statutory dues	8.41	8.47
Current portion of gain on deferred payment liabilities	0.32	0.32
	21.80	**18.82**

Advance received against sale of Captive Co-Generation Power Plant ('CGPP') (refe note 38) .

28 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provisions for employee benefit (refer note 44)		
Compensated absenses	3.42	3.24
Gratuity	4.00	1.82
Others		
Others - contingencies	7.98	8.57
	15.40	**13.63**

Notes to the Standalone Financial Statements (Contd.)

(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 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	8.57	7.52
Provision made during the year	0.27	1.05
Provision reversed/paid during the year	0.86	-
Balance at the end of the year	**7.98**	**8.57**

29 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for income tax	-	5.32
	-	**5.32**

30 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products (net of taxes)		
Manufactured goods	2,911.29	2,928.92
Traded goods	42.77	38.31
Total (i)	2,954.06	2,967.23
Sale of services		
Job processing	34.34	24.87
Others	3.39	4.90
Total (ii)	37.73	29.77
Total [(iii) = (i) + (ii)]	**2,991.79**	**2,997.00**
Other operating revenue		
Export incentives	47.38	44.98
Total (iv)	**47.38**	**44.98**
Revenue from operations [(iii) + (iv)]	**3,039.17**	**3,041.98**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

31 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.06	0.05
- from others *	9.38	10.54
Profit on sale/discard of property, plant and equipment (net)	4.52	0.94
Foreign currency transactions and translation (net)	-	8.47
Sundry credit balances written back (net)	1.26	1.32
Provision for doubtful debts written back (refer note 46 II (ii))	-	0.34
Insurance claims	0.17	0.21
Deferred government grants (refer note 23)	1.13	1.13
Miscellaneous income	8.20	7.27
	24.72	**30.27**

* Previous year includes interest subsidy received pursuant to Government scheme for revival of business sector in Union Territory of Jammu and Kashmir, amounting to Rs. 1.13 crore.

32 Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw material consumed (refer note 52)	1,685.09	1,507.13
Consumption of dyes and chemicals	105.21	100.67
	1,790.30	**1,607.80**

33 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Closing 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 (A)	430.76	237.22
Opening inventory		
Work-in-progress	103.30	76.75
Finished goods	127.18	101.74
Stock- in- trade	1.37	1.53
Wastage material	5.37	5.21
Total (B)	237.22	185.23
Add:		
Less : Insurance claim against work-in-progress lost by fire .	-	(0.72)
Less : Finished Good Inventory transferred to Raw Material inventory	-	(9.56)
Total (C)	**-**	**(10.28)**
Total (B-A+C)	**(193.54)**	**(62.27)**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

34 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	384.01	364.50
Contribution to provident and other funds	38.58	33.52
Staff welfare expenses	4.72	5.11
	427.31	**403.13**

35 Finance costs @

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expenses #	54.14	45.89
Exchange difference on the principal amount of foreign currency borrowing.*	1.43	1.84
Other borrowing costs	1.06	0.99
	56.63	**48.72**

@ Net of amount capitalized refer note 43 and note 3A

Net of interest subsidies under various schemes amounting to Rs.2.94 crore (31 March 2022 Rs. 6.87 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".

36 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3A)	124.80	119.14
Amortisation on intangible assets (refer note 4)	0.56	0.83
Depreciation on right-of-use assets (refer note 3C)	0.05	0.06
	125.41	**120.03**

37 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Processing and job charges	3.52	2.29
Consumption of stores, spares and consumables	116.62	112.00
Power, fuel and water charges	311.81	276.27
Rent	1.37	1.47
Insurance	9.51	8.74
Rates and taxes	0.65	0.49
Repairs and maintenance:		
Buildings	10.10	11.58
Plant and machineries	44.70	34.82
Others	3.24	3.01
Freight and forwarding expenses	106.01	138.01
Selling commission and brokerage	33.81	35.72
Charity and donation ##	3.04	1.04
Foreign currency transactions and translation (net)	13.15	-
Loss allowance for doubtful debts / write off (refer note 46 II (ii))	2.87	-

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

37 Other expenses (Contd.)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Provision for expected credit loss	-	0.25
Loss of Goods by Fire (Refer note 42)	-	1.83
Director's commission and fees	1.05	0.95
Travelling expenses	6.98	3.92
Vehicle expenses	8.25	8.92
Corporate social responsibility expenses (refer below note)	2.08	1.16
Miscellaneous expenses #	34.03	31.18
	712.79	**673.65**
# includes auditor's remuneration (net of taxes)		
As auditor:		
Statutory audit fee	0.56	0.55
Tax audit fee	0.04	0.04
For limited review	0.12	0.12
Certification fee and other matters	0.02	0.05
Re-imbursement of expenses	0.12	0.04
	0.86	**0.80**

31 March 2023 includes Rs. 2.00 crore (31 March 2022 Rs. 1 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 act, in pursuant of the CSR policy.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Gross amount required to be spend during the year	2.08	1.03
(ii) Amount spent during the year		
(a) Construction/ acquisition of any asset	0.31	1.00
(b) On purpose other than (a) above	1.77	0.16
	2.08	**1.16**

38 Exceptional items

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Exceptional items	56.00	7.81
	56.00	**7.81**

(a) The Company had discarded Captive Co-Generation Power Plant ('CGPP') during the year ended 31 March 2023 having a book value of Rs. 35.51 crore, since it was not considered viable to operate. The Company entered into an agreement for selling the CGPP at a valuation of Rs. 15 crore. This resulted into loss on sale/ discard of Rs. 20.51 crore.

(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

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

38 Exceptional items (Contd.)

owned subsidiary (including step down subsidiary) is determined to be higher than its recoverable amount and an impairment loss of Rs. 27.18 crore is recognised during the year ended 31 March 2023. (refer note 5)

(c) In the current year, the Company has 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.

(d) In the previous year, the Joint Inspection Team (JIT) of the Ministry of Textiles carried out an inspection for the cases under various TUFS (Technology Upgradation Fund Scheme). Based on certain disallowances in the JIT reports, the Company had reversed excess interest subsidies of Rs. 7.81 crore of earlier years along with interest thereon (net of provision of Rs. 4.20 crore) during the previous year. The Company has adjusted the excess subsidy amount against interest subsidies receivable and provided for interest thereon.

39 Earning per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year	22.84	155.68
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.)	1.39	9.50

40 Contingent liabilities and commitments

Particulars	As at 31 March 2023	As at 31 March 2022
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	4.55	4.51
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	0.06	0.06
c) Demand raised by the income tax authorities	0.13	0.36
d) Bank Guarantee given to Dakshin Gujarat Vij Company Limited	1.67	1.67
e) Bank Guarantee given to American Silk Mills*	19.73	-

* The Company's has issed 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. 15.55 crore (31 March 2022: Rs. 13.71 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.98.28 crore (31 March 2022: Rs.79.79 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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

40 Contingent liabilities and commitments (Contd.)

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 The Company has filed a writ petition with the Honorable High Court of Chhattisgarh against South Eastern Coal Field Limited (SECL) in relation to an unfulfilled commitment to procure a minimum quantity of coal. Accordingly, Honorable High Court has directed for the settlement of the matter. Currently, the Company is in the process of settlement with SECL.

B. Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
a) Estimated amount of contracts remaining to be executed on capital account [net of advances] not provided for	41.54	46.33

b) The Company has availed certain government subsidies/grants. As per the terms and conditions attached to these government subsidies/grants, the Company has to continue with production of goods for specified number of years and others conditions failing which amount of subsidies/grants availed along with interest, penalty etc. may have to be refunded. Impact, if any is not quantifiable.

41 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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

41 Segment information (Contd.)

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment 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 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
External revenues	2,877.73	2,905.89	164.60	137.79	3,042.33	3,043.68
Inter-segment revenue	3.16	1.70	-	-	3.16	1.70
Segment revenue	**2,874.57**	**2,904.19**	**164.60**	**137.79**	**3,039.17**	**3,041.98**
Segment result	204.69	331.11	(36.50)	(33.48)	168.19	297.63
Finance costs					56.63	48.72
Exceptional items (refer note 38)					56.00	7.81
Unallocated corporate income (net of expenses)					(4.54)	(0.04)
Profit before tax					51.02	241.06
Tax expense					28.18	85.38
Profit after tax					**22.84**	**155.68**

Other information

Particulars	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at 31 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
As at 31 March 2022						
Yarn	2,135.64	-	2,135.64	832.10	-	832.10
Home textiles	241.35	-	241.35	95.00	-	95.00
Unallocated	-	65.50	65.50		385.21	385.21
Total	**2,376.99**	**65.50**	**2,442.49**	**927.10**	**385.21**	**1,312.31**

Particulars	Capital expenditure	
	Segment capital expenditure	Total capital expenditure
As at 31 March 2023		
Yarn	135.02	135.02
Home textiles	4.73	4.73
Total	139.75	139.75
As at 31 March 2022		
Yarn	51.89	51.89
Home textiles	26.10	26.10
Total	**77.99**	**77.99**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

41 Segment information (Contd.)

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 31 March 2023	For the year ended 31 March 2022
Domestic	1,763.14	1,732.84
Export *	1,231.81	1,265.86
	2,994.95	2,998.70
Other operating income	47.38	44.98
Segment revenue	3,042.33	3,043.68
*** Export**		
Turkey	326.27	224.78
Bangladesh	162.24	291.19
USA	124.35	105.54
Hong Kong	99.24	84.13
Singapore	70.54	60.85
Rest of the World	449.17	499.37
	1,231.81	**1,265.86**

b) Non-current assets**

Particulars	As at 31 March 2023	As at 31 March 2022
India	1,197.03	1,216.58
Rest of the world	-	-
	1,197.03	**1,216.58**

** Non-current assets exclude investments and tax assets.

42 There was an incident involving a fire at the Baddi plant where certain raw material inventories were damaged during the year ended 31 March 2021. The Company has assessed the loss of inventory due to the said incident aggregating to Rs.9.06 crore and the same was netted off from loss on inventories due to fire recorded under consumption of raw material and was presented as a claim receivable under "Other Current Financial Assets" as at 31 March 2021. In the previous year the Company has received an amount of Rs.7.23 crore against the aforesaid insurance claim, hence shortfall of Rs.1.83 crore was recognised as loss by fire in the Statement of Profit and Loss account.

43 Borrowing cost

During the year, Company has capitalized borrowing cost amounting to Rs.1.65 crore (31 March 2022: Rs.1.63 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. 6.62% (31 March 2022 6.47%). Details of capitalisation is as below:

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

43 Borrowing cost (Contd.)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Plant and equipment	1.58	0.74
Buildings	0.07	0.83
Others	-	0.06
	1.65	**1.63**

44 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 31 March 2023	For the year ended 31 March 2022
Contribution to provident fund	24.50	22.17
Contribution to employee's state insurance	5.36	5.15
Contribution to superannuation scheme	-	0.01

(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 liabilty (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 31 March 2023. 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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

44 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 31 March 2023			As at and for the year ended 31 March 2022		
	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	**52.19**	**50.43**	**1.76**	**46.41**	**50.65**	**(4.24)**
Amount recognised in profit and loss						
Current service cost	7.15	-	7.15	6.75	-	6.75
Past service cost including curtailment gain/loss			-	-	-	-
Interest cost	3.76	(3.63)	0.13	3.25	(3.55)	(0.30)
	10.91	**(3.63)**	**7.28**	**10.00**	**(3.55)**	**6.45**
Remeasurement						
Actuarial loss (gain) arising from:						-
- Changes in financial assumptions	(1.04)	-	(1.04)	1.45	-	1.45
- Changes in demographic assumption	(0.36)	-	(0.36)	-	-	-
- Changes in experience adjustment	(1.55)	-	(1.55)	(0.11)	-	(0.11)
Return on plan assets recognised in OCI	-	1.43	1.43	-	(0.40)	(0.40)
Total amount recognised in OCI	**(2.95)**	**1.43**	**(1.52)**	**1.34**	**(0.40)**	**0.94**
Contributions paid by the employer	-	3.53	-	-	5.62	-
Adjustments for previous year		-	-	-	(4.23)	-
Benefits paid	(4.48)	(4.49)	-	(5.56)	(5.56)	-
Interest income	-	2.20	-	-	3.95	-
Balance at the end of the year	**55.67**	**51.67**	**4.00**	**52.19**	**50.43**	**1.76**

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 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
State/Govt. of India securities	10.56	14.08	20%	28%
Corporation Bonds/ Fixed deposits with Banks	2.31	2.30	4%	5%
Special Deposit Scheme with Bank	3.51	3.51	7%	7%
HDFC Group unit linked plan-Option B	25.36	21.95	50%	43%
Other Investments- UTI Master Shares	3.72	3.96	7%	8%
Life Insurance Corporation Fund	5.40	3.87	10%	8%
Others Refundable net	0.81	0.76	2%	1%
	51.67	50.43	100%	100%

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

44 Employee benefits (Contd.)

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.40%	7.20%
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:-		
-Upto 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.8.70 crore (Previous year Rs.8.21 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 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points movement)	(3.12)	3.31	(2.63)	2.38
Expected rate of future salary increase (50 basis points movement)	3.35	(3.24)	2.40	(2.67)

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 31 March 2023	As at 31 March 2022
0 to 1 year	6.25	6.67
1 to 2 year	4.43	2.99
2 to 3 year	2.83	2.32
3 to 4 year	2.33	2.54
4 to 5 year	2.65	2.28
5 to 6 year	2.58	2.32
6 year onwards	34.60	33.07

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

44 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 obligaitons 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.

45 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	Whole Time Director and Chief Financial Officer (till 10th June 2022)
Mr. Rajib Mukhopadhyay	Whole Time Director and Chief Financial Officer (Wef 11th June 2022)
Mr. Updeep Singh Chatrath	President and Chief Executive Officer
Mr. Manoj Contractor	Company Secretary and Compliance Officer

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 & Energy Limited

iv Post employment benefit entity:

Sutlej Textiles and Industries Employee Gratuity Fund

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

45 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Remuneration to Key Managerial Personnel		
Mr. C. S. Nopany		
- Short-term employee benefits	3.00	3.00
- Commission	1.98	9.68
Mr. Updeep Singh Chatrath		
- Short-term employee benefits	3.52	3.11
- Post-employment benefits	0.04	0.28
Mr. Rajib Mukhopadhyay		
- Short-term employee benefits	1.11	-
- Post-employment benefits	0.04	-
Mr. Bipeen Valame		
- Short-term employee benefits	0.25	1.27
- post-employment benefits	0.05	0.09
b) Director sitting fees		
Mr. C. S. Nopany	0.03	0.03
Mr. U. K. Khaitan	0.04	0.04
Mr. Amit Dalal	0.06	0.04
Mr. Rajan Dalal	0.04	0.03
Mr. Rajiv K. Podar	0.06	0.03
Ms. Sonu Bhasin	0.04	0.03
Mr. Rohit Dhoot	0.05	0.04
Mr Ashok Mittal	0.03	0.02
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) Rent expenses		
Mr. C. S. Nopany	-	0.03
e) Transactions with Avadh Sugar & Energy Ltd		
Reimubersement of expenses	1.65	0.46
f) Transactions with American Silk Mills, LLC		
Sales of goods	3.64	2.49
Consultancy fees	0.17	0.16
Miscellaneous Income	0.20	-
Stand by Letter of Credit to American Silk Mills, LLC from ICICI Bank Ltd. (USD 24,00,000)	19.73	-
g) Transactions with Sutlej Holding Inc.		
Investment in equity shares	-	13.35
h) Contribution to Post employment benefit entity		
Sutlej Textiles and Industries Employee Gratuity Fund	3.53	5.62
i) Land purchased		
Mr. C. S. Nopany	-	15.07

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

45 Related parties (Contd.)

C. Balances outstanding

Particulars	As at 31 March 2023	As at 31 March 2022
Investments		
Sutlej Holding Inc.(Net of Impairment) (refer note-5)	25.65	52.83
Trade Recievables		
American Silk Mills, LLC	2.20	1.02
Payables		
Mr. C. S. Nopany:		
Commission	1.98	9.68
Avadh Sugar & Energy Limited	0.90	0.46
Post employment Benefit payables		
Mr. Updeep Singh Chatrath	0.77	0.73
Mr. Rajib Mukhopadhyay	0.04	-
Mr. Bipeen Valame	-	0.38
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	2.80	0.17
Letter of Credit		
Stand by Letter of Credit to American Silk Mills, LLC from ICICI Bank Ltd. (USD 24,00,000)	19.73	-

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments				
Equity shares of JNSB*	0.00	-	0.00	-
Equity Shares of Sutlej Holdings Inc	-	25.65	-	52.83
Preference shares	-	-	1.07	-
Other non-current financial assets	-	14.79	-	11.38
Investments (Preference shares)	1.24	-	-	-
Trade receivables	-	326.46	-	441.78
Cash and cash equivalents	-	3.65	-	2.32
Bank balances other than Cash and cash equivalents	-	2.47	-	2.60
Other current financial assets	1.50	57.18	1.14	84.65
	2.74	430.20	2.21	595.56
Financial liabilities				
Non -Current Borrowings	-	276.44	-	353.15
Lease liabilities	-	0.46	-	0.46
Other non-current financial liabilities	-	7.25	-	8.18
Short terms borrowings	-	654.78	-	583.34
Trade payables	-	139.35	-	150.64
Other current financial liabilities	-	64.71	-	75.17
	-	**1,142.99**	**-**	**1,170.94**

*The total amount of investments in absolute value is Rs. 5,000 (31 March 2022: Rs. 5,000), 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; and

- 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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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

Particulars	Level 1	Level 2	Level 3	Total
As at 31 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	**-**	**1.50**	**1.24**	**2.74**
As at 31 March 2022				
Financial assets				
Financial Investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Preference shares	-	-	1.07	1.07
Derivative Assets	-	1.14	-	1.14
Total	**-**	**1.14**	**1.07**	**2.21**

*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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

Particulars	Unlisted equity shares*		Unlisted preference shares	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Balance at the beginning of the year	0.00	0.00	1.07	0.92
Redemption of preference shares	-	-	-	-
Gain/(losses) recognised in statement of profit or loss	-	-	0.17	0.15
Balance at the end of the year	**0.00**	**0.00**	**1.24**	**1.07**

*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
	31 March 2023	31 March 2022		
Unquoted preference shares in M/s Palash Securities Limited	1.24	1.07	Non dividend paying shares hence higher discount rate considered as per RBI Guideline	16% (31 March 2022: 16%)
Unquoted equity shares (In equity shares of Co-operative Bank: The Jhalawar Nagrik Sahkari Bank Ltd., Bhawanimandi*)	-	-	-	0.00

* The total amount of investments in absolute value is Rs. 5,000 (31 March 2022: Rs. 5000), for reporting purpose rounded up to Rs. 0.0 crore. Sensitivity analysis of unlisted equity shares has been ignored being not material.

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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investment in equity shares of Sutlej Holdings Inc.	52.83	25.65	52.83	52.83
Other non-current financial assets	14.79	14.79	11.38	11.38
Trade receivables	326.46	326.46	441.78	441.78
Cash and cash equivalents	3.65	3.65	2.32	2.32
Bank balances other than above	2.47	2.47	2.60	2.60
Other current financial assets	57.18	57.18	84.65	84.65
	457.38	**430.20**	**595.56**	**595.56**
Financial liabilities				
Borrowings	276.44	276.44	353.15	353.15
Lease liabilities	0.46	0.46	0.46	0.46
Other non-current financial liabilities	7.25	7.25	8.18	8.18
Short term borrowings	654.78	654.78	583.34	583.34
Trade payables	139.35	139.35	150.64	150.64
Other current financial liabilities	64.71	64.71	75.17	75.17
	1,142.99	**1,142.99**	**1,170.94**	**1,170.94**

Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of Rs.6.12 crore at 31 March 2023 (31 March 2022: Rs.4.92 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 31 March 2023 and 31 March 2022.

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

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

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

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 President 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 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	(1.92)	(2.36)
Less :Provision for doubtful debts written back	-	0.34
Add: Provision for doubtful debts made	(2.87)	-
Bad debts	-	0.10
Balance at the end of the year	**(4.79)**	**(1.92)**

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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

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 31 March 2023	As at 31 March 2022
Floating rate		
Expiring within one year (credit limit and other facilities)	63.50	141.50
Expiring within one year (term loans)	6.40	50.70
	69.90	**192.20**

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 2 years 8 month as at 31 March 2023 (31 March 2022 - 3 years and 4 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 31 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**

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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 31 March 2022					
Non-derivative financial liabilities					
Borrowings	353.15	353.15	-	299.65	53.50
Lease liabilities	0.46	0.46	-	0.15	0.31
Other non-current financial liabilities	8.18	8.18	-	1.99	6.19
Short term borrowings	583.34	583.34	583.34	-	-
Trade payables	150.64	150.64	150.64	-	-
Other current financial liabilities	75.17	75.17	75.17	-	-
Total financial liabilities	**1,170.94**	**1,170.94**	**809.15**	**301.79**	**60.00**

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 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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

(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
31 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)**
31 March 2022					
Financial assets/liabilities					
Trade receivables	4.03	-	0.00	-	-
Advances to suppliers	0.06	0.01	-	0.00	-
Foreign currency working capital borrowings	(1.68)	-	-	-	-
Trade Payables	(0.11)	(0.00)	-	-	-
Contract liabilities	(0.41)	-	-	-	-
Net statement of financial position exposure	**1.89**	**0.01**	**0.00**	**0.00**	**-**

(ii) Unhedged foreign currency exposure

Particulars	USD	EUR	GBP	CHF	JPY
Net statement of financial position exposure					
31 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)
31 March 2022					
Financial assets/liabilities					
Trade receivables	-	-	-	-	-
Advances to suppliers	0.06	0.01	-	0.00	-
Foreign currency working capital borrowings	(1.68)	-	-	-	-
Trade payables	(0.11)	(0.00)	-	-	-
Contract liabilities	(0.41)	-	-	-	-
Net statement of financial position exposure	**(2.14)**	**0.01**	**-**	**0.00**	**-**

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 Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

(iii) Derivative instruments

Particulars	As at 31 March 2023			As at 31 March 2022		
	USD	EUR	GBP	USD	EUR	GBP
Forward Contract for export trade receivables outstanding	3.95	-	-	4.53	0.01	-

The following significant exchange rates have been applied.

Currencies	Average Rates		Year end spot rates	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD 1	80.59	74.42	82.11	75.75
EURO 1	83.99	86.31	89.52	84.53
GBP 1	95.23	101.48	101.77	99.32
CHF 1	97.25	81.04	89.84	81.92
JPY 1	0.62	-	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.

Particulars	Profit or loss*		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 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	-	-
31 March 2022				
USD (10% movement)	0.19	(0.19)	0.12	(0.12)
EURO (10% movement)	0.00	(0.00)	-	-
GBP (10% movement)	0.00	(0.00)	-	-
CHF (10% movement)	0.00	(0.00)	-	-
JPY (10% movement)	-	-	-	-

Note :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 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 2022-23 and financial year 2021-22, 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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

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:

Particulars	Nominal Amount	
	As at 31 March 2023	As at 31 March 2022
Fixed-rate instruments		
Financial assets	-	-
Fixed deposits with banks	1.71	1.71
Financial liabilities	-	-
	1.71	1.71
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	931.22	936.49
	931.22	**936.49**

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
31 March 2023				
Variable-rate instruments	(4.66)	4.66	(3.03)	3.03
Cash flow sensitivity	**(4.66)**	**4.66**	**(3.03)**	**3.03**
31 March 2022				
Variable-rate instruments	(4.68)	4.68	(3.04)	3.04
Cash flow sensitivity	**(4.68)**	**4.68**	**(3.04)**	**3.04**

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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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
31 March 2023	70.58	(70.58)	45.91	(45.91)
31 March 2022	57.13	(57.13)	37.17	(37.17)

47 Lease liabilities

The following is the movement in lease liabilities during the year ended 31 March 2023:

Lease Liabilities	31 March 2023	31 March 2022
Opening balance/transition balance	0.46	0.46
Addition	-	-
Interest expenses	0.04	0.04
Payment	(0.04)	(0.04)
Closing balance	**0.46**	**0.46**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 on an undiscounted basis:

Maturity analysis – contractual undiscounted cash flows

Particulars	31 March 2023	31 March 2022
Less than one year	0.04	0.04
After one year but not longer than five years	0.22	0.22
More than five years	2.72	1.19
Total	**2.98**	**1.45**

Lease liabilities distributed in the statement of financial position at 31 March 2023

Particulars	31 March 2023	31 March 2022
Current	-	-
Non-current	0.46	0.46
Total	**0.46**	**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.

48 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 31 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 31 March 1965 were valued at pre-devaluation exchange rate, has been provided for.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

49 Disclosure u/s 186(4) of the Companies Act, 2013 :

a) Particulars of Investments made:-

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
1	**Investment in 8.5% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) fully paid in M/s Palash Securities Limited (Refer Note 10 & 5 C)**		
	Fair value gain recognised during the year	0.17	0.15
	Balance outstanding as at reporting date	1.24	1.07
2	**Investment in Equity shares of Sutlej Holdings Inc. (wholly owned subsidiary) (Refer Note 5 B)**		
	Investment made during the year	-	13.35
	Investment impaired during the year	27.18	-
	Balance outstanding as at reporting date	25.65	52.83
3	**Bank Guarantee given to American Silk Mills LLC. (Refer Note 40 2(e))**		
	Bank Guarantee given during the year	19.73	-
	Balance outstanding as at reporting date	19.73	-

50 Capital management and regulatory information

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 31 March 2023, 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 31 March 2023	As at 31 March 2022
Net debt*	925.10	931.57
Total debt (A)	**925.10**	**931.57**
Equity share capital	16.38	16.38
Other equity	1,107.32	1,113.80
Total equity (B)	**1,123.70**	**1,130.18**
Debt equity ratio (C=A/B)	**0.82**	**0.82**

*The Company 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 31 March 2023	As at 31 March 2022
Profit for the year	22.84	155.68
Equity share capital	16.38	16.38
Other equity	1,107.32	1,113.80
Total equity	**1,123.70**	**1,130.18**
Return on equity ratio (%)	**2.03%**	**13.77%**

Reason for variance - Variance in ratio is due to lower profitability in current year.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

50 Capital management and regulatory information (Contd.)

(iii) Current ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Current assets (A)	1,177.79	1,165.95
Current liabilities (B)	896.04	846.92
Current ratio (C=A/B)	**1.31**	**1.38**

(iv) Inventory turnover

Particulars	As at 31 March 2023	As at 31 March 2022
Inventories	733.81	596.45
Cost of materials consumed, purchase of stock-in-trade, Changes in inventories of finished goods	1,634.73	1,577.85
Inventory turnover (days)	164	138
Inventory turnover ratio	**2.23**	**2.65**

Reason for variance - Variance in ratio is due to higher inventory as at 31 March 2023.

(v) Trade receivable turnover ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivable	326.46	441.78
Revenue from operations	3,039.17	3,041.98
Export Incentive	47.38	44.98
Trade receivable turnover (days)	40	54
Trade receivable turnover ratio	**9.16**	**6.78**

Reason for variance - Variance in ratio is due to decrease in trade receivable as at 31 March 2023.

(vi) Net profit ratio

	As at 31 March 2023	As at 31 March 2022
Profit for the year	22.84	155.68
Revenue from operations	3,039.17	3,041.98
Net profit ratio	**0.75%**	**5.12%**

Reason for variance - Variance in ratio is due to lower profitability in current year.

(vii) Return (PBIDT) to Capital Employed

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before finance cost, depreciation and tax expenses (PBIDT) (A)	289.06	417.62
Equity share capital	16.38	16.38
Reserves and surplus	1,107.32	1,113.80
Long term borrowing	276.44	353.15
Short term borrowing	536.50	458.50
Current maturities of long-term debts	118.28	124.84
Capital employed (B)	2,054.92	2,066.67
Return (PBIDT) to capital employed % (C=A/B)	**14.07%**	**20.21%**

Reason for variance - Variance in ratio is due to lower profitability in current year.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

50 Capital management and regulatory information (Contd.)

(viii) Debt Service Coverage Ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year (before exceptional item)	78.84	155.68
Finance costs	56.63	48.72
Depreciation and amortization expense	125.41	120.03
Deferred tax	13.61	43.75
Earning for debt service (A)	274.49	368.18
Interest + Instalments due in respective year (B)	181.47	176.36
Debt service coverage ratio (C=A/B)	**1.51**	**2.09**

Reason for variance - Variance in ratio is due to lower operating profit during the year.

(ix) Trade payables turnover ratio (in times)

Particulars	As at 31 March 2023	As at 31 March 2022
Cost of materials consumed	1,790.30	1,607.80
Purchase of stock-in-trade	37.97	32.32
Add: Closing stock	303.05	359.23
Less: Opening stock	(359.23)	(267.28)
Other expenses	712.79	673.65
Total (A)	2,484.88	2,405.72
Average trade payables (B)	145.00	131.11
Trade payables turnover ratio (C=A/B)	**17.14**	**18.35**

(x) Net Capital Turnover Ratios

Particulars	As at 31 March 2023	As at 31 March 2022
Revenue from operations	3,039.17	3,041.98
Total equity	1,123.70	1,130.18
Net capital turnover ratio	**2.70**	**2.69**

(xi) Return on Investment

Particulars	As at 31 March 2023	As at 31 March 2022
Income generated from investments	0.06	-
Total Investments (refer note 5,10 and 13)	28.60	53.90
Return on Investment	**0.21%**	**0.00%**

Reason for variance - No income generated from Investments in previous year.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

50 Capital management and regulatory information (Contd.)

(xii) 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 6.62 % (31 March 2022: 6.47%).

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

51 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.

On account of increased input costs, competitive pressure and unfavourable market conditions in Damanganga unit, particularly upholstery and curtains, the Damanganga ("CGU") incurred significant losses during the year. The Company carried out an impairment assessment of the aforesaid CGU using the fair value less cost to sell model which is based on the replacement value of plant and machinery and market value of land and building. Fair valuation is calculated using certain assumptions i.e. prevailing market dynamics. The Company has also involved independent valuer to carried out the fair value of the property, plant and equipment of CGU.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

51 (Contd.)

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 Equipments 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.

52 During the current year, Company 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 Company has taken appropriate steps to address the situation, including filing an FIR with the police.

53 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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

53 Regulatory informations (Contd.)

(vi) During the year the Company's Subsidiary Company (Sutlej Holdings Inc.) has invested in its step down subsidiary company (American Silk Mills LLC.), other than this 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).

(x) The Company(as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one Core Investment Company ("CIC") as part of the Company i.e. Ganges Securities Limited (unregistered CIC).

Signatures to Note 1 to 53

The notes referred to above form an integral part of the standalone financial statements

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: 05 May 2023

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 05 May 2023

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 05 May 2023

Updeep Singh Chatrath
President & CEO
Place: Mumbai
Date: 05 May 2023

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 05 May 2023

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 05 May 2023

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 31 March 2023, 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 a summary of significant 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 31 March 2023, of its consolidated profit 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 (a) of the "Other Matters" 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.

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>Impairment of Damanganga - a cash generating unit ('CGU').

See notes 2.10 and 51 to consolidated financial statements

The Damanganga cash generating unit (which includes property, plant and equipment with a carrying value of Rs. 137.18 crore as on 31 March 2023) 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.</td><td>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.

– We 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.</td></tr>
</table>

The key audit matter	How the matter was addressed in our audit
Assessment of impairment of goodwill. See notes 2.10 and 4 to the consolidated financial statements. The Consolidated Financial Statements reflect goodwill amounting to INR 7.56 crore on acquisition of business and on consolidation of subsidiary (including its step down subsidiary). as at 31 March 2023, which has been impaired in current year. The process of annual impairment testing of goodwill is complex as it involves significant judgement in in estimating the recoverable amount. The recoverable amount has been derived from discounted forecast cash flow model prepared by the management with the help of valuation expert. This model uses several key assumptions, including estimates of future sales volumes,prices, operating margin, growth rates and the discount rate (generally based on weighted average cost of capital). Given the significant level of judgement involved in making the above estimates and the quantitative significance of goodwill, we have determined this to be a key audit matter.	In view of the significance of the matter the auditor of the Holding company and auditor of the subsidiary 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 goodwill as per relevant accounting standard. – 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. This included obtaining and reading of impairment assessment memo prepared by auditor of subidiary, 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 board approved business plan, historical data, our knowledge of the Group and the industry, and observable market data with assistance of our valuation specialist; – 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 goodwill.

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 (a) of the section titled "Other Matters" 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(s)

a. 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. 91.27 crore as at 31 March 2023, total revenues including other income (before consolidation adjustments) of Rs.41.41 crore and net cash outflows (before consolidation adjustments) amounting to Rs. 3.67 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 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, 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 Matters" 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 reports of the other auditor.

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 01 April 2023 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 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding 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 and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 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 31 March 2023.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023.

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 54 (v) 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 54 (vi) 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.

As stated in Note 18 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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:23094549BGYNUJ8152

Place: Jaipur
Date: 05 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2023

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

Sr. No.	Name of the entities*	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Sutlej Textiles and Industries Limited	CIN No: L17124RJ2005PLC020927	Holding Company	Clause - (xi) (a)

*According to the information and explanations given to us and based on our examination, CARO 2020 is not apllicable 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajiv Goyal
Partner
Membership No.: 094549
ICAI UDIN:23094549BGYNUJ8152

Place: Jaipur
Date: 05 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Sutlej Textiles and Industries Limited for the year ended 31 March 2023

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)(f) 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 31 March 2023, 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 31 March 2023, 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 consolidated 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 consolidated 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 consolidated 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:23094549BGYNUJ8152

Place: Jaipur
Date: 05 May 2023

Consolidated Balance Sheet as at 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,106.31	1,165.68
Capital work-in-progress	3B	8.60	15.65
Right-of-use assets	3C	5.33	4.44
Goodwill	4	-	7.21
Other intangible assets	4	2.73	3.45
Financial assets			
(i) Investments	5	-	1.07
(ii) Other non-current financial assets	6	14.91	11.49
Non-current tax assets (net)	7	20.30	6.06
Other non-current assets	8	62.07	18.07
Total non-current assets		**1,220.25**	**1,233.12**
Current assets			
Inventories	9	756.62	609.44
Financial assets			
(i) Investments	10	1.24	-
(ii) Trade receivables	11	324.72	442.06
(iii) Cash and cash equivalents	12	9.41	11.76
(iv) Bank balances other than (iii) above	13	2.47	2.60
(v) Other current financial assets	14	64.62	85.77
Other current assets	15	41.65	40.04
Assets classified as held for sale	16	11.31	0.03
Total current assets		**1,212.04**	**1,191.70**
Total assets		**2,432.29**	**2,424.82**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	16.38	16.38
Other equity	18	1,093.02	1,083.59
Total equity		**1,109.40**	**1,099.97**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	276.44	353.15
(ii) Lease liabilities	20	1.26	0.46
(iii) Other financial liabilities	21	7.25	8.19
Provisions	22	12.70	12.11
Deferred tax liabilities (net)	23A	99.90	86.25
Other non-current liabilities	24	4.26	5.72
Total non-current liabilities		**401.81**	**465.88**
Current liabilities			
Financial liabilities			
(i) Borrowings	25	674.49	588.96
(ii) Lease liabilities	20	0.62	0.48
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises and;	26	14.08	13.86
(b) Total outstanding dues of creditors other than micro and small enterprises		129.50	142.05
(iv) Other financial liabilities	27	64.78	75.51
Other current liabilities	28	22.20	19.16
Provisions	29	15.41	13.63
Current tax liabilities (net)	30	-	5.32
Total current liabilities		**921.08**	**858.97**
Total liabilities		**1,322.89**	**1,324.85**
Total equity and liabilities		**2,432.29**	**2,424.82**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the 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: 05 May 2023

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 05 May 2023

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 05 May 2023

Updeep Singh Chatrath
President & CEO
Place: Mumbai
Date: 05 May 2023

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 05 May 2023

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 05 May 2023

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue			
Revenue from operations	31	3,074.23	3,076.46
Other income	32	26.23	35.74
Total income		**3,100.46**	**3,112.20**
Expenses			
Cost of materials consumed	33	1,801.76	1,618.89
Purchase of stock-in-trade		56.29	48.71
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(199.84)	(63.23)
Employee benefits expense	35	436.26	412.89
Finance costs	36	57.92	49.77
Depreciation and amortisation expense	37	126.88	121.03
Other expenses	38	719.87	680.61
Total expenses		**2,999.14**	**2,868.67**
Profit before exceptional items and tax		**101.32**	**243.53**
Exceptional items	39	36.38	7.81
Profit before tax		**64.94**	**235.72**
Tax expense:	23B		
Current tax		14.54	41.63
Deferred tax		13.12	43.86
Tax expenses		**27.66**	**85.49**
Profit for the year		**37.28**	**150.23**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	23C	1.52	(0.94)
Tax relating to remeasurement of defined benefit plans		(0.53)	0.33
Items that will be reclassified subsequently to profit and loss			
Exchange differences on translation of operations into reporting currency		1.47	0.62
Total other comprehensive income for the year		**2.46**	**0.01**
Total comprehensive income for the year		**39.74**	**150.24**
Earnings per equity share of face value of Rs. 1 each	40		
Basic and diluted (in Rs.)		2.28	9.17

Summary of significant accounting policies 2

The accompanying notes are an integral part of the 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: 05 May 2023

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 05 May 2023

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 05 May 2023

Updeep Singh Chatrath
President & CEO
Place: Mumbai
Date: 05 May 2023

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 05 May 2023

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 05 May 2023

Consolidated Statement of Cash Flows for the year ended 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit before tax	64.94	235.72
Adjustments for :-		
Depreciation and amortisation expense	126.88	121.03
Profit on sale/discard of property, plant and equipment (net)	(4.52)	(0.94)
Finance costs (net of interest subsidies)	57.92	49.77
Interest income	(9.44)	(10.64)
Waiver of PPP loans	-	(3.87)
Deferred government grants	(1.12)	(1.13)
Net fair value gain on financial assets measured at FVTPL	(0.17)	(0.15)
Bad Debts/Provision for doubtful debts	3.01	-
Provision for expected credit loss	-	0.25
Unrealised (gain)/loss on foreign currency fluctuations (net)	3.34	0.28
Fair value (gains)/loss on derivatives	(0.36)	0.14
Provision for doubtful claims written back	-	(0.34)
Impairment of Goodwill	7.56	-
Loss on discarded/sale of Captive Co-Generation Power Plant	20.51	-
Sundry credit balances written back (net)	(1.26)	(1.32)
Operating profit before working capital changes	**267.29**	**388.80**
Net change in		
Inventories	(147.18)	(143.95)
Trade receivables	110.82	(164.29)
Other financial assets	18.15	(21.37)
Other assets	(6.19)	11.57
Trade payables	(11.37)	40.41
Other financial liabilities	(5.02)	14.60
Provisions	5.36	4.54
Other liabilities	(1.89)	3.28
Cash generated from operations	**229.97**	**133.59**
Income tax paid (net of refund)	(34.10)	(38.57)
Net cash from operating activities	**195.87**	**95.02**
B. Cash flow from investing activities		
(Increase)/ decrease in deposits with banks	0.13	(1.14)
Interest received	9.38	9.52
Purchase of right-of-use of assets	(2.60)	(0.11)
Purchase of property, plant and equipment	(139.74)	(85.41)
Proceeds from sale of property, plant & equipment #	15.19	1.54
Net cash used in investing activities	**(117.64)**	**(75.60)**
C. Cash flow from financing activities		
Net proceeds/(repayment) of long term borrowings	(83.27)	(90.85)
Net proceeds/(repayment) of short term borrowings	92.55	123.66
Finance costs (net of interest subsidies)	(57.79)	(49.42)
Repayment of lease liabilities	(1.76)	(0.77)
Waiver of PPP loans	-	3.87
Dividend paid	(30.31)	(4.91)
Net cash used in financing activities	**(80.58)**	**(18.42)**

Consolidated Statement of Cash Flows for the year ended 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net increase/(decrease) in cash and cash equivalents	**(2.35)**	**1.00**
Cash and cash equivalents at the beginning of the year *	11.76	10.76
Cash and cash equivalents at the end of the year *	9.41	11.76
	(2.35)	**1.00**

Notes:

1 The Cash flow statement has been prepared in accordance with 'Indirect Method' as set out in Ind AS-7- 'Statement of CashFlows', 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 31 March 2023	For the year ended 31 March 2022
Opening balance of borrowings		
Term loan (including current maturities)	477.99	572.54
Current borrowings	464.12	338.57
Cash flows**		
Repayment of term loan	(127.57)	(139.01)
Waiver of PPP loans (refer note - 32)	-	(3.87)
Proceeds from term loan	44.30	48.33
Change in current borrowings (net)	92.09	125.55
Closing balance of borrowings		
Term loan (including current maturities)	**394.72**	**477.99**
Current borrowings	**556.21**	**464.12**

* 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. 4.93 crore.

The accompanying notes are an integral part of the 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: 05 May 2023

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 05 May 2023

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 05 May 2023

Updeep Singh Chatrath
President & CEO
Place: Mumbai
Date: 05 May 2023

Rajib Mukhopadhyay
Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 05 May 2023

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 05 May 2023

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

(All amounts are in Rupees crore, unless otherwise stated)
CIN No: L17124RJ2005PLC020927

(a) Equity share capital

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	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

Particulars	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 31 March 2021	**190.06**	**736.94**	**7.84**	**3.42**	**938.26**
Changes in accounting policy/prior period errors	**-**	**-**	**-**	**-**	**-**
Restated balance at the beginning of the previous reporting period	**190.06**	**736.94**	**7.84**	**3.42**	**938.26**
Profit for the year as per statement of profit and loss	-	150.23	-	-	150.23
Other comprehensive income for the year	-	-	(0.61)	0.62	0.01
Total comprehensive income for the year	**-**	**150.23**	**(0.61)**	**0.62**	**150.24**
Transfer to general reserve	16.00	(16.00)	-	-	-
Dividend paid	-	(4.91)	-	-	(4.91)
Balance as at 31 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 31 March 2023	**208.06**	**871.23**	**8.22**	**5.51**	**1,093.02**

The accompanying notes are an integral part of the 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: 05 May 2023

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 05 May 2023

C. S. Nopany
Executive Chairman
DIN: 00014587
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Whole time Director and CFO
DIN: 2895021
Place: Mumbai
Date: 05 May 2023

Manoj Contractor
Company Secretary
M.No.: A11661
Place: Mumbai
Date: 05 May 2023

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

(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 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 28 September 2017. Sutlej USA, LLC. a wholly owned subsidiary of Sutlej Holdings Inc. was also incorporated on 28 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 LLC. 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 31 March 2023	Percentage holding as at 31 March 2022
Sutlej Holdings Inc. (Subsidiary Company)	USA	100 %	100 %
American Silk Mills LLC. (Step Down Subsidiary)	USA	100%	100%

2. Significant 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 05 May 2023.

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 (Contd.)

(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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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 consolidated financial statements have been given below:

- whether the Group has de facto control over an investee (refer note 1).

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 44).
- Recognition of deferred tax assets: availability of future taxable profit against which Minimum Alternative Tax (MAT) credit can be used (note 2.21).
- 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 41).
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows (note 46).
- Impairment of non-financial assets: key assumptions used in estimating recoverable amount (note 4 and 51).

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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

2.7 Property, plant and equipment

Recognition and measurement

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.

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.

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 assessment/ management estimate	Useful life as per 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/3years and 6 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.

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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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

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 4 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.

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 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.

Notes to the Consolidated Financial Statements (Contd.)

(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).

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.

2.12 Foreign currency transactions

The Group's consolidated financial statements are presented in Indian Rupees (INR), 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

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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.

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

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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.
- 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. 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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

Export incentives

Export entitlements in the form of duty drawback, Merchandise Export Incentive Scheme 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.

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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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.

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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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.

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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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:

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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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.

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

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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 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

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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. Refer note 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.

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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

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 standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

3A. Property, plant and equipments

Particulars	Freehold Land	Leasehold Land	Buildings (refer note 1)	Plant and equipment	Vehicles	Furniture and fixtures	Office equipments	Lease improvements	Total
Gross Block									
Balance as at 31 March 2021	**38.53**	**-**	**541.43**	**1,124.23**	**12.82**	**14.19**	**12.37**	**0.30**	**1,743.87**
Additions	15.97	-	35.66	45.32	2.16	2.39	1.74	-	103.24
Disposals	-	-	-	1.45	0.31	-	0.07	-	1.83
Balance as at 31 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 31 March 2023	**54.50**	**-**	**578.82**	**1,208.75**	**14.38**	**18.13**	**15.47**	**0.32**	**1,890.37**
Accumulated Depreciation									
Balance as at 31 March 2021	-	-	71.27	467.63	6.88	7.90	7.60	0.29	561.57
Additions	-	-	15.77	99.38	1.19	1.32	1.60	-	119.26
Disposals	-	-	-	0.98	0.23	-	0.02	-	1.23
Balance as at 31 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 31 March 2023	**-**	**-**	**103.64**	**650.37**	**8.46**	**10.43**	**10.86**	**0.30**	**784.06**
Net Block									
Balance as at 31 March 2022	**54.50**	**-**	**490.05**	**602.07**	**6.83**	**7.36**	**4.86**	**0.01**	**1,165.68**
Balance as at 31 March 2023	**54.50**	**-**	**475.18**	**558.38**	**5.92**	**7.70**	**4.61**	**0.02**	**1,106.31**

Notes:

1. Building, includes share of the holding company in a premises at Haridwar (jointly owned with others) having carrying value as at 31 March 2023 Rs. 0.57 crore and 31 March 2022 Rs.0.60 crore respectively (Original Cost Rs.1.23 crore as at 31 March 2023 and Rs.1.23 crore as at 31 March 2022)
2. Borrowing cost capitalized amounting to Rs. 1.65 crore (31 March 2022 Rs.1.63 crore) under the head plant and equipment and building (refer note 43).
3. Property, plant and equipment given as security for borrowings refer note 19 (a).
4. Refer note 51.
5. Refer note 16.

Notes to the Consolidated Financial Statements (Contd.)

(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 31 March 2023 and 31 March 2022 Rs.1.31 crore and Rs.2.45 crore respectively (Original cost Rs.1.53 crore as at 31 March 2023 and Rs. 2.92 crore as at 31 March 2022) and in case of Baddi units freehold land having carrying value as at 31 March 2023 and 31 March 2022 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 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 Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

3B. Capital work-in-progress*

Capital work-in-progress - Rs. 8.60 crore (31 March 2022 Rs.15.65 crore)

***Details of pre-operative expenses/trial run expenses included under Capital work -in-progress**

Particulars	for the year ended 31 March 2023	for the year ended 31 March 2022
Opening Balance	-	1.76
Less : Capitalised to respective property, plant and equipment	-	1.76
Closing balance	**-**	**0.00**

a) CWIP aging schedule

CWIP	Amount in CWIP for a period of				31 March 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.05	0.46	-	0.09	8.60

CWIP	Amount in CWIP for a period of				31 March 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15.56	0.00	-	0.09	15.65

3C. Right-of-use assets*

Particulars	Gross block				Depreciation				Net Block	
	As at 31 March 2022	Additions	Disposals	As at 31 March 2023	As at 31 March 2022	Additions	Disposals	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Right-of-use assets	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**

Particulars	Gross block				Depreciation				Net Block	
	As at 31 March 2021	Additions	Disposals	As at 31 March 2022	As at 31 March 2021	Additions	Disposals	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Right-of-use assets	7.56	0.11	-	7.67	2.36	0.79	(0.08)	3.23	4.44	5.20
	7.56	**0.11**	**-**	**7.67**	**2.36**	**0.79**	**(0.08)**	**3.23**	**4.44**	**5.20**

*Refer note 20 for lease liability.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

4. Intangible Assets

Particulars	Gross Block				Amortisation/Impairment				Net Block	
	As at 31 March 2022	Additions/ other adjustments	Disposals	As at 31 March 2023	As at 31 March 2022	Additions	Impairment/ Disposal	As at 31 March 2023	As at 31 March 2023	As at 31 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**

Particulars	Gross Block				Amortisation				Net Block	
	As at 31 March 2021	Additions/ Other adjustments	Disposals	As at 31 March 2022	As at 31 March 2021	Additions	Disposal	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Goodwill #	7.03	0.18	-	7.21	-	-	-	-	7.21	7.03
	7.03	**0.18**	**-**	**7.21**	**-**	**-**	**-**	**-**	**7.21**	**7.03**
Other intangible assets										
Software	5.61	0.40	-	6.01	1.58	0.98	-	2.56	3.45	4.03
	5.61	**0.40**	**-**	**6.01**	**1.58**	**0.98**	**-**	**2.56**	**3.45**	**4.03**
Intangible assets under development	0.01	-	0.01	0.00	-	-	-	-	0.00	0.01
	0.01	**-**	**0.01**	**0.00**	**-**	**-**	**-**	**-**	**0.00**	**0.01**

\# **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 is tested for annual impairment as on 31 March 2023 and 31 March 2022. For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	31 March 2023	31 March 2022
1. Sutlej Holdings Inc.	1.53	1.53
2. American Silk Mills LLC.	6.03	5.68
	7.56	**7.21**

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 is recogised during the year ended 31 March 2023 (31 March 2022: nil). The impairment loss on Goodwill is presented under "Exceptional Items" (refer note 39).

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.

Long term growth rate	3.00%	3.00%
Revenue growth rate (average of next 5 years)	30.00%	10.00%
Weighted average cost of capital	25.00%	12.40%

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

5 Non current investments

Particulars	As at 31 March 2023	As at 31 March 2022
A. Investment in equity instruments valued at FVTPL (fully paid-up)		
Unquoted		
50 (31 March 2022: 50) equity shares of The Jhalawar Nagrik Sahkari Bank Ltd.	0.00	0.00
(JNSB) of Rs. 100 each*	**0.00**	**0.00**
*The total amount of investments in absolute value is Rs. 5,000 (31 March 2022: 5000), but for reporting purpose rounded up to Rs. 0.0 crore.		
B Investment in preference shares valued at FVTPL (fully paid up) [refer note 46(I)]		
Unquoted		
1,300,000 (31 March 2022: 1,300,000) 8.5% Non-Convertible Cumulative Redeemable Preference shares in Palash Securities Limited of Rs. 10 each**	-	1.07
Total investments measured at FVTPL	**-**	**1.07**
Aggregate value of unquoted investment (A+B)	0.00	1.07
Aggregate value of impairment in the value of investments	-	-
Movement of investment in preference shares		
Opening balance	1.07	0.92
Change in fair value of preference shares	0.17	0.15
Closing balance	**1.24**	**1.07**

** classified to current investment (refer note 10).

6 Other non-current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposits	14.91	11.49
	14.91	**11.49**

7 Non current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax receivable (net)	20.30	6.06
	20.30	**6.06**

8 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Capital advances	49.92	10.55
Balances with government authorities	11.88	7.30
Prepaid expenses	0.27	0.22
	62.07	**18.07**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

9 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
(Valued at lower of cost or net realisable value)		
Raw materials (refer note 53)	279.33	335.38
Dyes and chemicals	6.50	7.64
Work-in-progress	131.03	103.30
Finished goods	293.58	127.18
Stock-in-trade	18.63	12.17
Stores, spare-parts and consumables	21.91	18.40
Wastage material	5.64	5.37
	756.62	**609.44**
Goods in transit included in above inventories are as under :		
Raw materials	10.38	10.76
Stores,spare-parts and consumables	0.71	0.38
Finished goods	1.06	1.88

Inventories are hypothecated to secure borrowings (Refer note 19 and 25).

10 Investment in preference shares valued at FVTPL (fully paid up) [refer note 46(I)]

Particulars	As at 31 March 2023	As at 31 March 2022
Unquoted		
1,300,000 (31 March 2022: 1,300,000) 8.5% Non-Convertible Cumulative Redeemable Preference shares in Palash Securities Limited of Rs 10 each**	1.24	-
	1.24	**-**

** classified from non-current investments (refer note 5).

11 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables considered good, unsecured - others	324.72	442.06
Trade receivables credit impaired	4.79	1.98
	329.51	444.04
'Less: Allowance for credit impairment	(4.79)	(1.98)
	324.72	**442.06**

(a) Trade receivables are hypothecated to secure current borrowings (Refer note 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 46.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

11 Trade receivables (Contd.)

(d) Trade receivables ageing schedule.

Particulars	As at 31 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	-	-	-	-	-	-	-
(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	**271.11**	**52.30**	**1.25**	**0.04**	**-**	**0.02**	**324.72**

(e) Trade receivables ageing schedule.

Particulars	As at 31 March 2022						
	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	342.90	97.98	0.99	0.07	-	-	441.94
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	0.00
(iii) Undisputed trade receivables – credit impaired	-	-	0.13	0.35	0.92	0.58	1.98
(iv) Disputed trade receivables– considered good	-	-	-	0.12	-	-	0.12
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
(vii) Unbilled dues	-	-	-	-	-	-	-
Less :- Provision for doubtful debts	-	-	(0.13)	(0.35)	(0.92)	(0.58)	(1.98)
Total	**342.90**	**97.98**	**0.99**	**0.19**	**-**	**-**	**442.06**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

12 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks:		
- In current accounts	9.26	11.65
Cash on hand	0.15	0.11
	9.41	**11.76**

13 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Earmarked balances with banks:		
Unpaid dividend account	0.76	0.89
Deposits with remaining maturity for more than 3 months but less than 12 months	1.71	1.71
	2.47	**2.60**

14 Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Insurance claim receivable	-	0.01
Export benefit receivable - considered good	30.54	58.00
Government subsidies - considered good	13.27	22.34
Government subsidies - credit impaired	1.44	1.95
Less: Allowance for credit impairment	(1.44)	(1.95)
	13.27	**22.34**
Advances recoverable in cash	13.27	4.25
Receivable from finance company (refer note- 25)	5.95	-
Forward contract receivables	1.50	1.14
Interest accrued on deposits	0.09	0.03
	64.62	**85.77**

15 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good unless otherwise stated		
Balances with government authorities	25.67	16.21
Duty paid under protest	0.19	0.20
Prepaid expenses	4.75	5.28
Advances to suppliers	11.04	18.35
	41.65	**40.04**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

16 Assets classified as held for sale

Particulars	As at 31 March 2023	As at 31 March 2022
Assets classified as held for sale (refer note below)	11.31	0.03
	11.31	**0.03**

(a) Asset classified as held for sales includes plant and machinery along with other category of Property, plant and equipments of discarded assets of Captive Co-Generation Power Plant ('CGPP') of Rs. 11.00 crore. CGPP has been valued at recoverable amount based on agreement entered by the Group. Accordingly, an impairment losses of Rs. 20.51 crore for write-downs of the disposal assets to the lower of its carrying amount and its fair value less costs to sell have been recognised in "Exceptional Item" (see note 39). No liability is attached to these assets.

(b) The Group decided to sell other obsolete plants & equipment's and building of Rs 0.31 crore (31 March 2022 Rs. 0.03 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 31 March 2023	As at 31 March 2022
Authorised:		
500,000,000 equity shares of Rs.1/- each (31 March 2022: 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 (31 March 2022: 163,828,620 of Rs.1/- each)	16.38	16.38
* All shares are 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 31 March 2023		As at 31 March 2022	
	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**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

17 Equity share capital* (Contd.)

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 31 March 2023		As at 31 March 2022	
	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%

f. Disclose Shareholding of Promoters as below:

Shares held by promoters at the end of the year

S. No.	Promoter name	As at 31 March 2023			As at 31 March 2022		
		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%	200000%
16	Nandini Nopany	100	0.00%		100	0	-
		10,47,78,660	**64.01%**	**0.00%**	**10,47,78,660**	**64.01%**	

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

18 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
a. General reserve		
Balance at the beginning of the year	206.06	190.06
Add: Transferred from retained earnings	2.00	16.00
Balance at the end of the year	**208.06**	**206.06**
b (i). Retained earnings		
Balance at the beginning of the year	866.26	736.94
Profit for the year	37.28	150.23
Less: Dividend on equity shares	(30.31)	(4.91)
Less: Amount transferred to general reserve	(2.00)	(16.00)
	871.23	**866.26**
b (ii). Remeasurement of defined benefit plan (other comprehensive income)		
Balance at the beginning of the year	7.23	7.84
Addition during the year	0.99	(0.61)
Balance at the end of the year	**8.22**	**7.23**
Sub total (b(i)+ b(ii)	**879.45**	**873.49**
c. Exchange differences on translation of operations into reporting currency		
Balance at the beginning of the year	4.04	3.42
Addition during the year	1.47	0.62
Balance at the end of the year	5.51	4.04
	1,093.02	**1,083.59**

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.

Dividend

The following dividends were declared and paid by the holding Company:

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

18 Other equity (Contd.)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Final dividend for the year ended 31 March 2022 Rs.1.85 per equity share of Rs. 1 each (31 March 2021 Rs.0.30 per equity share of Rs. 1 each)	30.31	4.91
	30.31	**4.91**

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 31 March 2023	For the year ended 31 March 2022
Proposed final dividend for the year ended 31 March 2023 Rs. 1 per equity share of Rs. 1 each ** (Previous year Rs.1.85 per equity share of Rs. 1 each)	16.38	30.31
	16.38	**30.31**

**On 05 May 2023, the Board of Directors of the Holding Company has recommended a final dividend of Rs. 1 per share (face value of Rs.1 per share) for the financial year ended 31 March 2023, subject to approval of the shareholders in the ensuing Annual General Meeting of the Holding Company.

19 Non - Current Borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Term loans (secured)		
- From banks	276.44	353.15
	276.44	**353.15**

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 31 March 2023	As at 31 March 2022
Punjab National Bank, Kota	Quarterly	FY 2024-25	9.30	14.99	28.49
Bank of Maharashtra, Jaipur	Quarterly	FY 2026	7.50	68.73	93.70
Jammu & Kashmir Bank, Kathua	Quarterly	FY 2024-29	8.15 to 8.25	153.49	200.06
ICICI Bank, Kolkata	Quarterly	FY 2026	8.50	17.55	24.56
State Bank of India, Mumbai	Quarterly	-	-	-	1.63
HDFC Bank, Jaipur	Quarterly	FY 2024-29	8.07 to 9.30	139.96	129.55
				394.72	**477.99**
Less : Current maturities of long term debt (refer note 25)				118.28	124.84
				276.44	**353.15**

c. The Group's exposure to interest rate, foreign currency and liquidity risk is included in note 46.

d. The Group had complied with the loan covenant attached to secured bank loan.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

20 Lease liabilities

The following is the movement in lease liabilities during the year ended 31 March 2023:

Lease liabilities	31 March 2023	31 March 2022
Opening balance	**0.94**	**1.64**
Addition	2.60	0.10
Interest expenses	0.10	0.09
Payment	(1.76)	(0.89)
Closing balance	**1.88**	**0.94**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2023 on an undiscounted basis:

Maturity analysis – contractual undiscounted cash flows

Particulars	31 March 2023	31 March 2022
Less than one year	0.67	0.53
After one year but not longer than five years	1.02	0.22
More than five years	2.72	1.19
Total	**4.41**	**1.94**

Lease liabilities included in the statement of financial position at 31 March 2023

Particulars	31 March 2023	31 March 2022
Non-current	1.26	0.46
Current	0.62	0.48
Total	**1.88**	**0.94**

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.

21 Other non-current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Trade deposits	6.25	6.19
Employee security deposits	0.03	0.03
Deferred payment liabilities	0.97	1.97
	7.25	**8.19**

22 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits:		
Provision for compensated absenses (refer note 44)	12.70	12.11
	12.70	**12.11**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

23 Deferred tax liabilities (net)

A. Movement in deferred tax balances

Particulars	As at 31 March 2022	Recognized during the year	Utilised during the year	As at 31 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**

Particulars	As at 31 March 2021	Recognized during the year	Utilised during the year	As at 31 March 2022
Deferred tax assets				
MAT credit entitlement	61.29	-	33.22	28.07
Disallowance u/s 43B of Income Tax Act, 1961	10.75	2.44	-	13.19
Provision for doubtful debts and others	3.04	-	1.23	1.81
Unabsorbed Depreciation	6.04	-	6.04	-
Total (A)	**81.12**	2.44	40.49	**43.07**
Deferred tax liabilities				
Property, plant and equipment	123.84	5.48	-	129.32
Total (B)	**123.84**	5.48	-	**129.32**
Net deferred tax liability (B)-(A)	**42.72**	3.04	(40.49)	**86.25**

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 fully utilized the MAT credit of Rs. 28.07 crore during the year. The Holding Company is assessing tax position in consulting with a tax consultant for adoption of new tax regim from the next financial 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 0.62 crore as at 31 March 2023, 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 (Contd.)

(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 31 March 2023	For the year ended 31 March 2022
Current tax expense		
Current tax	14.54	41.63
	14.54	41.63
Deferred tax expense		
Origination and reversal of temporary differences	13.12	43.86
	13.12	**43.86**
	27.66	**85.49**

C. Amounts recognised in other comprehensive income

Particulars	Before tax	Tax (expense)/ income	Net of tax
For the year ended 31 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**
For the year ended 31 March 2022			
Remeasurements of defined benefit liability	(0.94)	0.33	(0.61)
Exchange differences on translation of operations into reporting currency	0.62	-	0.62
	(0.32)	**0.33**	**0.01**

D. Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Profit before tax from Indian operations	51.02	241.06
Tax using the Holding Company's domestic tax rate @ 34.94% (31 March 2022: 34.94%)	17.83	84.24
Tax effect of:		
Non-deductible expenses	10.08	1.03
Others	0.27	0.11
Income tax expenses reported in the statement of profit and loss	28.18	85.38
Effective tax rate	55.24%	35.42%
(b) Profit before tax from foreign operations	(11.71)	(5.34)
Tax using the Company's foreign tax rate @21 %	(2.46)	(1.12)
Tax effect of:		
Non-deductible expenses	(0.20)	0.01
Effect of tax incentives and concessions	-	(0.82)
Effect of recognition of tax effect of previously unrecognised tax losses now recognised as deferred tax assets	-	(0.04)
Effect of current year losses for which no deferred tax asset is recognised	1.98	2.77
Changes in recognised deductible temporary differences	0.17	0.04
State taxes	-	(0.73)
Income tax expense	**(0.52)**	**0.11**
Effective tax rate	**4.43%**	**-2.03%**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

23 Deferred tax liabilities (net) (Contd.)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total income tax expenses reported in the statement of profit and loss (a+b)	**27.66**	**85.49**
Elimination adjustments	**25.63**	**-**
Profit before tax	**64.94**	**235.72**
Overall Effective Tax Rate	**42.60%**	**36.27%**

24 Other non-current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred government grant (refer note 41 B (2))		
Capital subsidies on specific plant and machineries	3.94	5.06
Non current portion of the gain on deferred payment liabilities	0.32	0.66
	4.26	5.72
Movement of deferred government grants is as below:		
Balance at the beginning of the year	5.06	6.19
Subsidy sanctioned during the year	-	-
Refund of subsidy	-	-
Grant amortized and transferred to statement of profit and loss	(1.12)	(1.13)
Balance at the end of the year	3.94	5.06

25 Current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Loan repayable on demand (Secured)*		
- From banks	547.05	438.31
Bills discounted**	9.16	20.19
Current maturities of long-term debt (refer note 19)	118.28	124.84
Others***	-	5.62
	674.49	**588.96**

* 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 31 March 2023, American Silk Mills, LLC has availed a working capital facility from ICICI Bank Limited of Rs.19.71 crore having term of 1 year ending on 12 July 2023. 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 31 March 2023, was approximately 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 favor of ICICI Bank Limited (India).

** Bills discounted are secured against the book debts and inventory which have been discounted.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

25 Current borrowings #(Contd.)

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 2022	Punjab National Bank, Jammu & Kashmir Bank, HDFC Bank, DBS Bank, Standard Chartered Bank, DCB Bank, ICICI Bank, Federal Bank, Axis Bank and Kotak Mahindra Bank	Inventory	537.86	534.95	2.91	Yes*
March 2022		Trade Receivables	390.02	393.26	(3.24)	Yes*
June 2022		Inventory	646.4	638.14	8.26	Yes*
June 2022		Trade Receivables	347.79	346.22	1.57	Yes*
September 2022		Inventory	571.6	565.91	5.69	Yes*
September 2022		Trade Receivables	327.58	325.71	1.87	Yes*
December 2022		Inventory	630.07	634.01	(3.94)	Yes*
December 2022		Trade Receivables	236.88	230.85	6.03	Yes*

The Holding Company submits provisional drawing power (DP) statements on monthly basis to 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 and debtors are done as per the bank sanction letter. On 31 March 2023, the Holding Company has submitted revised DP statements tallying with the books of accounts. In FY22-23, the actual utilization of working capital remained within the bank sanction/DP limits.

***On 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.19.84 crore, subject to borrowing base availability, and extends its maturity of the facility to October 31, 2022. 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 @ 6%.

(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 @6.5%.

During the year ended 31 March 2023, factoring commission expenses of Rs. 0.30 crore (31 March 2022: 0.35 crore) and factoring interest expenses of Rs. 0.29 crore (31 March 2022: Rs.0.64 crore) have been charged to the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

26 Trade Payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises #	14.08	13.86
Total outstanding dues of creditors other than micro enterprises and small enterprises	129.50	142.05
Total	**143.58**	**155.91**
Total outstanding dues of micro and small enterprises		
# Dues to micro enterprises and small enterprises (as per the intimation received from vendors):		
a. Principal amount remaining unpaid.	14.08	13.86
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.		
	14.08	**13.86**

A. Trade Payables ageing schedule

Particulars	As at 31 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	33.38	64.60	3.93	1.11	5.92	108.94
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Provision MSME (unbilled dues)	-	-	-	-	-	-
(vi) Provision Others (unbilled dues)	3.36	15.54	0.23	-	1.43	20.56
Total	50.82	80.14	4.16	1.11	7.35	143.58

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

26 Trade Payables (Contd.)

B. Trade Payables ageing schedule

Particulars	As at 31 March 2022					
	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	13.86	-	-	-	-	13.86
(ii) Others	41.37	33.14	1.59	1.36	2.37	79.83
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Provision MSME (unbilled dues)	-	-	-	-	-	-
(vi) Provision others (unbilled dues)	29.30	21.65	8.77	0.53	1.97	62.22
Total	**84.53**	**54.79**	**10.36**	**1.89**	**4.34**	**155.91**

27 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Unpaid dividend	0.76	0.89
Interest accrued and due on borrowings	1.36	2.94
Employees liabilities	51.66	55.81
Creditors for capital goods	2.00	5.47
Current portion of deferred payment liabilities	1.25	1.25
Security deposits (including retention money)	1.74	4.08
Director's commission	0.60	0.61
Others	5.41	4.46
	64.78	**75.51**

28 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract liabilities	8.54	10.36
Advance against sale of fixed assets#	4.93	
Statutory dues	8.41	8.48
Current portion of the gain on deferred payment liabilities	0.32	0.32
	22.20	**19.16**

Advance received against sale of Captive Co-Generation Power Plant ('CGPP') (refe note 39 (a)) .

29 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provisions for employee benefit (refer note 44)		
Compensated absenses	3.43	3.24
Gratuity	4.00	1.82
Others		
Others - Contingencies	7.98	8.57
	15.41	**13.63**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

29 Provisions (Contd.)

Others - Contingencies

Provision for disputed statutory matters have been made, where the Holding 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 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	8.57	7.52
Provision made during the year	0.27	1.05
Payment made/ provision reversed during the year	0.86	-
Balance at the end of the year	**7.98**	**8.57**

30 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Income tax	-	5.32
	-	**5.32**

31 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products (net of taxes)		
Manufactured goods	2,911.29	2,928.91
Traded goods	77.83	72.80
Total (i)	2,989.12	3,001.71
Sale of services		
Job processing	34.34	24.87
Others	3.39	4.90
Total (ii)	37.73	29.77
Total [(iii) = (i) + (ii)]	**3,026.85**	**3,031.48**
Other operating revenue		
Export incentives	47.38	44.98
Total (iv)	**47.38**	**44.98**
Revenue from operations [(iii) + (iv)]	**3,074.23**	**3,076.46**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

32 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.06	0.05
- from others *	9.38	10.59
Waiver of PPP loans #	-	3.87
Profit on sale/discard of property, plant and equipment (net)	4.52	0.94
Foreign currency transactions and translation (net)	-	8.47
Sundry credit balances written back (net)	1.26	1.32
Provision for doubtful debts written back (refer note 46 II (ii))	-	0.34
Insurance claims	0.17	0.21
Deferred government grants (refer note 24)	1.12	1.13
Miscellaneous income **	9.72	8.82
	26.23	**35.74**

* Previous year includes interest subsidy received pursuant to Government scheme for revival of business sector in Union Territory of Jammu and Kashmir, amounting to:Rs.1.13 crore.

\# American Silk Mills, LLC had availed loans of USD 0.52 million (Rs.3.87 crore) (including Rs.3.87 crore availed in previous year) at 1% interest under Paycheck Protection Program ('PPP') of US Small Business Administration (SBA) under CARES Act of USA. Under SBA guidelines, these loans were eligible for waiver subject to certain conditions, pending which these were classified as borrowings as at 31 March 2021. American Silk Mills, LLC has received approval for waiver of aforesaid loans which is recognised as interest income during the financial year ended 31 March 2022.

** 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) [31 March 2022 USD 0.20 million (Rs,1.55 crore)] from Department of the Treasury internal revenue service, Cincinnati, (USA).

33 Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw material consumed (refer note 53)	1,696.55	1,518.22
Consumption of dyes and chemicals	105.21	100.67
	1,801.76	**1,618.89**

34 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Closing 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 (A)	448.88	248.02
Opening inventory		
Work-in-progress	103.30	76.75
Finished goods	127.18	101.74
Stock- in- trade	12.17	11.05
Wastage material	5.37	5.21

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

34 Changes in inventories of finished goods, work-in-progress and stock-in-trade (Contd.)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Total (B)	248.02	194.75
Add:		
Less : Foreign currency translation difference	1.02	0.33
Less : Insurance claim against work-in-progress lost by fire	-	(0.73)
Less : Finished Good Inventory transferred to raw material inventory	-	(9.56)
Total (C)	**1.02**	**(9.96)**
Total (B-A+C)	**(199.84)**	**(63.23)**

35 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	392.20	373.42
Contribution to provident and other funds	38.59	33.52
Staff welfare expenses	5.47	5.95
	436.26	**412.89**

36 Finance costs @

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expenses ##	55.43	46.95
Exchange difference on the principal amount of foreign currency borrowing*	1.43	1.84
Other borrowing costs	1.06	0.98
	57.92	**49.77**

@ Net of amount capitalized refer note 44 and 3A

Net of interest subsidies under various schemes amounting to Rs. 2.94 crore (31 March 2022 Rs. 6.87 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".

37 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3A)	124.86	119.26
Amortisation on intangible assets (refer note 4)	0.87	0.98
Depreciation on right-of-use assets (refer note 3C)	1.15	0.79
	126.88	**121.03**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

38 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Processing and job charges	3.52	2.29
Consumption of stores and spares	116.62	112.00
Power, fuel and water charges	311.81	276.27
Rent	1.44	1.79
Insurance	9.61	8.85
Rates and taxes	0.66	0.50
Repairs and maintenance:		
Buildings	10.12	11.58
Plant and machinery	44.71	34.83
Others	3.25	3.21
Freight and forwarding expenses	106.33	138.20
Selling commission and brokerage	35.33	37.36
Charity and donation ##	3.04	1.04
Foreign currency transactions and translation (net)	13.15	-
Bad debts	0.10	0.11
Loss allowance for doubtful debts / write off (refer note 46 II (ii))	2.91	-
Provision for expected credit loss	-	0.25
Loss of goods by fire (refer note 52)	-	1.83
Directors' commission and fees	1.05	0.95
Travelling expenses	7.15	4.02
Vehicle expenses	8.26	9.00
Legal and professional expenses #	8.14	9.25
Corporate social responsibility expenses	2.08	1.16
Miscellaneous expenses	30.59	26.12
	719.87	**680.61**
# Auditor's remuneration (net of taxes)		
As auditor:		
Statutory audit fee	0.56	0.74
Tax audit fee	0.04	0.04
For limited review	0.12	0.12
Certification fees and other matters	0.02	0.12
Re-imbursement of expenses	0.12	0.04
	0.86	**1.06**

31 March 2023 includes Rs.2.00 crore given to Samaj Electoral Trust Association.

Note: 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 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 Act, in pursuant of the CSR policy.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(i) Gross amount required to be spend during the year	2.08	1.03
(ii) Amount spent during the year		
(a) Construction /acquisition of any asset	0.31	1.00
(b) On purpose other than (a) above	1.77	0.16
	2.08	**1.16**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

39 Exceptional items

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Exceptional items	36.38	7.81
	36.38	**7.81**

(a) The Group had discarded Captive Co-Generation Power Plant ('CGPP') during the year ended 31 March 2023 having a book value of Rs. 35.51 crore, since it was not considered viable to operate. The Group entered into an agreement for selling the CGPP at a valuation of Rs. 15 crore. This resulted into loss on sale/ discard of Rs. 20.51 crore.

(b) The Group carried out impairment assessment of Goodwill pertaining to business of overseas subsidiaries and recorded an impairment loss of Rs. 7.56 crore during the year ended 31 March 2023.

(c) In the current year, the Group has 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.

(d) In the previous year, the Joint Inspection Team (JIT) of the Ministry of Textiles carried out an inspection for the cases under various TUFS (Technology Upgradation Fund Scheme). Based on certain disallowances in the JIT reports, the Group had reversed excess interest subsidies of Rs. 7.81 crore of earlier years along with interest thereon (net of provision of Rs. 4.20 crore) during the previous year. The Group has adjusted the excess subsidy amount against interest subsidies receivable and provided for interest thereon.

40 Earning per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year	37.28	150.23
Weighted average number of equity shares of Rs. 1 each	16,38,28,620	16,38,28,620
Basic and Diluted (per share in Rs.)	2.28	9.17

41 Contingent liabilities and commitments

Particulars	As at 31 March 2023	As at 31 March 2022
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	4.55	4.51
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	0.06	0.06
c) Demand raised by the income tax authorities	0.13	0.36
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. 15.55 crore (31 March 2022: Rs.13.71 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.98.28 crore (31 March 2022: Rs.79.79 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

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

41 Contingent liabilities and commitments (Contd.)

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 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 The Holding Company has filed a writ petition with the Honorable High Court of Chhattisgarh against South Eastern Coal Field Limited (SECL) in relation to an unfulfilled commitment to procure a minimum quantity of coal. Accordingly, Honorable High Court has directed for the settlement of the matter. Currently, the Company is in the process of settlement with SECL.

B. Commitments

	Particulars	As at 31 March 2023	As at 31 March 2022
1	Estimated amount of contracts remaining to be executed on capital account [net of advances] not provided for	41.54	46.33

2 The Holding Company has availed certain government subsidies/ grants. As per the terms and conditions, the Holding Company has to continue production for specified number of years and others conditions failing which amount of subsidies availed along with interest, penalty etc. may have to be refunded. Impact, if any is not quantifiable.

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 have 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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

42 Segment information (Contd.)

B. Information about reportable segments

Information related to each reportable segment is set out below. Segments EBIT is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Reportable Segments	Yarn	Home Textiles	Total
	For the year ended 31 March 2023	For the year ended 31 March 2023	For the year ended 31 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
Excptional items			36.38
Unallocated corporate income (net of expenses)			(4.54)
Profit before tax			64.94
Tax expense			27.66
Profit after tax			**37.28**

Reportable Segments	Yarn	Home Textiles	Total
	For the year ended 31 March 2022	For the year ended 31 March 2022	For the year ended 31 March 2022
External revenues	2,905.89	172.27	3,078.16
Inter-segment revenue	1.70	-	1.70
Segment revenue	**2,904.19**	**172.27**	**3,076.46**
Segment result	331.11	(37.77)	293.34
Finance costs			49.77
Excptional items			7.81
Unallocated corporate income (net of expenses)			(0.04)
Profit before tax			235.72
Tax expense			85.49
Profit after tax			**150.23**

Other information

Particulars	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at 31 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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

42 Segment information (Contd.)

Particulars	Capital expenditure	
	Segment capital expenditure	Total capital expenditure
As at 31 March 2023		
Yarn	135.03	135.03
Home textiles	7.31	7.31
Total	**142.34**	**142.34**

Particulars	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at 31 March 2022						
Yarn	2,135.64	-	2,135.64	832.10	-	832.10
Home textiles	276.52	-	276.52	107.05	-	107.05
Unallocated		12.66	12.66		385.70	385.70
Total	**2,412.16**	**12.66**	**2,424.82**	**939.15**	**385.70**	**1,324.85**

Particulars	Capital expenditure	
	Segment capital expenditure	Total capital expenditure
As at 31 March 2022		
Yarn	51.89	51.89
Home textiles	26.11	26.11
Total	**78.00**	**78.00**

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 31 March 2023	For the year ended 31 March 2022
Domestic	1,763.14	1,732.83
Export *	1,266.87	1,300.35
	3,030.01	3,033.18
Other operating income	47.38	44.98
Segment revenue	3,077.39	3,078.16
*** Export**		
Turkey	326.27	224.78
Bangladesh	162.24	291.19
USA	158.22	138.87
Hong Kong	99.24	84.13
Singapore	70.54	60.85
Rest of the World	450.37	500.53
	1,266.87	**1,300.35**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

42 Segment information (Contd.)

b) Non-current assets **

Particulars	As at 31 March 2023	As at 31 March 2022
India	1,197.03	1,216.58
Rest of the World	2.92	9.41
	1,199.95	**1,225.99**

** Non-current assets exclude investments and tax assets

43 Borrowing cost

During the year, Group has capitalized borrowing cost amounting to Rs.1.65 crore (31 March 2022: Rs. 1.63 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. 6.62% (31 March 2021 6.47%). Details of capitalisation is as below:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Plant and equipment	1.58	0.74
Buildings	0.07	0.83
Others	-	0.06
	1.65	**1.63**

44 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 retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to provident fund	24.50	22.17
Contribution to employee's state insurance	5.36	5.15
Contribution to superannuation scheme	-	0.01

(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 liabilty (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 31 March 2023. 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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

44 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 31 March 2023			As at and for the year ended 31 March 2022		
	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	**52.19**	**50.43**	**1.76**	**46.41**	**50.65**	**(4.24)**
Amount Recognised in profit and loss						
Current service cost	7.15	-	7.15	6.75	-	6.75
Past service cost including curtailment gain/loss			-	-	-	-
Interest cost	3.76	(3.63)	0.13	3.25	(3.55)	(0.30)
	10.91	**(3.63)**	**7.28**	**10.00**	**(3.55)**	**6.45**
Remeasurement						
Actuarial loss (gain) arising from:						-
- Changes in financial assumptions	(1.04)	-	(1.04)	1.45	-	1.45
- Changes in demographic assumption	(0.36)	-	(0.36)			
- Changes in experience adjustment	(1.55)	-	(1.55)	(0.11)	-	(0.11)
Return on plan assets recognised in OCI		1.43	1.43	-	(0.40)	(0.40)
Total amount recognised in OCI	**(2.95)**	**1.43**	**(1.52)**	**1.34**	**(0.40)**	**0.94**
Contributions paid by the employer	-	3.53	-	-	5.62	-
Adjustment for previous year	-	-	-	-	(4.23)	-
Benefits paid	(4.48)	(4.49)	-	(5.56)	(5.56)	-
Interest income	-	2.20	-	-	3.95	-
Balance at the end of the year	**55.67**	**51.67**	**4.00**	**52.19**	**50.43**	**1.76**

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 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
State/ Govt. of India securities	10.56	14.08	20%	28%
Corporation bonds/ fixed deposits with banks	2.31	2.30	4%	5%
Special deposit scheme with Bank	3.51	3.51	7%	7%
HDFC group unit linked plan-option B	25.36	21.95	50%	43%
Other investments -UTI master shares	3.72	3.96	7%	8%
LIC fund	5.40	3.87	10%	8%
Others Refundable net	0.81	0.76	2%	1%
	51.67	**50.43**	**100%**	**100%**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

44 Employee benefits (Contd.)

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.40%	7.20%
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:-		
-Upto 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.8.70 crore (Previous year Rs.8.21 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 31 March 2023		As at 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (50 basis points movement)	(3.12)	3.31	(2.63)	2.38
Expected rate of future salary increase (50 basis points movement)	3.35	(3.24)	2.40	(2.67)

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 31 March 2023	As at 31 March 2022
0 to 1 year	6.25	6.67
1 to 2 year	4.43	2.99
2 to 3 year	2.83	2.32
3 to 4 year	2.33	2.54
4 to 5 year	2.65	2.28
5 to 6 year	2.58	2.32
6 year onwards	34.60	33.07

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

44 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 obligaitons 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.

45 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	Whole time Director and Chief Financial Officer (till 10th June 2022)
Mr. Rajib Mukhopdhyay	Whole time Director and Chief Financial Officer (wef from 11th June 2022)
Mr. Updeep Singh Chatrath	President and Chief Executive Officer
Mr. Manoj Contractor	Company Secretary and Compliance Officer.

ii Entity in which KMP has significant influence (where transactions have taken place):

Avadh Sugar & Energy Limited

iii Post employment benefit entity:

Sutlej Textiles and Industries Employee Gratuity Fund

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

45 Related parties (Contd.)

B. Transactions with the above in the ordinary course of business

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Remuneration to key managerial personnel		
Mr. C. S. Nopany		
- Short-term employee benefits	3.00	3.00
- Commission	1.98	9.68
Mr. Updeep Singh Chatrath		
- Short-term employee benefits	3.52	3.11
- Post-employment benefits	0.04	0.28
Mr. Rajib Mukhopdhyay		
- Short-term employee benefits	1.11	-
- Post-employment benefits	0.04	-
Mr. Bipeen Valame		
- Short-term employee benefits	0.25	1.27
- Post-employment benefits	0.05	0.09
b) Director sitting fees		
Mr. C. S. Nopany	0.03	0.03
Mr. U. K. Khaitan	0.04	0.04
Mr. Amit Dalal	0.06	0.04
Mr. Rajan Dalal	0.04	0.03
Mr. Rajiv K. Podar	0.06	0.03
Ms. Sonu Bhasin	0.04	0.03
Mr. Rohit Dhoot	0.05	0.04
Mr. Ashok Mittal	0.03	0.02
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) Rent expenses		
Mr. C. S. Nopany	-	0.03
e) Transactions with Avadh Sugar & Energy Ltd.		
Reimubersement of expenses	1.65	0.46
f) Contribution to Post employment benefit entity		
Sutlej Textiles and Industries Employee Gratuity Fund	3.53	5.62
g) Land purchased		
Mr. C. S. Nopany	-	15.07

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

45 Related parties (Contd.)

C. Balances outstanding

Particulars	As at 31 March 2023	As at 31 March 2022
Payables		
Mr. C S Nopany		
Commission	1.98	9.68
Avadh Sugar & Energy Limited	0.90	0.46
Post employment Benefit payables		
Mr. Updeep Singh Chatrath	0.77	0.73
Mr. Rajib Mukhopdhyay	0.04	-
Mr. Bipeen Valame	-	0.38
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	2.80	0.17

46 Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

Particulars	Note	As at 31 March 2023		As at 31 March 2022	
		FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets					
Investments					
Equity shares of JNSB*	5A	0.00	-	0.00	-
Preference shares	5B	-	-	1.07	-
Other non-current financial assets	6	-	14.91	-	11.49
Investments (Preference shares)	10	1.24			
Trade receivables	11	-	324.72	-	442.06
Cash and cash equivalents	12	-	9.41	-	11.76
Bank balances other than cash and cash equivalents	13	-	2.47	-	2.60
Other current financial assets	14	1.50	63.12	1.14	84.63
		2.74	**414.63**	**2.21**	**552.54**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

Particulars	Note	As at 31 March 2023		As at 31 March 2022	
		FVTPL	Amortised cost	FVTPL	Amortised cost
Financial liabilities					
Non Current Borrowings	19	-	276.44	-	353.15
Lease liabilities	20	-	1.88	-	0.94
Other non-current financial liabilities	21	-	7.25	-	8.19
Short terms borrowings	25	-	674.49	-	588.96
Trade payables	26	-	143.58	-	155.91
Other current financial liabilities	27	-	64.78	-	75.51
		-	1168.42	-	1182.66

*The total amount of investments in absolute value is Rs. 5,000 (31 March 2022: 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, and

- 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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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 31 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**
As at 31 March 2022				
Financial assets				
Financial investments at FVTPL				
Investments				
Equity shares of JNSB*	-	-	0.00	0.00
Preference shares	-	-	1.07	1.07
Derivative assets	-	1.14	-	1.14
Total financial assets	**-**	**1.14**	**1.07**	**2.21**

*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 Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

Particulars	Unlisted equity shares*		Unlisted preference shares	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Balance at the beginning of the year	0.00	0.00	1.07	0.92
Redemption of Preference shares	-	-	-	-
Gain/(losses) recognised in statement of profit or loss	-	-	0.17	0.15
Balance at the end of the year	**0.00**	**0.00**	**1.24**	**1.07**

*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
	31 March 2023	31 March 2022		
Unquoted preference shares in Palash Securities Limited	1.24	1.07	Non Dividend paying shares hence, higher discount rate considered as per RBI Guideline	16% (31 March 2022: 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 (31 March 2022: Rs. 5000), for reporting purpose rounded up to Rs. 0.0 crore. Sensitivity analysis of unlisted equity shares has been ignored being not material..

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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Other non current financial assets	14.91	14.91	11.49	11.49
Trade receivables	324.72	324.72	442.06	442.06
Cash and cash equivalents	9.41	9.41	11.76	11.76
Bank balances other than cash and cash equivalents	2.47	2.47	2.60	2.60
Other current financial assets	63.12	63.12	84.63	84.63
	414.63	414.63	552.54	552.54
Financial liabilities				
Borrowings	276.44	276.44	353.15	353.15
Lease liabilities	1.88	1.88	0.94	0.94
Other non-current financial liabilities	7.25	7.25	8.19	8.19
Short term borrowings	674.49	674.49	588.96	588.96
Trade payables	143.58	143.58	155.91	155.91
Other current financial liabilities	64.78	64.78	75.51	75.51
	1,168.42	1,168.42	1,182.66	1,182.66

Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of Rs 11.88 crore at 31 March 2023 (31 March 2022: Rs.14.36 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 31 March 2023 and 31 March 2022.

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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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 analyzed 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 President 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 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	(1.98)	(2.38)
Less: Provision for doubtful debts written back	-	0.34
Add: Provision for doubtful debts made	(2.91)	(0.49)
Bad debts	0.10	0.55
Balance at the end of the year	**(4.79)**	**(1.98)**

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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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 31 March 2023	As at 31 March 2022
Floating rate		
Expiring within one year (credit limit and other facilities)	63.50	141.50
Expiring within one year (term loans)	6.40	50.70
	69.90	**192.20**

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 2 years and 8 months as at 31 March 2023 (31 March 2022 - 3 years and 4 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 31 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

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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 31 March 2022					
Non-derivative financial liabilities					
Borrowings	353.15	353.15	0.00	299.65	53.50
Lease liabilities	0.94	0.94	0.48	0.15	0.31
Other non-current financial liabilities	8.19	8.19	0.00	2.00	6.19
Short term borrowings	588.96	588.96	588.96	-	-
Trade payables	155.91	155.91	155.91	-	-
Other current financial liabilities	75.51	75.51	75.51	-	-
Total financial liabilities	**1,182.66**	**1,182.66**	**820.86**	**301.80**	**60.00**

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 recievables 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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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's is as follows

Particulars	USD	EUR	GBP	CHF	JPY
31 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)**
31 March 2022					
Financial assets/liabilities					
Trade receivables	4.03	0.00	0.00	0.00	0.00
Advances to suppliers	0.06	0.01	-	0.00	0.00
Foreign currency working capital borrowings	(1.68)	-	-	-	-
Trade Payables	(0.11)	(0.00)	-	-	-
Contract liabilities	(0.41)	-	-	-	-
Net statement of financial position exposure	1.89	0.01	0.00	0.00	0.00

(ii) Unhedged foreign currency exposure

Particulars	USD	EUR	GBP	CHF	JPY
31 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)
31 March 2022					
Financial assets/ liabilities					
Trade receivables	-	-	-	0.00	-
Advances to suppliers	0.06	0.01	-	0.00	-
Foreign currency working capital borrowings	(1.68)	-	-	-	-
Trade payables	(0.11)	(0.00)	-	-	-
Contract liabilities	(0.41)	-	-	-	-
Net statement of financial position exposure	**(2.14)**	**0.01**	**-**	**0.00**	**-**

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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 Financial instruments – Fair values and risk management (Contd.)

(iii) Derivative Instruments

Particulars	USD	EUR	GBP
31 March 2023			
Forward contract for export trade receivables outstanding	3.95	-	-
31 March 2022			
Forward contract for export trade receivables outstanding	4.53	0.01	-

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD 1	80.59	74.42	82.11	75.75
EUR 1	83.99	86.31	89.52	84.53
GBP 1	95.23	101.48	101.77	99.32
CHF 1	97.25	81.04	89.84	81.92
JPY 1	0.62	-	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.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 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)	-	-	-	-
JPY (10% movement)	(0.00)	0.00	-	-
31 March 2022*				
USD (10% movement)	0.19	(0.19)	0.12	(0.12)
EURO (10% movement)	0.00	(0.00)	-	-
GBP (10% movement)	0.00	(0.00)	-	-
CHF (10% movement)	0.00	(0.00)	-	-
JPY (10% movement)	-	-	-	-

* 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 2022-23 and financial year 2021-22, 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 (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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	
	As at 31 March 2023	As at 31 March 2022
Fixed-rate instruments		
Financial assets	-	-
Fixed deposits with Banks	1.71	1.71
Financial liabilities	-	-
	1.71	**1.71**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	950.93	942.11
	950.93	**942.11**

* 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
31 March 2023				
Variable-rate instruments	(4.75)	4.75	(3.09)	3.09
Cash flow sensitivity	**(4.75)**	**4.75**	**(3.09)**	**3.09**
31 March 2022				
Variable-rate instruments	(4.68)	4.68	(3.04)	3.04
Cash flow sensitivity	**(4.68)**	**4.68**	**(3.04)**	**3.04**

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.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

46 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
31 March 2023	71.04	(71.04)	46.46	(46.46)
31 March 2022	57.35	(57.35)	37.50	(37.50)

47 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 31 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 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 31 March 1965 were valued at pre-devaluation exchange rate, has been provided for.

48 Disclosure u/s 186(4) of the Companies Act, 2013 :

Particulars of Investments made:-

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Investment in 8.5% Non-Convertible Cumulative Redeemable Preference Shares (NCRPS) fully paid in M/s Palash Securities Limited (Refer note 10 & note 5 B)		
Fair value gain recognised during the year	0.17	0.15
Balance outstanding as at reporting date	1.24	1.07

49 Capital management and regulatory information

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 31 March 2023, 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 31 March 2023	As at 31 March 2022
Net debt*	939.05	927.75
Total debt (A)	**939.05**	**927.75**
Equity share capital	16.38	16.38
Other equity	1,093.02	1,083.59
Total equity (B)	**1,109.40**	**1,099.97**
Debt equity ratio (C=A/B)	**0.85**	**0.84**

*The Group includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents and other bank balances.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

49 Capital management and regulatory information (Contd.)

(ii) Return on equity

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year	37.28	150.23
Equity share capital	16.38	16.38
Other equity	1,093.02	1,083.59
Total equity	**1,109.40**	**1,099.97**
Return on equity ratio (%)	**3.36%**	**13.66%**

Reason for variance - variance in ratio is due to decrease in profit during the year.

(iii) Current ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Current assets (A)	1,212.04	1,191.70
Current liabilities (B)	921.08	858.97
Current ratio (C=A/B)	**1.32**	**1.39**

(iv) Inventory turnover

Particulars	As at 31 March 2023	As at 31 March 2022
Inventories	756.62	609.44
Cost of materials consumed, purchase of stock-in-trade, Changes in inventories of finished goods	1,658.21	1,604.37
Inventory turnover (days)	167	139
Inventory turnover ratio	**2.19**	**2.63**

Reason for variance - variance in ratio is due to increase in inventories as at 31 March 2023.

(v) Trade receivable turnover ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivable	324.72	442.06
Revenue from operations	3,074.23	3,076.46
Export incentive	47.38	44.98
Trade receivable Turnover (days)	39	53
Trade receivable turnover ratio	**9.32**	**6.86**

Reason for variance - Variance in ratio is due to decrease in debtors as at 31 March 2023.

(vi) Net profit ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year	37.28	150.23
Revenue from operations	3,074.23	3,076.46
Net profit ratio	**1.21**	**4.88**

Reason for variance - variance in ratio is due to decrease in profit during the year.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

49 Capital management and regulatory information (Contd.)

(vii) Return (PBIDT) to Capital Employed

Particulars	As at 31 March 2023	As at 31 March 2022
Profit before finance cost, depreciation and tax expenses (PBIDT) (A)	286.12	414.33
Equity share capital	16.38	16.38
Reserves and surplus	1,093.02	1,083.59
Long term borrowing	276.44	353.15
Short term borrowing	556.21	458.50
Current maturities of long-term debts	118.28	124.84
Capital employed (B)	2,060.33	2,036.46
Return (PBIDT) to capital employed % (C=A/B)	**13.89%**	**20.35%**

Reason for variance - variance in ratio is due to decrease in profit during the year.

(viii) Debt Service Coverage Ratio

Particulars	As at 31 March 2023	As at 31 March 2022
Profit for the year (before exceptional items)	73.66	150.23
Finance costs	57.92	49.77
Depreciation and amortization expense	126.88	121.03
Deferred tax	13.12	43.86
Earning for debt service (A)	**271.58**	**364.89**
Interest + Instalments due in respective year (B)	176.20	174.61
Debt service coverage ratio (C=A/B)	**1.54**	**2.09**

Reason for variance - Variance in ratio is due to decrease in operating profit during the year.

(ix) Trade payables turnover ratio (in times)

Particulars	As at 31 March 2023	As at 31 March 2022
Cost of materials consumed	1,801.76	1,618.89
Purchase of stock-in-trade	56.29	48.71
Add: Closing stock	307.74	361.42
Less: Opening stock	(361.42)	(270.74)
Other expenses	719.87	680.61
Total (A)	2,524.24	2,438.89
Average trade payables (B)	149.75	136.30
Trade payables turnover ratio (C=A/B)	**16.86**	**17.89**

Reason for variance - Variance in ratio is due to increase in material consumed and decrease in closing stock.

(x) Net Capital Turnover Ratios

Particulars	As at 31 March 2023	As at 31 March 2022
Revenue from operations	3,074.23	3,076.46
Total equity	1,109.40	1,099.97
Net capital turnover ratio	**2.77**	**2.80**

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

49 Capital management and regulatory information (Contd.)

(xi) Return on Investment

Particulars	As at 31 March 2023	As at 31 March 2022
Income generated from investments	0.06	-
Total Investments (refer note 5,10 and 13)	2.95	1.07
Return on Investment	**2.03%**	**0.00%**

Reason for variance - No income generated from Investments in previous year.

xii) 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 6.62 % (31 March 2022: 6.47%).

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 Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

50 Additional information as required under Schedule III to the Companies Act, 2013, of enterpirses 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
31 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**
31 March 2022				
1. Holding company	98.08	1,078.86	103.63	155.68
2. Foreign subsidiary company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC.)	1.92	21.11	(3.63)	(5.45)
	100.00	**1,099.97**	**100.00**	**150.23**

Name of the enterprise	Other comprehensive income for the year		Total comprehensive income for the year	
	As % of consolidated	Amount	As % of consolidated	Amount
31 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**
31 March 2022				
1. Holding company	(6,100.00)	(0.61)	103.21	155.07
2 Foreign subsidiary company				
Sutlej Holdings, Inc. (including American Silk Mills. LLC.)	6,200.00	0.62	(3.21)	(4.83)
	100.00	**0.01**	**100.00**	**150.24**

51 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 consolidated financial statement of the Company.

On account of increased input costs, competitive pressure and unfavourable market conditions in Damanganga unit, particularly upholstery and curtains, the Damanganga ("CGU") incurred significant losses during the year. The Group carried out an impairment assessment of the aforesaid CGU using the fair value less cost to sell model which is based on the replacement value of plant and machinery and market value of land and building. Fair valuation is calculated using certain assumptions i.e. prevailing market dynamics. The Group has also involved independent valuer to carry out the fair value of the property, plant and equipment of CGU.

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

51 (Contd.)

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 Equipments 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.

52 There was an incident involving a fire at the Baddi plant where certain raw material inventories were damaged during the previous year ended 31 March 2021. The Group has assessed the loss of inventory due to the said incident aggregating to Rs.9.06 crore and the same was netted off from loss on inventories due to fire recorded under consumption of raw material and was presented as a claim receivable under "Other Current Financial Assets" as at 31 March 2021. In the previous year the Group has received an amount of Rs.7.23 crore against the aforesaid insurance claim, hence shortfall of Rs.1.83 crore has recognised as loss by fire in the Statement of Profit and Loss account.

53 During the current year, 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 Company has taken appropriate steps to address the situation, including filing an FIR with the police. .

Notes to the Consolidated Financial Statements (Contd.)

(All amounts are in Rupees crore, unless otherwise stated)

54 Regulatory informations :

(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 does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

(v) 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.

(vi) 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.

(vii) 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).

(viii) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has one Core Investment Company ("CIC") as part of the Group i.e. Ganges Securities Limited (unregistered CIC).

(ix) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(x) 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.

Signature to notes 1 to 54

The accompanying notes are an integral part of the 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: 05 May 2023

For and on behalf of the Board of Directors of
Sutlej Textiles and Industries Limited

Rajan Dalal
Director
DIN: 00546264
Place: Mumbai
Date: 05 May 2023

C. S. Nopany
Executive Chairman
DIN: 00014587
Place: Mumbai
Date: 05 May 2023

Updeep Singh Chatrath
President & CEO
Place: Mumbai
Date: 05 May 2023

Rajib Mukhopadhyay
Whole time Director and CFO
DIN : 2895021
Place: Mumbai
Date: 05 May 2023

Manoj Contractor
Company Secretary
M.No. : A11661
Place: Mumbai
Date: 05 May 2023

Notes

Notes

sutlej
textiles and industries limited

Sutlej Textiles and Industries Limited