



2 June, 2015

The Vice - President,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
BSE CODE - 538119

Dear Sir / Madam,

Re: Updation in Annual Report 2015

Due to some error we have mailed you draft Annual Report 2015 on 30th may 2015. We want to replace the Annual report 2015 with the attached report, physical copy of the same we have already couriered to you on 30th may 2015.

In draft Annual report on page no.3 "Green Initiative" we have wrongly mentioned the financial year as 2013-14 and on page no. 4 we have wrongly mentioned whole time director as a chairman.

No other changes in the draft Annual report.

Kindly take the same on your record. And update your website with same.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Pradip Dave', written over a circular purple stamp.

Pradip Dave
(Company Secretary)



Encls. : As Above

L17120GJ2010PLC062949
www.rnbdenims.com

R&B Denims Ltd

Plot No. 467, Palsana, Sachin-Palsana Highway, Surat - 394315, Gujarat, India.
Tele/Fax +91 261 2891000 - 2896333



5th ANNUAL REPORT
OF
R & B DENIMS LTD
2014-15



R & B DENIMS LIMITED



Chairman's Message

Dear Stake holders,

The Indian denim industry is showing continual growth trends over the years. With newer territories, technologies and trends, the market is only going to see some exciting moments ahead. Consumers, especially the youth, in cities beyond the metros and mini metros are growing exceptionally aspirational. They are increasingly accepting denim as a core apparel category to be worn as an everyday casual garment.

Internationally, the numbers of denim making units in US has come down. This offers a huge opportunity for denim makers in India. Denim is one of the most promising category in India's apparel market. In 2013, the denim market of India was worth Rs. 13,500 Cr. which accounts for 5 percent of the total apparel market of the country. The market is projected to grow at a CAGR of 15 percent to become Rs. 27,200 Cr. market in 2018. The denim market in India is skewed towards men's segments with 85 percent contribution coming from it. Women's denim segment contributes 9 percent to the market and the kids segment the rest 6 percent. The women's and kid's denim segments are expected to witness higher growth rates due to their lower prices and increasing focus of brands and retailers on those segments.

The value share of denim market is skewed in favour of mega metros and metros which account for almost half of the total denim market at a share of 49 percent. Though the markets of other urban areas and rural India contribute high in volume terms, their combined share in market value is only 51 percent.

As the penetration of denim category and the awareness of denim quality increases in those cities and rural India, their share in market value will start increasing with more number of consumers willing to pay premium for the quality, design and fit.

Denim is primarily produced from cotton and India is expected to overcome China as the single largest producer of cotton in 2015. The country is the second largest producer of cotton yarn. The denim fabric production capacity of India is more than 1,000 million meters per year, and India is still witnessing entrance of more denim fabric manufacturers in the industry.

Denim fabric production in India is concentrated in the western and a northern part of the country with more than 45 percent contribution coming from Gujarat is the production hub.

I am Pleased to report that in light of the above stated facts your company is confident to achieve new milestones in its journey towards sustainable growth through total excellence. R & B Denims Limited has pursued business excellence through passion, Perseverance and precision cum expansion projects successfully thereby improved its cost competitiveness and profitability despite depreciation in rupee against dollar, rising interest rate and high inflation.

We expect our growth strategy will place significant demands on our managerial, financial and other resources. We took a number of improvement initiatives to further sharpen our cost competitiveness through value engineering, technology up-gradation and enhanced value addition. To deliver the best quality & compete in export market we have further made expansion with value addition of machinery with a CAPEX of Rs. 600 Lacs.

Before concluding, let me assure of our commitment to create value for our stakeholders and thanks to our Board of directors for their constant guidance and support. We value the trust repose on us by our shareholders, bankers, employees, suppliers, associates and our loyal customers for their continued support.

Rajkumar Borana
Chairman & Mg. Director

(This does not purport to be part of the proceeding at the meeting)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rajkumar Borana Chairman / Managing Director
Mr. Amitkumar Dalmia Whole time Director
Mr. Deepak Dalmia Whole time Director
Mr. Ankur Borana Whole time Director

COMPANY SECRETARY

Mr. Pradip K. Dave

AUDITORS

PRADIP SINGHI & ASSOCIATES

A/501, President Plaza
Near R.T.O., Ring Road,
Nanpura, Surat. (Gujarat)

BANKERS

Bank of India

Surat Mid Corporate Branch,
Ghod Dod Road, Surat. (Gujarat)

HDFC Bank Limited

Rivaa House
Near Udhna Darwaja
Ring Road, Surat. (Gujarat)

AUDIT COMMITTEE

Mr. Girish Kumar Kalawatia, Chairman
Mr. Dharmesh Mehta
Mr. Rajkumar Borana
Mrs. Prerna Jain

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Girish Kumar Kalawatia, Chairman
Mr. Amit Dalmia
Mrs. Prerna Jain

NOMINATION AND REMUNERATION COMMITTEE

Mr. Girish Kumar Kalawatia, Chairman
Mr. Manaklal Tiwari
Mr. Dharmesh Mehta
Mrs. Prerna Jain

REGISTERED OFFICE

Block no 467, Sachin Palsana Road,
Palsana, Surat - 394315 (Gujarat)

REGISTRAR & SHARE TRANSFER AGENT

M/S BIGSHARE SERVICES PRIVATE LIMITED

E-2/3 Ansa Industrial Estate, Sakivihar, Sakinaka,
Andheri (East), Mumbai - 400 072

5th Annual General Meeting

DATE : 22nd June, 2015

VENUE : Block No 467, Sachin
Palsana Road, Palsana,
Surat-394315

TIME : 11.00 A.M.

INSTRUCTION TO THE MEMBERS

Members are requested to bring their copy of Annual report at the meeting, as copies of the same will not be circulated at the AGM as a measure of economy.

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OPERATING & FINANCIAL DATA

(Rs. in Thousands)

| OPERATING DATA | 2014-15 | 2013-14 |
|--|---------------------|---------------------|
| Sales & Income from operation | 1,544,346.65 | 1,072,804.11 |
| Other Income | 21,931.71 | 17,307.05 |
| Total | 1,566,278.36 | 1,090,111.16 |
| | | |
| Raw Material Consumed | 1,202,505.76 | 928,669.21 |
| Increase (Decrease) in Inventories | 43,151.32 | -57,447.90 |
| Staff Cost | 71,973.62 | 46,884.38 |
| Financial cost | 44,754.59 | 38,780.95 |
| Admn Exp & Selling & Dist. Exp. | 111,631.59 | 77,142.53 |
| Depreciation | 84,532.69 | 50,575.22 |
| Total | 1,558,549.58 | 1,084,604.39 |
| | | |
| Profit/Loss before Exceptional Items & Taxation | 7,728.79 | 5,506.77 |
| Prior Period Items | | 1,783.86 |
| Profit/Loss before Taxation | 7,728.79 | 3,722.91 |
| | | |
| Provision for Current year Tax | 1,472.72 | 1,066.99 |
| Provision for MAT Credit | 1,429.83 | 1,364.63 |
| Provision for Deferred Tax Liability | | 2,286.80 |
| Provision for Tax | | |
| | | |
| Profit & Loss after Taxation | 3,688.19 | 1,733.74 |
| Earnings per Share (EPS) | 0.27 | 0.20 |
| | | |
| FINANCIAL DATA | | |
| Share Capital | 139,946.88 | 102,846.88 |
| Share Application Money | - | - |
| Reserve & Surplus | 151,104.03 | 147,415.84 |
| Deferred Tax Liability | 6,279.31 | 2,286.80 |
| Loan Funds | 236,051.14 | 252,738.77 |
| Capital & Funds Employed | 533,381.36 | 505,288.29 |
| | | |
| Fixed Assets (Gross) | 615,312.04 | 551,834.83 |
| Depreciation | 172,836.39 | 88853.99 |
| Fixed Assets (Net) | 442,475.65 | 462,980.84 |
| Investments | - | - |
| Current Assets | 246,897.65 | 279,343.39 |
| Current Liabilities & Provisions | 155,991.94 | 237,035.94 |
| Net Current Assets | 90,905.71 | 42,307.45 |
| Misc. Exp. Not Written off | - | - |
| Capital & Funds Applied | 533,381.36 | 505,288.29 |

KEY EVENTS AND MILESTONE

| Year | Key Events /Milestone/Achievements |
|------|--|
| 2010 | Incorporation of the Company |
| 2011 | Conversion of the Company from Private Limited to Public Limited Company |
| | Increase in the Authorized share Capital of the Company from Rs. 2,50,00,000 (25,00,000 Equity shares of Rs. 10/- each) to Rs. 5,50,00,000 (55,00,000 Equity shares of Rs. 10/- each) |
| 2012 | Commencement of Commercial Production |
| 2013 | Increase in the Authorized share Capital of the Company from Rs. 5,50,00,000 (55,00,000 Equity shares of Rs. 10/- each) to Rs. 25,50,00,000 (2,55,00,000 Equity shares of Rs. 10/- each) |
| | Phase II Development takes pride of increasing production almost double |
| 2014 | Achieve Turnover of Rs. 100.00 Crores |
| | On 22 nd day of April, 2014 the Company Listed on SME platform of Bombay Stock Exchange (BSE) |
| 2015 | Successfully completed Phase III expansion by installing state of the art (value addition) machineries for producing export quality denim fabric. |
| | Nominated for Skoch Achiever Award 2015 one amongst 200 out of nearly 500,000 SME organizations in India. |

NOTICE OF THE ANNUAL GENERAL MEETING

TO,
THE MEMBERS

Notice is hereby given that the 5th Annual General meeting of members of **M/S R & B DENIMS LIMITED** will be held on 22nd day of June, 2015 at 11.00 a.m. at registered office of the Company situated at Block No.467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India to conduct the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2015 including audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. Declaration of dividend on Equity Shares.
3. To appoint a director in place of Mr. Deepak. A. Dalmia (holding DIN 00050547), who retires by rotation at this annual general meeting and being eligible offers himself for re-appointment.
4. To appoint the Auditors and authorise the Board of Directors to fix their remuneration and in this regard to consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under M/s Pradeep Singhi & Associates, Chartered Accountants (ICAI Registration No.108029W), be and is hereby re-appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company at such remuneration as shall be fixed by the Board of Directors of company."

SPECIAL BUSINESS

5. To approve the remuneration of the Cost Auditors for the Financial year ending March 31, 2016 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Messrs V.M. Patel & Associates., Cost Accountants (Membership. No. 32082), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending 31st March 2016 be paid a remuneration of Rs. 35000/- (Rupees Thirty Five Thousand only) plus applicable service tax and out of pocket expenses that may be incurred during the course of audit and the said remuneration be and is hereby ratified by the members."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

DATE: 20/05/2014
PLACE: SURAT

By Order of Board of Director

Registered Office :

Block No.467, Sachin Palsana Road,
Palsana, Surat-394315,
Gujarat, India
CIN: L17120GJ2010PLC062949
E-mail: compliance@rnbdenims.com

SD/-
Pradip Dave
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE LODGED WITH THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER
4. THE BUSINESS SET OUT IN THE NOTICE WILL BE TRANSACTED THROUGH ELECTRONIC VOTING SYSTEM AND THE COMPANY IS PROVIDING FACILITY FOR VOTING BY ELECTRONIC MEANS. INSTRUCTIONS AND OTHER INFORMATION RELATING TO E-VOTING ARE GIVEN IN THIS NOTICE UNDER NOTE NO. 11. THE COMPANY WILL ALSO SEND COMMUNICATION RELATING TO REMOTE E-VOTING WHICH INTER ALIA WOULD CONTAIN DETAILS ABOUT USER ID AND PASSWORD.
5. CORPORATE MEMBER(S) INTENDING TO SEND THEIR AUTHORIZE REPRESENTATIVE(S) TO ATTEND THE MEETINGS ARE REQUESTED TO SEND TO THE COMPANY A CERTIFIED TRUE COPY OF THE BOARD RESOLUTION PERUSING TO SECTION 113 OF THE COMPANIES ACT, 2013 AUTHORISING THEIR REPRESENTATIVE(S) TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING.
6. IN TERMS OF SECTION 152 OF THE COMPANIES ACT, 2013, MR. DEEPAK. A. DALMIA (DIN 00050547) DIRECTOR, RETIRE BY ROTATION AT THE MEETING AND BEING ELIGIBLE, OFFERS HIMSELF FOR REAPPOINTMENT. THE BOARD OF DIRECTORS OF THE COMPANY COMMEND HIS RE-APPOINTMENT. BRIEF RESUME OF DIRECTOR TO BE RE-APPOINTED, NATURE OF HIS EXPERTISE IN SPECIFIC FUNCTIONAL AREAS, NAMES OF COMPANIES IN WHICH HE HOLD DIRECTORSHIPS AND MEMBERSHIPS / CHAIRMANSHIPS OF BOARD COMMITTEES, SHAREHOLDING ARE PROVIDED IN THE CORPORATE GOVERNANCE REPORT FORMING PART OF THE ANNUAL REPORT.
7. THE REGISTER OF MEMBERS AND TRANSFER BOOKS OF THE COMPANY WILL BE CLOSED FROM TUESDAY, JUNE 16, 2015 TO SATURDAY JUNE 20, 2015, BOTH DAYS INCLUSIVE.
8. ELECTRONIC COPY OF THE ANNUAL REPORT FOR 2014-15 IS BEING SENT TO ALL THE MEMBERS WHOSE EMAIL IDS ARE REGISTERED WITH THE COMPANY/ DEPOSITORY PARTICIPANT(S) FOR COMMUNICATION PURPOSES UNLESS ANY MEMBER HAS REQUESTED FOR A HARD COPY OF THE SAME. FOR MEMBERS WHO HAVE NOT REGISTERED THEIR EMAIL ADDRESS, PHYSICAL COPIES OF THE ANNUAL REPORT FOR 2014-2015 IS BEING SENT IN THE PERMITTED MODE.

9. MEMBERS SEEKING ANY INFORMATION WITH REGARD TO THE FINANCIAL STATEMENTS ARE REQUESTED TO WRITE TO THE COMPANY AT LEAST 7 DAYS BEFORE THE MEETING SO AS TO ENABLE THE MANAGEMENT TO KEEP THE INFORMATION READY AT THE MEETING. CHANGE OF ADDRESS, IF ANY, SHOULD BE NOTIFIED TO THE COMPANY IMMEDIATELY.
10. THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) HAS MANDATED THE SUBMISSION OF PERMANENT ACCOUNT NUMBER (PAN) BY EVERY PARTICIPANT IN SECURITIES MARKET. MEMBERS HOLDING SHARES IN ELECTRONIC FORM ARE, THEREFORE, REQUESTED TO SUBMIT THEIR PAN TO THEIR DEPOSITORY PARTICIPANTS WITH WHOM THEY ARE MAINTAINING THEIR DEMAT ACCOUNTS. MEMBERS HOLDING SHARES IN PHYSICAL FORM CAN SUBMIT THEIR PAN TO THE COMPANY / SHARE TRANSFER AGENT.
11. VOTING THROUGH ELECTRONIC MEANS
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 19th June, 2015 (9:00 am) and ends on 21st June, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th June, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "R & B denims Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@rnbdenims.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15th June, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 15th June, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - XIII. Shah Jainam Navinchandra, Practicing Company Secretary, Proprietor of M/s. Jainam N. Shah & Co., of Surat (Membership No. 35397) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.rnbdenims.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
12. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the company on any working day excluding public holidays and Sundays, between 11.00 A.M. to 1.00 P.M. upto and including the date of Annual General Meeting

DATE: 20/05/2014
PLACE: SURAT

By Order of Board of Director

Registered Office :

Block No.467, Sachin Palsana Road,
Palsana, Surat-394315,
Gujarat, India
CIN: L17120GJ2010PLC062949
E-mail: compliance@rnbdenims.com

SD/-
Pradip Dave
Company Secretary

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2016 as per the following details:

| Sr. No. | Name of the Cost Auditor | Audit Fees (Rs.) |
|---------|--------------------------------|------------------|
| 1 | Messrs V.M. Patel & Associates | 35,000 |
| | | |

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

DATE: 20/05/2014
PLACE: SURAT

By Order of Board of Director

Registered Office :

Block No.467, Sachin Palsana Road,
Palsana, Surat-394315,
Gujarat, India
CIN: L17120GJ2010PLC062949
E-mail: compliance@rnbdenims.com

SD/-
Pradip Dave
Company Secretary

BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To The Members of
R & B Denims Limited

The Directors take pleasure in presenting the Fifth Annual Report together with the audited financial statements for the year ended March 31, 2015. The Management Discussion and Analysis has also been incorporated into this report.

1. HIGHLIGHTS OF PERFORMANCE

- Standalone net sales for the year was Rs. 1,544,346.65 (in thousands) as compared to Rs. 1,072,804.11 (in thousands) in 2014, a growth of 43.95%;
- Standalone profit before tax for the year was Rs. 7,728.79 (in thousands) as compared to Rs. 5506.77 (in thousands) in 2014;
- Standalone Profit after tax for the year was Rs. 3,688.19 (in thousands) as compared to Rs. 1,733.74 (in thousands) in 2014.

2. FINANCIAL RESULTS

| (Rs. In thousands) | | |
|---|-----------------------|-----------------------|
| Particulars | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
| Sales/ Business Income | 1,544,346.65 | 1,072,804.11 |
| Other Income | 21,931.71 | 17,307.05 |
| Total Income | 1,566,278.36 | 1,090,111.16 |
| Profit Before Tax and Exceptional Items | 7,728.79 | 5,506.77 |
| Exceptional Items | - | (1,783.86) |
| Profit before Taxation | 7,728.79 | 3,722.91 |
| Income Tax | (1,477.92) | (1,066.99) |
| Deferred Tax | (3,992.50) | (2,286.80) |
| MAT Credit Provision | 1,429.83 | 1,364.63 |
| Profit after Taxation | 3,688.19 | 1,733.74 |

The financial year 2014-15 has been a very successful and important year for the Company. In this year, company brought an Initial Public Offer Issue and listed on SME Platform of Bombay Stock Exchange (BSE)

3. TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(I) OF THE COMPANIES ACT, 2013

For the financial year ended on March 31, 2015, the Company is proposed to carry an amount of Rs 3,688.19 (in thousands) to Balance Sheet under the head General Reserve Account.

4. DIVIDEND

During the year Company has earned adequate profit and your directors have decided to plough back the profit into the business and hence no dividend could be recommended.

5. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

6. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was Rs. 139,946.88 (in thousands). During the year under review, the Company has issued 3,710,000 Equity shares of Rs. 10/- each without differential voting rights. As on March 31, 2015, the Directors of the Company holds 21.32% shares of the Company.

7. FINANCE

Cash and cash equivalent as at March 31, 2015 was Rs. 8,040.85 (in thousands) The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

ACCEPTANCE OF DEPOSITS

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the "Annexure-A" to the Board of Directors Report.

8. OPERATIONS

As per the latest GDP growth estimates, Indian economy grew by 7.4% in FY15 compared to 6.9% in FY14, mostly driven by improved economic fundamentals and revision of GDP methodology calculation. Even inflation showed signs of moderation, a welcome sign - wholesale price and consumer price inflation declined to 4.2% and 7.4% respectively. Compare with the last year's 6.3% and 10.1% However, high interest rates, a depreciated currency led to deceleration in the economic recovery. Particularly, performance of industry sector was lackluster last year, owing to high interest cost and low investment. In the backdrop of above macro-economic scenario, the performance of your Company is highly encouraging. Your Company has closed the financial year 2014-15 with 44% growth in sales and PBT (excluding Exceptional items) has shown a growth of 40.35% compared to the previous year. Your Company has achieved the growth across all business segments.

9. DENIM INDUSTRY OUTLOOK AND OPPORTUNITIES

The Indian denim industry is showing continual growth trends over the years. With newer territories, technologies and trends, the market is only going to see some exciting moments ahead. Consumers, especially the youth, in cities beyond the metros and mini metros are growing exceptionally aspirational. They are increasingly accepting denim as a core apparel category to be worn as an everyday casual garment.

Denim is of the most promising category in India's apparel market. In 2013, the denim market of India was worth Rs. 13,500 Cr. which accounts for 5 percent of the total apparel market of the country. The market is projected to grow at a CAGR of 15 percent to become Rs. 27,200 Cr. market in 2018. The denim market in India is skewed towards men's segments with 85 percent contribution coming from it. Women's denim segment contributes 9 percent to the market and the kids segment the rest 6 percent. The women's and kid's denim segments are expected to witness higher growth rates due to their lower base and increasing focus of brands and retailers on those segments.

The value share of denim market is skewed in favour of mega metros and metros which account for almost half of the total denim market at a share of 49 percent. Though the markets of other urban areas and rural India contribute high in volume terms, their combined share in market value is only 51 percent.

As the penetration of denim category and the awareness of denim quality increases in those cities and rural India, their share in market value will start increasing with more number of consumers willing to pay premium for the quality, design and fit.

Denim is primarily produced from cotton and India is expected to overcome China as the single largest producer of cotton the world in 2015. The country is the second largest producer of cotton yarn. The denim fabric production capacity of India is more than 1,000 million meters per year, and India is still witnessing entrance of more denim fabric manufacturers in the industry.

Denim fabric production in India is concentrated in the western and a northern part of the country with more than 45 percent contribution coming from Gujarat is the production hub.

10. COSTS-DENIM BUSINESS

During the year 2014, the economy witnessed an upward movement in the overall cost structure and the Company continued to focus on cost improvements through its excellent programs.

Cost of materials consumed

Cost of materials consumed accounted for 78% of total income from operations (87% in 2014). Cost of material consumed increased by 29% in 2015 over 2014. Yarn prices were increased by 23% in 2015 as compared to 2014 while Coal/Lignite prices were increased by 84% in 2015 as compared to 2014. Color/Chemical prices increased by 66% in 2015 over 2014. The cost of material consumed during the year increased on account of fully utilization of capacity of Plant and machinery installed.

Power & Fuel

The power and fuel spend was Rs. 146,167.66 (in thousands) which constitutes 9% of the total income from operations of the company. Coal cost increased by 130% in 2015 over 2014 while Electricity purchased increased by 42% in 2015 over 2014 mainly on account of a fully utilization of capacity of Plant and machinery installed.

Other Expenditure

Other expenditure constitutes 1% of total income from operations of the Company. The increase in other expenditure was 18% in 2015 over 2014.

11. SUSTAINABLE DEVELOPMENT

Sustainability has been deeply embedded into the Company's business and has become an integral part of its decision making process while considering social, economic and environmental dimensions. During the year 2014-15, a Sustainability Development was developed with a focus on the following areas:

- a. Dust Emissions
- b. Air Emissions

Dust Emissions

- Our Company is a member of Gujarat Eco-Textile Park (GETP), The Park help us to reduce dust pollution. The Company has also implemented various measures across all its operations to control fugitive emissions.

Air Emissions

- Initiatives were taken to reduce air pollution cause due to production processes. Company has taken license from Gujarat Pollution Control Board (GPCB). The officers of the board often comes on a surprise visit to our factory and takes the sample of air to verify level of air pollution. The samples are tested by GPCB in their own laboratory and report is issued to us.

12. HEALTH & SAFETY

Health & Safety (H&S) remains the Company's top priority. Our company is equipped with proper first aid facilities, Medical facilities and stretchers. The shift supervisors have been trained in basic life support techniques.

With regard to safety, two key areas of focus identified were Facility Management for the employees and Equipment, Tools & Material Management. The Facility Management initiative was implemented to ensure adequate welfare facilities for employees such as washrooms with bathing facilities, rest rooms, proper availability of drinking water etc. The Equipment, Tools & Material Management program ensured that the tools used by employees were safe and the company provides earplugs, helmet, nose & face mask, hand gloves, safety shoes to protect its employees. The process of screening of employees was made more stringent to ensure that the employees were aligned with the Company's objectives.

13. HUMAN RESOURCES

Many initiatives have been taken to support business through organizational efficiency, process change support, and various employees' engagement programs, which have helped the Organization, achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/functional capabilities in order to meet future talent requirement.

The Company's HR processes such as hiring and on boarding, fair transparent performance evaluation and talent management process, and market aligned policies have been seen as at good level practices in the Industry.

Employees of Choice:

The Company has positioned itself as one of the best companies to work for. Employees have option to work with the world class technologies and have flexibility to pursue different functions. Employees are encouraged to express their views and are empowered to work independently. Employees are given the opportunity to learn through various small projects, which make them look at initiatives from different perspectives and thus provide them with a platform to become result oriented. This has helped greatly in overall development of the employee and has significantly arrested the attrition rate.

Leadership Development:

As a part of leadership development, talented employees have been seconded to the senior leadership team to mentor them and prepare them for the next higher role. Apart from this, a large number of senior, middle and other employees are sent for leadership programs or are assigned to small independent projects, which are planned for identified talent.

Industrial Relation:

The Company shares relevant business information with the union in order to enlighten them and make them sensitive towards business requirements. This has helped to build a healthy relationship and resolve issue through mutual dialogue.

Individual Development Planning:

This is an annual process tied to business planning and the budget cycle, whereby the management in our organization establishes training goals and plans for employees of the organization.

14. CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of the Company hereby confirms that the provisions of Section 135(1) of the Companies Act, 2013 is not applicable to our company.

15. BUSINESS RISK MANAGEMENT

The Board of Directors of the Company hereby confirms that, according to the provisions contained in circular no. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014 of SEBI, clause 49 of the listing agreement is not applicable to our company.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

17. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance. The Company has a vigil mechanism and whistle blower policy to deal with unethical behavior, fraud or violation of the Company's code, if any. 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. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://www.rnbdenims.com/images/VIGIL%20MECHANISM%20FOR%20DIRECTORS%20AND%20EMPLOYEES.pdf>

18. DIRECTORS

The members had appointed Mrs. Perna Jain as Independent Director in the Fourth AGM of the Company pursuant to the provisions of Section 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 for a period of 5 years with effect from September 22, 2014.

Mr. Kapil Hemantkumar Hojiwala former Independent Director retired from the services of the Company with effect from August 25, 2014.

The Board has placed on record its appreciation for the outstanding contributions made by Mr. Kapil Hemantkumar Hojiwala during their respective tenures of office.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Deepak A Dalmia retires by rotation and is eligible for re-appointment.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Meetings

Meetings is prepared and circulated in advance to the Directors. During the year, Board Meetings and Committee Meetings were convened and held. The details of which are given herein below and also in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Details of Meetings held during the F.Y. 2014-15

| Sr. No. | Date of Meeting | Class of Meeting | Board Strength | No. of Directors Present |
|----------------|------------------------|--------------------------------------|-----------------------|---------------------------------|
| 1 | 10/04/2014 | Stakeholders' Relationship Committee | 3 | 3 |
| 2 | 11/04/2014 | Board of Director Meeting | 8 | 6 |
| 3 | 10/05/2014 | Audit Committee | 4 | 4 |
| 4 | 25/05/2014 | Board of Director Meeting | 8 | 6 |
| 5 | 10/06/2014 | Board of Director Meeting | 8 | 4 |
| 6 | 21/07/2014 | Stakeholders' Relationship Committee | 3 | 3 |
| 7 | 18/08/2014 | Nomination & Remuneration Committee | 4 | 4 |
| 8 | 24/08/2014 | Audit Committee | 4 | 4 |
| 9 | 25/08/2014 | Board of Director Meeting | 8 | 6 |
| 10 | 30/09/2014 | Board of Director Meeting | 8 | 6 |
| 11 | 05/11/2014 | Stakeholders' Relationship Committee | 3 | 3 |
| 12 | 12/11/2014 | Audit Committee | 4 | 4 |
| 13 | 14/11/2014 | Board of Director Meeting | 8 | 8 |
| 14 | 10/02/2015 | Board of Director Meeting | 8 | 4 |
| 15 | 17/02/2015 | Nomination & Remuneration Committee | 4 | 4 |
| 16 | 25/02/2014 | Stakeholders' Relationship Committee | 3 | 3 |
| 17 | 02/03/2015 | Audit Committee | 4 | 4 |

19. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

20. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large and the details of which is prescribed in **Form AOC-2 as an "Annexure-B"** attached to this report.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions, which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The statement is supported by a Certificate from the CEO & MD and the CFO.

None of the Directors has any pecuniary relationships or transactions vis-a-vis the Company

21. AUDITORS

Statutory Auditors

The Company's Auditors, Messrs PRADEEP SINGHI & ASSOCIATES, Chartered Accountants, Surat who retire at the ensuing Annual General Meeting of the Company are eligible for reappointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. 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.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its denim activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Messrs V. M Patel & Associates to audit the cost accounts of the Company for the financial year 2014-15 on a remuneration of Rs. 35,000 plus Service tax, if applicable and out of pocket expenses. As required under the Companies Act, 2013, 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 Messrs V. M Patel & Associates, Cost Auditors is included at Item No. 5 of the Notice convening the Annual General Meeting.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 The Board has appointed Messrs JAINAM N SHAH & CO, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as "Annexure C" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

22. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders.

Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively affect the socio-economic and environmental dimensions and contribute to sustainable growth and development.

23. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report. The Report on Corporate Governance by Auditor is annexed herewith as "Annexure-D".

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure-E".

25. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure-F".

26. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure-G of the Annual Report

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours of the Company up to the date of the ensuing Annual General Meeting and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.

27. ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors gratefully acknowledge all stakeholders of the Company viz. workers, staff, customers, members, dealers, vendors, banks, concerned authorities and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

28. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

29. DISCLAIMER

Certain statements in this report relating to Company's objectives, projections, outlook, expectations, estimates, etc may be forward looking statements within the meaning of applicable laws and regulations. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, actual results or performance could differ materially from such expectations, projections, etc whether express or implied as a result of among other factors, changes in economic conditions affecting demand and supply, success of business and operating initiatives and restructuring objectives, change in regulatory environment, other government actions including taxation, natural phenomena such as floods and earthquakes, customer strategies, etc over which the Company does not have any direct control.

BY ORDER OF THE BOARD OF DIRECTORS

SD/-

Place: **SURAT**

Date: 20/05/2015

Amitkumar Anandbhai Dalmia
(Chairman & Whole-time Director)

DIN: 00034642

Add: C/602/603 Regency Tower, Dumas Road,
Piplod, Surat-394550

“ANNEXURE-A”**LOANS, GUARANTEES AND INVESTMENTS**

The Company has not grant any Loans, not given any Guarantee and does not made any Investments pursuant to section 186 of the Companies Act, 2013 in the financial year ended March 31, 2015:

| SN | Date of Transaction | Particular/Purpose/Nature of Transaction | Amount of Transaction |
|----------------|---------------------|--|-----------------------|
| NOT APPLICABLE | | | |

“ANNEXURE-B”**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 arms length transactions under third proviso thereto

| 1. Details of contracts or arrangements or transactions not at arm's length basis | | | |
|--|---|----------------|--|
| Sr. No. | | | |
| (a) | Name(s) of the related party and nature of relationship | NOT APPLICABLE | |
| (b) | Nature of contracts/arrangements/transactions | | |
| (c) | Duration of the contracts / arrangements/transactions | | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | | |
| (e) | Justification for entering into such contracts or arrangements or transactions | | |
| (f) | Date(s) of approval by the Board | | |
| (g) | Amount paid as advances, if any: | | |
| (h) | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | | |

2. Details of contracts or arrangements or transactions at arm's length basis

| Sr. No. | | |
|---------|---|---|
| (a) | Details of material contracts or arrangement or transactions at arm's length basis | Lease Rent paid by the Company to: I. Amit Kumar Dalmia- Promoter II. Ankur Borana- Promoter III. Deepak Dalmia- Promoter IV. Rajkumar Borana- Promoter |
| (b) | Nature of contracts/arrangements/transactions | Lease Rent |
| (c) | Duration of the contracts / arrangements/transactions | 12 Months |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | NA |
| (e) | Date(s) of approval by the Board, if any: | 11/04/2014 |
| (f) | Amount paid as advances, if any: | NA |

BY ORDER OF THE BOARD OF DIRECTORS

SD/-Place: **SURAT**

Date: 20/05/2015

Amitkumar Anandbhai Dalmia
(Chairman & Whole-time Director)

DIN: 00034642

Add: C/602/603 Regency Tower, Dumas Road,
Piplod, Surat-394550

"ANNEXURE-C"Form No. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

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

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

To,
The Members,
R & B Denims Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by R & B Denims 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 R & B Denims Limited 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 March 31, 2015 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 March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i. Employees Provident Fund and Miscellaneous Provisions Act, 1952
- j. Employees State Insurance Act, 1948
- k. Employers Liability Act, 1938
- l. Environment Protection Act, 1986 and other environmental laws
- m. Equal Remuneration Act, 1976
- n. Factories Act, 1948
- o. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
- p. Indian Contract Act, 1872
- q. Income Tax Act, 1961 and Indirect Tax Laws
- r. Indian Stamp Act, 1999
- s. Industrial Dispute Act, 1947
- t. Maternity Benefits Act, 1961
- u. Minimum Wages Act, 1948
- v. Negotiable Instruments Act, 1881
- w. Payment of Bonus Act, 1965
- x. Payment of Gratuity Act, 1972
- y. Payment of Wages Act, 1936 and other applicable labour laws

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited

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:

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.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

It seems that the company has not filed form regarding appointment of internal auditor within the time prescribed

I further report that during the audit period, there were instances of:

- i. Public Issue of 3,710,000 Equity shares of Rs. 10/- each without differential voting rights.

- ii. No Redemption / buy-back of securities
- iii. No Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. No Merger / amalgamation / reconstruction, etc. take place
- v. No Foreign technical collaborations take place during the audit year

Place: **SURAT**

Date: 20/05/2015

SD/-

Shah Jainam Navinchandra-Proprietor
JAINAM N SHAH & CO.
M. No.:35397
C P No. 13108

"ANNEXURE-E"

FORM A

Form for Disclosure of Particulars with respect to Conservation of Energy

(Amount in Rs.)

| Power and fuel consumption | Current Year | Previous Year |
|--------------------------------------|--------------|---------------|
| | 2014-15 | 2013-14 |
| A. Power and fuel consumption | | |
| 1. Electricity | | |
| (A) Purchased | | |
| Unit (Lacs KWH) | 15,117,088 | 10,935,104 |
| Total amount (Rs. In Lacs) | 95,747,269 | 67,429,921 |
| Rate / unit (KWH) | 6.33 | 6.17 |
| 2. Coal | | |
| Quantity (tonnes) | 13,116 | 7,127 |
| Total cost (Rs.) | 50,319,840 | 21,870,991 |
| Average rate (Rs.) | 3,837 | 3,069 |
| 3. Diesel oil | | |
| Quantity (k. ltrs.) | 1,600 | 12,200 |
| Total amount (Rs.) | 100,554 | 707,716 |
| Average rate (Rs.) | 63 | 58 |

Note: Diesel Oil consumption is only for backup power of system and not for production.

Foreign Exchange Inflow & Outflow:

Inflow: NIL

Outflow: US \$: 1,292,568.60
Euro: 2,278.75
Yen: 665,919

"ANNEXURE-F"**EXTRACT OF ANNUAL RETURN**

as on the financial year ended March 31, 2015

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

FORM NO. MGT - 9

| I Registration and other details | |
|---|--|
| CIN: | L17120GJ2010PLC062949 |
| Registration Date | 17 th November, 2010 |
| Name of the Company | R & B DENIMS LIMITED |
| Category / Sub-Category of the Company | Company having Share Capital |
| Address of the Registered Office and contact details | Block No. 467 Sachin Palsana Road, Palsana, Surat-394315 Tel. No. +91-96 01 281648 |
| Whether listed company | Yes |
| Name, address and contact details of Registrar and Transfer Agent, if any | Bigshare Services Private Limited E-3, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Mumbai-400072 Tel. No. 022-40430200 |

| II Principal Business Activities of the Company | | | |
|--|--|-----------------------------------|------------------------------------|
| All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated: | | | |
| Sr. No. | Name and Description of main Products / Services | NIC Code of the Product / Service | % to total turnover of the Company |
| 1 | Manufacturing and sale of quality Denim Textile Products | 5209 & 5211 | 100% |

| III Particulars of Holding, Subsidiary and Associate Companies | | | | | |
|---|---------------------------------|---------|--------------------------------|------------------|--------------------|
| <i>[No. of Companies for which information is being filled]</i> | | | | | |
| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
| NOT APPLICABLE | | | | | |

IV Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual / HUF | - | 3981678 | 3981678 | 38.72 | 3981678 | - | 3981678 | 28.45 | (10.27) |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | |
| d) Bodies Corporate | - | 1875000 | 1875000 | 18.23 | 1875000 | | 1875000 | 13.40 | (4.83) |
| e) Banks / FI | - | - | - | - | - | - | - | - | - |
| F) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-Total (A)(1): | - | 5856678 | 5856678 | 56.95 | 5856678 | - | 5856678 | 41.85 | (15.10) |
| (2) Foreign | - | - | - | - | - | - | - | - | - |
| a) NRIs Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoters (A) = (A)(1)+(A)(2) | - | 5856678 | 5856678 | 56.95 | 5856678 | - | 5856678 | 41.85 | (15.10) |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt(s) | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|---|-----------------|-----------------|--------------|-----------------|----------------|-----------------|--------------|--------------|
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1): | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| (i) Indian | - | 3750000 | 3750000 | 36.46 | 2060000 | 3750000 | 5810000 | 41.52 | 5.06 |
| (ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| (i) Individual s Sharehold ers holding nominal share capital upto Rs. 1 lakh | - | 10 | 10 | 0.00 | 320000 | 10 | 320010 | 2.29 | 2.28 |
| (ii) Individual sharehold ers holding nominal share capital in excess of Rs. 1 lakh | - | 678000 | 678000 | 6.59 | 2008000 | 0 | 2008000 | 14.35 | 7.76 |
| c) Others (Specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2): Total Public Shareholding (B)=(B)(1)+(B)(2) | - | 4428010 | 4428010 | 43.05 | 4388000 | 3750010 | 8138010 | 58.15 | 15.10 |
| C. Shares Held by Custodian for GRDs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 10284688 | 10284688 | 100 | 10244678 | 3750010 | 13994688 | 100 | - |
| | | | | | | | | | |

| <i>ii) Share holding Pattern</i> | | | | | | | | |
|----------------------------------|---|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change in sharehold ing during the year |
| | | No. of Shares | % of total shares of the company | % of shares Pledged/ Encumber ed to total shares | No. of Shares | % of total shares of the company | % of shares Pledged/ Encumbere d to total shares | |
| 1 | Hem Securities Limited | - | - | - | 1600000 | 11.4329 | - | 11.4329 |
| 2 | Rawatkhedha Silk Mills Private Limited | 1500000 | 14.58 | - | 1500000 | 10.7184 | - | - |
| 3 | Rajkumar Mangilal Borana | 942921 | 9.17 | - | 942921 | 6.7377 | - | - |
| 4 | Ankur Mangilal Borana | 942918 | 9.17 | - | 942918 | 6.7377 | - | - |
| 5 | Clubside Dealcom Private Limited | 750000 | 7.29 | - | 750000 | 5.3592 | - | - |
| 6 | Positive Vinimay Private Limited | 750000 | 7.29 | - | 750000 | 5.3592 | - | - |
| 7 | Newtown Mercantiles Private Limited | 750000 | 7.29 | - | 750000 | 5.3592 | - | - |
| 8 | Singrodia Bros Holding Private Limited | 750000 | 7.29 | - | 750000 | 5.3592 | - | - |
| 9 | Shri Ramrathi Marketing Private Limited | 750000 | 7.29 | - | 750000 | 5.3592 | - | - |
| 10 | Amitkumar Anandbhai Dalmia | 549171 | 5.34 | - | 549171 | 3.9241 | - | - |
| 11 | Deepak A Dalmia | 549168 | 5.34 | - | 549168 | 3.9241 | - | - |
| 12 | Amit Kumar Jain | - | - | - | 390000 | 2.7868 | - | 2.7868 |
| 13 | Mayfair Vinimay Private Limited | 375000 | 3.65 | - | 375000 | 2.6796 | - | - |
| 14 | Mangilal Ambalal Borana | 300000 | 2.92 | - | 300000 | 2.1437 | - | - |
| 15 | Lalita Nareshkumar Borana | 228000 | 2.22 | - | 228000 | 1.6292 | - | - |
| 16 | Nareshkumar Ambalal Borana | 225000 | 2.19 | - | 225000 | 1.6078 | - | - |
| 17 | Nareshkumar Ambalal Borana HUF | 225000 | 2.19 | - | 225000 | 1.6078 | - | - |
| 18 | Mangilal Ambalal Borana HUF | 225000 | 2.19 | - | 225000 | 1.6078 | - | - |
| 19 | K.K. Stock Management Pvt. Ltd. | - | - | - | 210000 | 1.5006 | - | 1.5006 |
| 20 | Rajkumar Mangilal Borana HUF | 183000 | 1.78 | - | 183000 | 1.3076 | - | - |
| 21 | Dhwani Ankur | 153000 | 1.49 | - | 153000 | 1.0933 | - | - |

| | | | | | | | | |
|----|---|-------|------|---|--------|--------|---|--------|
| | Borana | | | | | | | |
| 22 | Krishankumar M. Jethani | - | - | - | 110000 | 0.7860 | - | 0.7860 |
| 23 | Rajmala Finlease Pvt. Ltd. | - | - | - | 110000 | 0.7860 | - | 0.7860 |
| 24 | Krishan Kumar M. Jethani (HUF) | - | - | - | 100000 | 0.7146 | - | 0.7146 |
| 25 | Hem Financial Services Limited | - | - | - | 90000 | 0.6431 | - | 0.6431 |
| 26 | Ankur Mangilal Borana HUF | 85500 | 0.83 | - | 85500 | 0.6109 | - | - |
| 27 | Manjudevi Surendrakumar Dharewa | - | - | - | 80000 | 0.5716 | - | 0.5716 |
| 28 | Elavia Rayomand M | - | - | - | 80000 | 0.5716 | - | 0.5716 |
| 29 | Danesh D Gandhi | - | - | - | 80000 | 0.5716 | - | 0.5716 |
| 30 | Ved Prakash Goel | - | - | - | 70000 | 0.5002 | - | 0.5002 |
| 31 | Sarita Anil Jain | - | - | - | 60000 | 0.4287 | - | 0.4287 |
| 32 | Pushpa Sajjan Kumar Jain | - | - | - | 60000 | 0.4287 | - | 0.4287 |
| 33 | Shantidevi Sajjan Jain | - | - | - | 60000 | 0.4287 | - | 0.4287 |
| 34 | Anita Jain | - | - | - | 60000 | 0.4287 | - | 0.4287 |
| 35 | Kiran Devi Goel | - | - | - | 60000 | 0.4287 | - | 0.4287 |
| 36 | Ritesh Tulshyan-HUF | - | - | - | 20000 | 0.1429 | - | 0.1429 |
| 37 | Jitendra Kumar Jain | - | - | - | 20000 | 0.1429 | - | 0.1429 |
| 38 | Popatlal Tarachand Jain | - | - | - | 20000 | 0.1429 | - | 0.1429 |
| 39 | Pinky Popatlal Jain | - | - | - | 20000 | 0.1429 | - | 0.1429 |
| 40 | Ghisulal Somaji Rawal | - | - | - | 20000 | 0.1429 | - | 0.1429 |
| 41 | Moneycare Securities And Financial services Ltd | - | - | - | 20000 | 0.1429 | - | 0.1429 |
| 42 | Sushil Financial Services Pvt Ltd | - | - | - | 20000 | 0.1429 | - | 0.1429 |
| 43 | Mohini Devi Mangilal Borana | 10500 | 0.10 | - | 10500 | 0.0750 | - | - |
| 44 | Sharmila Rajkumar Borana | 10500 | 0.10 | - | 10500 | 0.0750 | - | - |
| 45 | Raj Kishore HUF | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 46 | Jayantibhai Thakarshibhai Lakhmani | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 47 | Sonal Agarwal HUF | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 48 | Bharati Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 49 | Jimmy Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 50 | Sonal Agarwal | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 51 | Sunita Rani | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 52 | Vivek Sharma | - | - | - | 10000 | 0.0715 | - | 0.0715 |

| | | | | | | | | |
|----|--------------------------------|------|--------|---|-------|--------|---|--------|
| 53 | Govind Bihani | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 54 | Ranjana Hemant Agarwal | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 55 | Karvy Stock Broking Limited | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 56 | Bonanza Portfolio Ltd | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 57 | PLG Securities Private Limited | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 58 | Laxmi Basandani | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 59 | Rahul Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 60 | Sanjay N Goenka | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 61 | Sanju Kabra | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 62 | Trupti Tukaram Pawar | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 63 | Sanjay Popatlal Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 64 | Popatlal Tarachand Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 65 | Rinku Sanjay Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 66 | Mukeshkumar Ghisulal Rawal | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 67 | Kamlabai Popatlal Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 68 | Hetal Jagdish Rawal | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 69 | Sangeeta Mukesh Rawal | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 70 | Ghisulal Somaji Rawal | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 71 | Jagdish Kumar Rawal | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 72 | Sanjay Popatlal Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 73 | Raj Kishore | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 74 | Munni Lal Dugar | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 75 | Laxmi Devi Dugar | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 76 | Puneet Goel | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 77 | Hem Chand Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 78 | Tripti Jain | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 79 | Pratibha Bhandari | - | - | - | 10000 | 0.0715 | - | 0.0715 |
| 80 | Amitkumar Anand Dalmia HUF | 6000 | 0.06 | - | 6000 | 0.0429 | - | - |
| 81 | Deepak A Dalmia HUF | 6000 | 0.06 | - | 6000 | 0.0429 | - | - |
| 82 | Deepa Amitkumar Dalmia | 6000 | 0.06 | - | 6000 | 0.0429 | - | - |
| 83 | Shashi Anand Dalmia | 6000 | 0.06 | - | 6000 | 0.0429 | - | - |
| 84 | Sunaina Deepak Dalmia | 6000 | 0.06 | - | 6000 | 0.0429 | - | - |
| 85 | Vikas Ummedmal Jain | 10 | 0.0001 | - | 10 | 0.0001 | - | - |

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

| Sr. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | At the beginning of the year | 3981678 | 38.71 | 3981678 | 38.71 |
| 2 | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / Sweat Equity etc): | NA | | | |
| 3 | At the end of the year | 3981678 | 28.4514 | 3981678 | 28.4514 |

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

| Sr. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | Hem Securities Limited | - | - | 1600000 | 11.4329 |
| 2 | Clubside Dealcom Private Limited | 750000 | 7.29 | 750000 | 5.3592 |
| 3 | Positive Vinimay Private Limited | 750000 | 7.29 | 750000 | 5.3592 |
| 4 | Newtown Mercantiles Private Limited | 750000 | 7.29 | 750000 | 5.3592 |
| 5 | Singrodia Bros Holding Private Limited | 750000 | 7.29 | 750000 | 5.3592 |
| 6 | Shri Ramrathi Marketing Private Limited | 750000 | 7.29 | 750000 | 5.3592 |
| 7 | Amit Kumar Jain | - | - | 390000 | 2.79 |
| 8 | Lalita Nareshkumar Borana | 228000 | 2.22 | 228000 | 1.63 |
| 9 | Nareshkumar Ambalal Borana | 225000 | 2.19 | 225000 | 1.61 |
| 10 | Nareshkumar Ambalal Borana HUF | 225000 | 2.19 | 225000 | 1.61 |

*Shares Increased because of Allotment made by the company dated 11/04/2014

| v) Shareholding of Directors and Key Managerial Personnel: | | | | | |
|---|--------------------------|--|----------------------------------|--|----------------------------------|
| Sr. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | Rajkumar Mangilal Borana | 942921 | 9.17 | 942921 | 6.74 |
| 2 | Ankur Mangilal Borana | 942918 | 9.17 | 942918 | 6.74 |
| 3 | Amit Kumar Dalmia | 549171 | 5.34 | 549171 | 3.92 |
| 4 | Deepak Dalmia | 549168 | 5.34 | 549168 | 3.92 |
| 5 | Alpesh Patel | - | - | - | - |
| 6 | Hitesh Modi | - | - | - | - |
| 7 | Pradip Dave | - | - | - | - |

| V INDEBTEDNESS | | | | | |
|--|--|----------------------------------|-----------------|-----------------------|---------------------|
| Indebtedness of the company including interest outstanding/accrued but not due for payment | | | | | |
| Sr. No. | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| 1 | Indebtedness at the beginning of the financial year | | | NOT APPLICABLE | |
| | i) Principal Amount | 317,022,772 | - | | 317,022,772 |
| | ii) Interest due but not paid | - | - | | - |
| | iii) Interest accrued but not due | - | - | | - |
| | Total (i+ii+iii) | 317,022,772 | - | | 317,022,772 |
| 2 | Change in Indebtedness during the financial year | | | | |
| | • Addition | 47,596,367 | 28,500,000 | | 76,096,367 |
| | • Reduction | 64,284,000 | 28,500,000 | | 92,784,000 |
| | Net change | (16,687,633) | - | | (16,687,633) |
| 3 | Indebtedness at the end of the financial year | | | | |
| | i) Principal Amount | 300,335,139 | - | | 300,335,139 |
| | ii) Interest due but not paid | - | - | | - |
| | iii) Interest accrued but not due | - | - | | - |
| | Total (i+ii+iii) | 300,335,139 | - | | 300,335,139 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

| Sr. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | | | Total Amount |
|---------|--|----------------------------|-----------------|-----------------|--------------------|--------------|
| | | Amit Kumar Dalmia | Deepak A Dalmia | Ankur M. Borana | Rajkumar M. Borana | |
| 1 | Gross Salary | | | | | |
| | a) Salary as per provisions contained in the section 17(1) of the Income-tax Act, 1961 | 300,000 | 300,000 | 300,000 | 300,000 | 1,200,000 |
| | b) Value of perquisites u/s 17(2) | - | - | - | - | - |
| | c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission — as % of profit — others, specify | - | - | - | - | - |
| 5 | Others, please specify | - | - | - | - | - |
| | Total (A) | 300,000 | 300,000 | 300,000 | 300,000 | 1,200,000 |

Managerial remuneration paid to the executive directors is Rs. 12 lakh. (As per the schedule v of companies act 2013 in case of inadequate profit where the effective capital is Negative or less than 5 crores ,yearly remuneration payable shall not exceed Rs 30 lakhs)

B. Remuneration to other directors

| Sr. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | | | | Total Amount |
|---------|--|----------------------------|------------------------|------------------|----------------|-------------------|--------------|
| | | Dharmesh P. Mehta | Girish Kumar Kalawatia | Manak Lal Tiwari | Prerna V. Jain | Kapil H. Hojiwala | |
| 1 | Independent Directors | | | | | | |
| | • Fee for attending board / committee meetings | 14,000 | 14,000 | 14,000 | 7,000 | 7,000 | 56,000 |
| | • Commission | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - |
| 2 | Total (1) | | | | | | |
| | Other Non-Executive Directors | | | | | | |
| | • Fee for attending board / committee meetings | - | - | - | - | - | - |
| | • Commission | - | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - |

| | | | | | | | |
|--|-------------------------------|--------|--------|--------|-------|-------|-----------|
| | Total (B)=(1+2) | 14,000 | 14,000 | 14,000 | 7,000 | 7,000 | 56,000 |
| | Total Managerial Remuneration | | | | | | 1,256,000 |

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

| Sr. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | | Total Amount |
|---------|--|----------------------------|----------------|----------------|----------------|
| | | Alpesh Patel | Hitesh Modi | Pradip Dave | |
| 1 | Gross Salary | | | | |
| | a) Salary as per provisions contained in the section 17(1) of the Income-tax Act, 1961 | 360,000 | 360,000 | 270,000 | 990,000 |
| | b) Value of perquisites u/s 17(2) | - | - | - | - |
| | c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission — as % of profit — others, specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | 360,000 | 360,000 | 270,000 | 990,000 |

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / court] | Appeal made, if any (give details) |
|---------------------|---------------------------------|---|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | 211 & 295 (Companies Act, 1956) | 1. Violation of Section 211 r.w. Accounting Standards-15 of the Companies Act, 1956 2. Violation of Section 295 of the Companies Act, 1956 | 17,000 | CLB | NA |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | 211 & 295 (Companies Act, 1956) | 1. Violation of Section 211 r.w. Accounting Standards-15 of the Companies Act, 1956 | 68,000* | CLB | NA |

| | | | | | |
|-------------------------------------|------|--|--|--|--|
| | | 2. Violation of Section 295 of the Companies Act, 1956 | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | NONE | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

*Note: Total Compounding Fees imposed on all four Executive directors is Rs. 68,000/- (Rs. 17,000/- each).

"ANNEXURE-G"**EXTRACT OF ANNUAL RETURN****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The percentage increase in remuneration of each Director and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| SR . No. | Name of Director/KMP and Designation | Remuneration of Director/KMP for financial year 2014-15 (in Rs.) | % increase in Remuneration in the Financial Year 2014-15 | Ratio of remuneration of each Director/ to median remuneration of employees | Comparison of the Remuneration of the KMP against the performance of |
|----------|---|---|--|---|---|
| 1 | Rajkumar Borana (Chairman and Managing Director) | 300000 | NIL | 139 | Profit before Tax increased by 107% and Profit After Tax increased by 112.73% in financial year 2014-15 |
| 2 | Mr. Amitkumar Dalmia (Whole time Director) | 300000 | NIL | 139 | |
| 3 | Mr. Deepak Dalmia (Whole time Director) | 300000 | NIL | 139 | |
| 4 | Mr. Ankur Borana (Whole time Director) | 300000 | NIL | 139 | |
| 5 | Mr. Pradip Dave (Company Secretary) | 270000 | 29.57 | 125 | |

- i. The median remuneration of employees of the Company during the financial year was Rs. 216000.
- ii. There were 307 permanent employees on the rolls of Company as on March 31, 2015;
- iii. In the Financial year, there was an increase of 5.89% in the median remuneration of employees;
- iv. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel increased by 6.06% from Rs. 9.30 Lakh in 2013-14 to Rs. 9.90 Lakh in 2014-15 whereas the Profit before Tax increased by 107% to Rs. 77.29 Lakh in 2014-15 (Rs. 37.23 Lakh in 2013-14).

v. Variations in the market capitalisation of the Company

- (1) The market capitalisation as on March 31, 2015 was Rs. 12.11 crore. Shares of the Company was not listed as on March 31, 2014.
- (2) Price Earnings ratio of the Company was 40.74 as at March 31, 2015. Shares of the Company was not listed as on March 31, 2014
- (3) Increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year-

The Company had come out with Initial Public Offer (IPO) in April 2014. An amount of Rs. 1,000 invested in the said IPO would be worth Rs. 1,100 as on March 31, 2015 indicating a Annual Growth Rate of 10.00 %.

- vi. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 8.66% whereas the increase in the managerial remuneration for the same financial year was 6.06%.
- vii. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- viii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

"ANNEXURE-D"**CORPORATE GOVERNANCE REPORT**

(As required under clause 52 of the Listing Agreement with Stock Exchanges)

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enable Companies to maximize shareholder's value by attracting financial and human capital and efficient performance. The Company believes that good corporate governance contemplates that corporate actions balance the interest of all shareholders and satisfy the tests of accountability and transparency.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at R & B Denims Limited is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We have evolved guidelines and best practices to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

In our Board, 4 out of 8 are independent members. Given below is the report on Corporate Governance at R & B Denims Limited.

2. BOARD OF DIRECTORS**Composition of the Board**

The Board has 8 Directors, comprising of Chairman / Managing Director, 3 Executive Whole time Directors and 4 Non-Executive Directors. The Non-Executive Directors who are also Independent Directors possess rich and vast knowledge and experience in the varied fields that bring in independent judgment to the Board's discussions and deliberations.

The following is the Composition of the Board as at 31st March, 2015:

| Sr. No. | Name of Director | category | Attendance of Board meeting | Attendance at the last AGM | No. of other Directorship / Committees Membership / Chairmanship | | |
|---------|------------------------------|--|-----------------------------|----------------------------|--|------|------|
| | | | | | O.D. | C.M. | C.C. |
| 1 | Rajkumar Mangilal Borana | Executive - Chairman & Managing Director | 7 | Yes | . | . | . |
| 2 | Amitkumar Anand Dalmia | Executive - Whole time Director | 7 | Yes | . | . | . |
| 3 | Deepak Anand Dalmia | Executive - Whole time Director | 7 | Yes | . | . | . |
| 4 | Ankur Mangilal Borana | Executive - Whole time Director | 7 | Yes | . | . | . |
| 5 | Dharmesh Prafulchandra Mehta | Non-executive - Independent Director | 4 | Yes | . | . | . |
| 6 | Girish Kumar Kalawatia | Non-executive - Independent Director | 4 | Yes | . | . | . |
| 7 | Manak Lal Tiwari | Non-executive - Independent Director | 4 | Yes | . | . | . |
| 8 | Prerna Vikas Jian** | Non-executive - Independent Director | 2 | No | . | . | . |

(O.D.) Directorship in other Public Limited Company

(C.M.) Committee Membership

(C.C.) Committee Chairmanship

** Mr. Kapil Hemant kumar Hojiwala has resigned from the board w.e.f. 25- 08-2014 and Mrs. Prerna Jain was appointed as an independent director w.e.f. 22- 09-2014

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 4-5 working days in advance. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

A) NO. OF BOARD MEETING HELD AND DATES

| | | | | | | | |
|---|------------|---|------------|---|------------|---|------------|
| 1 | 11/04/2014 | 2 | 25/05/2014 | 3 | 10/06/2014 | 4 | 25/08/2014 |
| 5 | 30/09/2014 | 6 | 14/11/2014 | 7 | 10/02/2015 | | |

Committees of the Board

The Board of Directors has constituted 3 Committees of the Board viz.

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman/Company Secretary. At each Board Meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of 4 members, 3 of whom are Non-Executive-Independent Directors. Mr. Girish Kumar Kalawatia, an Independent Director acts as Chairman of the Committee. The Committee members are Qualified having requisite experience in the fields of Finance and Accounts, Banking and Management. The Director and Statutory Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

The following is the Composition of the Audit Committee as at 31st March, 2015:

| Sr. No | Name of the Director | Status in Committee | Nature of Directorship | No. of Meetings | |
|--------|----------------------------|---------------------|--------------------------------------|-----------------|--------|
| | | | | Held | Attend |
| 1 | Mr. Girish Kumar Kalawatia | Chairman | Non-Executive & Independent Director | 4 | 4 |
| 2 | Mr. Dharmesh Mehta | Member | Non-Executive & Independent Director | 4 | 4 |
| 3 | Mr. Rajkumar Borana | Member | Managing Director | 4 | 4 |
| 4 | Mrs. Perna Jain** | Member | Non-Executive & Independent Director | 2 | 2 |

** Mr. Kapil Hemant kumar Hojiwala has resigned from the board w.e.f. 25- 08-2014 and Mrs. Perna Jain was appointed as an independent director w.e.f. 22- 09-2014

Note: The Audit Committee was reconstituted on 14th day of November, 2014 by inclusion of above named Independent Directors / Managing Director and exclusion of resigned director.

During the year 2015-16. Audit Committee meeting was held 4 Times. The necessary quorum was preset in the meeting. The dates of meetings are as follow:

| | | | | | | | |
|---|------------|---|------------|---|------------|---|------------|
| 1 | 10/05/2014 | 2 | 24/08/2014 | 3 | 12/11/2014 | 4 | 02/03/2015 |
|---|------------|---|------------|---|------------|---|------------|

Role of Audit Committee

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Approval of payment of statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to finance statements.

- (f) Disclosure of any related party transactions.
- (g) Qualifications in the draft audit report.
- 4. Reviewing, with the management, the quarterly financial statements.
- 5. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 7. Discussion with internal auditors any significant findings and follow up thereon.
- 8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 10. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 11. Management Discussion and Analysis of financial condition and results of operations.
- 12. To look into any other matter which may be referred to it by the Board.
- 13. In addition to the above, the Committee shall have such functions / role / powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law.
- 14. Reviewing the following information:
 - (a) The Management Discussion and Analysis of financial condition and results of operations
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
 - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors
 - (d) Internal audit reports relating to internal control weaknesses; and
 - (e) Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s)

4. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee consisting of 4 Directors, all of whom are Non-Executive- Independent Directors. The Company Secretary shall act as a Secretary to the Nomination and Remuneration Committee.

The following is the Composition of Nomination and Remuneration Committee as at 31st March, 2015:

| Sr. No | Name of the Director | Status in Committee | Nature of Directorship | No. of Meetings | |
|--------|----------------------------|---------------------|--------------------------------------|-----------------|--------|
| | | | | Held | Attend |
| 1 | Mr. Girish Kumar Kalawatia | Chairman | Non-Executive & Independent Director | 2 | 2 |
| 2 | Mr. Manak Lal Tiwari | Member | Non-Executive & Independent Director | 2 | 2 |
| 3 | Mr. Dharmesh Mehta | Member | Non-Executive & Independent Director | 2 | 2 |
| 4 | Mrs. Perna Jain** | Member | Non-Executive & Independent Director | 1 | 1 |

** Mr. Kapil Hemant kumar Hojiwala has resigned from the board w.e.f. 25- 08-2014 and Mrs. Perna Jain was appointed as an independent director w.e.f. 22- 09-2014

Note: The Nomination and Remuneration Committee was reconstituted on 14th day of November, 2014 by inclusion of above named Independent Directors and exclusion of resigned director.

During the 2014-15, Nomination and Remuneration meeting was held 2 Times. The necessary quorum was preset in the meeting. The dates of meetings are as follow:

| | | | |
|---|------------|---|------------|
| 1 | 18/08/2014 | 2 | 17/02/2015 |
|---|------------|---|------------|

The quorum shall be two members present. The Company Secretary shall act as a Secretary to the Remuneration Committee.

Role of nomination and remuneration committee

1. Determine Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
2. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
3. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
4. Decide the amount of Commission payable to the Whole time Directors, if any.
5. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
6. To formulate and administer the Employee Stock Option Scheme.

The following are the details of the remuneration paid to the chairman / Managing Director, Executive Director(s)/Non Executive Director(s) in the financial year 2014-15.

| Sr. No | Name of the Director | Salary (Rs.) | Sitting fee (Rs.) | Perquisites (Rs.) | Commission/Bonus (Rs.) |
|--------|----------------------------|--------------|-------------------|-------------------|------------------------|
| 1 | Rajkumar Mangilal Borana | 300000 | - | - | - |
| 2 | Amitkumar Anand Dalmia | 300000 | - | - | - |
| 3 | Deepak Anand Dalmia | 300000 | - | - | - |
| 4 | Ankur Mangilal Borana | 300000 | - | - | - |
| 5 | Mr. Girish Kumar Kalawatia | - | 14000 | - | - |
| 6 | Mr. Manak Lal Tiwari | - | 14000 | - | - |
| 7 | Mr. Dharmesh Mehta | - | 14000 | - | - |
| 8 | Mrs. Prerna Jain** | - | 7000 | - | - |
| 9 | Mr. Kapil Hojiwala | - | 7000 | - | - |

** Mr. Kapil Hemant kumar Hojiwala has resigned from the board w.e.f. 25- 08-2014 and Mrs. Prerna Jain was appointed as an independent director w.e.f. 22- 09-2014

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted Stakeholders Relationship Committee consisting of 3 Directors, 2 of whom are Non-Executive- Independent Directors. The Company Secretary shall act as a Secretary to the Stakeholders Relationship Committee.

The Committee shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

The following is the Composition of the Stakeholders Relationship Committee as at 31st March, 2015:

| Sr. No | Name of the Director | Status in Committee | Nature of Directorship | No. of Meetings | |
|--------|----------------------------|---------------------|--------------------------------------|-----------------|--------|
| | | | | Held | Attend |
| 1 | Mr. Girish Kumar Kalawatia | Chairman | Non-Executive & Independent Director | 4 | 4 |
| 2 | Mrs. Prerna Jain** | Member | Non-Executive & Independent Director | 2 | 2 |
| 3 | Mr. Amit Dalmia | Member | Whole time Director | 4 | 4 |

** Mr. Kapil Hemant kumar Hojiwala has resigned from the board w.e.f. 25- 08-2014 and Mrs. Prerna Jain was appointed as an independent director w.e.f. 22- 09-2014

Note: The Stakeholders' Relationship Committee was reconstituted on 14th day of November, 2014 by inclusion of above named Independent Directors / Whole time Director and exclusion of resigned director.

During the 2014-15, Stakeholders Relationship Committee meeting was held 4 Times. The necessary quorum was preset in the meeting. The dates of meetings are as follow:

| | | | | | | | |
|---|------------|---|------------|---|------------|---|------------|
| 1 | 10/04/2014 | 2 | 21/07/2014 | 3 | 05/11/2014 | 4 | 25/02/2015 |
|---|------------|---|------------|---|------------|---|------------|

Role of Stakeholders' Relationship Committee

The terms of reference of the Stakeholders' Relationship Committee are as under:

- To specifically look into the redressal of Investors' Grievances pertaining to:
 - Transfer of Shares and Debentures.
 - Dividends, Interests and Redemption Proceeds of Debentures.
 - Dematerialisation of Shares and Debentures.
 - Replacement of Lost, Stolen, Mutilated Share and Debenture Certificates.
 - Non-receipt of Rights, Bonus, Split Share Certificates.
- To look into other related issues towards strengthening Investors' Relations.
- To consider and approve issuance of Share/Debenture Certificates including Duplicate Share/ Debenture Certificates.
- To look into the reasons for any defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of nonpayment of Declared Dividends) and Creditors.

6. COMPLIANCE OFFICER

The Board of Directors has designated Mr. Pradip Dave, Company Secretary of the Company as the Compliance Officer.

7. SHAREHOLDERS' COMPLAINTS

During the year ended 31 March 2015, the Company has not received any complaints from the shareholders/investors. As on 31 March 2015, no shareholder/investor complaint was pending.

8. GENERAL INFORMATION TO SHARE HOLDERS**i) GENERAL BODY MEETINGS**

| Sr. NO. | AGM DATE | LOCATION | TIME |
|---------|------------|--|------------|
| 1 | 09/08/2011 | Block No.467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India | 2.00 P.M. |
| 2 | 24/07/2012 | Block No.467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India | 2.00 P.M. |
| 3 | 30/09/2013 | Block No.467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India | 2.00 P.M. |
| 4 | 22/09/2014 | Block No.467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India | 11.00 A.M. |

ii) APPOINTMENT OF DIRECTORS

Mr. Deepak Dalmia (holding DIN 00050547), who retires by rotation at this annual general meeting and being eligible offers himself for re-appointment. His detail is as mentioned below.

| Name of the Director | Mr. Deepak Dalmia |
|--|---|
| Date of Birth | 29/11/1979 |
| Date of appointment | 17/11/2010 |
| Date of Re-appointment | Proposed in the AGM |
| Qualification | B.Com |
| Expertise in specific functional areas | Rich Experience in the business of Textile and overall management of affairs of a corporate |
| List of other Directorship | <ol style="list-style-type: none"> 1. Bhagwati Syntex Private Limited 2. Rawatkhedha Silk Mill Private Limited 3. Rawatkhedha Processors Private Limited 4. Mayfair Vinimay Private Limited |
| Committees Membership of the Companies | NIL |
| No. of shares held In the Company | 549168 |

iii) ANNUAL GENERAL MEETING (TENTATIVE)**Date** : 22nd day of June, 2015**Time** : 11.00 A.M.**Venue** : Block No.467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India**iv) FINANCIAL CALANDER (TENTATIVE)**

The financial year of the company is 1st April to 31st March and financial results will be declared as per the following schedule:

| Particular | Tentative schedule |
|--------------------------------|---|
| Half yearly un-audited results | Within 45 days from 30th September , 2015 |
| Annual audited result | Within 60 days from 31st March, 2016 |

v) Distribution of shareholding as on 31March 2015

| SHAREHOLDING OF NOMINAL RS. | NUMBER OF SHAREHOLDERS | PERCENTAGE OF TOTAL | SHARE AMOUNT (RS.) | PERCENTAGE OF TOTAL |
|-----------------------------|------------------------|---------------------|--------------------|---------------------|
| 1- 5000 | 1 | 1.1765 | 100 | 0.0001 |
| 50001 - 100000 | 40 | 47.0588 | 3800000 | 2.7153 |
| 100001 - 9999999999 | 44 | 51.7647 | 136146780 | 97.2846 |
| | | | | |
| TOTAL | 85 | | 139946880 | 100.00 |

vi) Category of Shareholders as on March,31 2015

| Particulars | Total | % of Total Shares |
|--|----------------|-------------------|
| (A) Promoters Indian | | |
| (a) Individual / HUF | 3981678 | 28.45 |
| (b) Bodies Corporate | 1875000 | 13.40 |
| Sub-Total (A) | 5856678 | 41.85 |
| Total Shareholding of Promoters (A) | 5856678 | 41.85 |
| (B) Public Share-holding | | |
| Institutions (B1) | - | - |
| Non-Institutions (B2) | | |
| (a) Bodies Corp. | | |
| (i) Indian | 5810000 | 41.52 |
| (b) Individuals | | |
| (i) Individuals Shareholders holding nominal share capital upto Rs. 1 lakh | 320010 | 2.29 |
| (ii) Individual shareholders holding nominal share | 2008000 | 14.35 |

| | | |
|--|-----------------|--------------|
| capital in excess of Rs. 1 lakh | | |
| Sub-total (B)(2): | 8138010 | 58.15 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | | |
| C. Shares Held by Custodian for GRDs & ADRs | - | - |
| Grand Total (A+B+C) | 13994688 | 100 |

vii) DATE OF BOOK CLOSURE

The book will close from 16/06/2015 to 20/06/2015 (both days inclusive) as Annual closure for the Annual General Meeting.

viii) LISTING ON STOCK EXCHANGES

The Company's shares are listed on Bombay Stock Exchange Ltd (BSE) on SME Platform. The Company has paid the listing fees to the stock exchange for the year 2015-16.

ix) STOCK CODE AND ROC CODE

BSE CODE : 538119

ISIN No. : INE012Q01013

The Company is registered in the State of Gujarat, India

Having Corporate Identity Number (CIN) is: L17120GJ2010PLC062949

x) Market Price Data:

The data on price of equity shares of the Company are as under:

High ,Low during each month in last financial year and performance in comparison to broad-based indices such as BSE (Sensex)):

| | Share price BSE | | BSE Sensex | | Volumes |
|--------|-----------------|-------|------------|----------|-------------|
| Month | High | Low | High | Low | Noof shares |
| Apr-14 | 14.00 | 10.55 | 22939.31 | 22197.51 | 1560000 |
| May-14 | 15.43 | 10.9 | 25375.63 | 22277.04 | 1410000 |
| Jun-14 | 14.50 | 11.8 | 25725.12 | 24270.20 | 110000 |
| Jul-14 | 11.00 | 10.75 | 26300.17 | 24892.00 | 30000 |
| Aug-14 | 12.50 | 10.25 | 26674.38 | 25232.82 | 410000 |
| Sep-14 | 11.65 | 11.65 | 27354.99 | 26220.49 | 10000 |
| Oct-14 | 11.25 | 10.5 | 27894.32 | 25910.77 | 50000 |
| Nov-14 | 11.25 | 11.00 | 28822.37 | 27739.56 | 20000 |

| | | | | | |
|--------|-------|-------|----------|----------|-------|
| Dec-14 | 11.00 | 10.50 | 28809.64 | 26469.42 | 30000 |
| Jan-15 | 10.00 | 10.00 | 29844.16 | 26776.12 | 40000 |
| Feb-15 | 10.05 | 10.00 | 29560.32 | 28044.49 | 20000 |
| Mar-15 | 11.00 | 9.00 | 30024.74 | 27248.45 | 60000 |

xi) REGISTRAR AND SHARE TRANSFER AGENT**BIGSHARE SERVICES PRIVATE LIMITED**

E- 2, Ansa Ind Estate, Saki Vihar Road,
 Andheri (E), Sakinaka, Mumbai - 400072
 Tel Nos: 022 40430200
 Fax No: 022 28475207
 Email: investor@bigshareonline.com

xii) PLANT LOCATION

Block No.467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India.

xiii) REGISTERED OFFICE

Block No.467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India

9. CODE OF BUSINESS CONDUCT AND ETHICS

The Board has laid down comprehensive code of business conduct and ethics. The Board members and senior management personnel are responsible for and are committed to setting the standards of conduct contained in this code and for updating this standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This code is being adhered to in letter and in spirit. This code has posted on the Company's website i.e. www.rnbdenims.com. The confirmation of Managing Director for the compliance of the code of business conduct and ethics is as under:

I hereby confirm that:

"The Company hereby affirms that it has complied with the code of business conduct and ethics and received affirmation from Board members and senior management personnel of its compliance."

Rajkumar Borana
Managing Director

10. INSIDER TRADING

The Board has laid down code of conduct for insider trading in compliance with SEBI (Prohibition of Insider Trading) Regulations 1992. All the directors and senior management personnel who are expected to have access to unpublished price sensitive information concerning the Company is responsible for adherence to this code.

CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED**PRICE SENSITIVE INFORMATION**

[As envisaged under Regulation 8(1) of SEBI (Prohibition of insider Trading) Regulation, 2015]

Introduction:

The Securities and Exchange Board of India ("SEBI"), in its endeavor to protect the interest of investors in general, had notified the new Securities and Exchange board of India (Prohibition of insider Trading)

Regulation, 2015 ("Regulation") on 15th January, 2015 effective from 15th May, 2015.

It is mandatory in terms of the Regulations for every listed company to formulate a code of practice and procedure for fair Disclosure of unpublished price sensitive information.

The company shall adhere to the following practices and procedures for fair disclosure of unpublished price sensitive information ("UPSI")

UPSI which will impact on price of security shall be promptly disclosed to general public, no sooner than credible and concrete information comes into being in order to make such information generally available.

1. UPSI shall be not disseminated selectively but shall be disseminated uniformly and universally.
2. Compliance officer shall be a chief investor relation officer to deal with dissemination of information and disclosure of UPSI.
3. The company shall give appropriate and fair response to queries on news report and requests for verification of market rumors by regulatory authorities.
4. The following practice shall be complied while meeting with analysts, institutional investors and other Investor relation conferences.
 - a) No UPSI shall be shared with them and only information available in public domain shall be shared.
 - b) Any of the designated company officials shall remain present during meeting with them.
 - c) Transcripts or record of proceedings of meeting with them shall be placed on website of the company within 30 days from meeting.
5. All UPSI shall be handled on a need-to-know basis.

11. RISK MANAGEMENT POLICY

Business risk evaluation and management is an ongoing process within the Company. During the year under review a detailed exercise on risk management was carried out covering the entire gamut of business operation and audit committee and Board members are reviewing and updating the said policy every quarter.

12. DISCLOSURES

None of the transactions with any of the related parties were in conflict with the interests of the Company. All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company. So far no penalties or strictures have been imposed on the Company by any stock exchange or SEBI or any statutory authority on any matter related to capital market.

13. CEO/CFO CERTIFICATION:

The managing Director has certified to the Board as required under clause 52(v) of the listing agreement .

AUDITORS REPORT ON CORPORATE GOVERNANCE

**TO,
THE MEMBERS OF
R & B DENIMS LIMITED
SURAT**

I have examined the compliance of conditions of corporate governance by R & B DENIMS LIMITED ("the Company"), for the year ended on 31st March, 2015 as stipulated in Clause 52 of the Listing Agreement of the Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. My examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 52 of the above mentioned Listing Agreement.

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

FOR, PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

FRN. 108029W

Sd/-

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 024612

Date: 15/04/2015

Place: Surat

CEO / CFO CERTIFICATION TO THE BOARD

TO,
THE MEMBERS OF
R & B DENIMS LIMITED
SURAT

Re: Financial Statements for the year 2014-15 – Certification by CEO

I, Rajkumar Borana, Chairman & Managing Director of R & B Denims Limited, on the basis of review of the financial statements and the cash flow statement for the financial year ending 31st March, 2015 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 which are fraudulent, illegal or violative of the Company's Code of Conduct;
4. I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies;
5. I further certify that :
 - a) there have been no significant changes in internal control during this year;
 - b) there have been no significant changes in accounting policies during this year;
 - c) there have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

By Order of Board of Directors
SD/-

Date: 20/05/2015
Place: Surat

Rajkumar Borana
Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

**TO,
THE MEMBERS OF
R & B DENIMS LIMITED
SURAT**

Report on the Financial Statements

I have audited the accompanying financial statements of R & B DENIMS LIMITED. ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have taken into account the provisions of the Act, the accounting and auditing standards and Matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Auditor's Opinion:

In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on 31st March, 2015; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period from 1st April, 2014 to 31st March, 2015 on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2004 issued by the Company Law Board in terms of Section 143(11) of the Companies Act, 2013, I enclose in the "Annexure A" a statement on the matters specified there in.
2. As required by section 143(3) of the Act, I report that :
 - a) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b) In my opinion proper books of accounts as required by Law have been kept by the company, so far as it appears from my examination of the books.
 - c) The Balance Sheet, Profit & Loss Account and cash flow referred to in the report are in agreement with the books of accounts.
 - d) In my opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) There is nothing to disclose which is having adverse effect on the functioning of the company.
 - f) According to the information and explanations given to me and on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
 - g) With respect to the other matters included in the Auditor's Report and to my best of my information and according to the explanations given to me:
 - I. The Company does not have any pending litigations which would impact its financial position
 - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - III. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR, PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

FRN. 108029W

SD/-**PRADEEP KUMAR SINGHI**

Proprietor

M. NO. 024612

Date: 20/05/2015**Place: Surat**

As required by the Companies (Auditor's Report) Order, 2004 and according to the information and explanations given to us during the course of audit and on the basis of such checks as were considered appropriate, I report that :

ANNEXURE "A" TO THE AUDITORS REPORT

| S. No. | Particulars | Auditors Remark |
|--------|--|--|
| (i) | (a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; | Yes company is maintaining proper records. |
| | (b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account; | Yes |
| (ii) | (a) whether physical verification of inventory has been conducted at reasonable intervals by the management; | Yes |
| | (b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported; | Yes procedures of physical verification of inventory followed by the management is reasonable and adequate. |
| | (c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account; | Yes Company is maintaining proper records and no material discrepancy was noticed. |
| (iii) | (iii) whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so, | No. |
| | (a) whether receipt of the principal amount and interest are also regular; and | N.A. |
| | (b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest; | N.A. |
| (iv) | is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system. | Yes internal control system is adequate. |
| (v) | in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not? | No. Company has not accepted any deposits. Directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under have been complied. |

| | | |
|--------|---|---|
| (vi) | where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained; | Yes maintained. |
| (vii) | (a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor. | Yes. |
| | (b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute). | N.A. |
| | (c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time. | N.A. |
| (viii) | whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year; | N.A. as company have no accumulated losses. |
| (ix) | whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported; | No. |
| (x) | whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company; | No. |
| (xi) | whether term loans were applied for the purpose for which the loans were obtained; | Yes. |
| (xii) | whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated. | No. |

FOR, PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

FRN. 108029W

SD/-

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 024612

Date: 20/05/2015

Place: Surat

NOTE # 1

R&B Denims is a Limited Company incorporated in November 2010 by the RawatKhedia and the Borana group, two amongst the most influential textile houses in the polyester hub at Surat. Both of these companies have a long lineage of more than 30 years each, in the textile industry, and are very well known in their areas of expertise. The commercial production of the Company had been started in financial year 2012-13

The Company is engaged in to the business of manufacturing and sale of quality Denim Textile Products. Today the Company is manufacturing various types of Denim ranging from 9 to 14 Oz/Sq. yd. with Open End Spun Yarns, Multi Count, Cottons and Polyester Spandex with Indigo Bottom Sulphur Toppings and Sulphar Bottom and Indigo Toppings with both Foam and Wet Finishes.

Since inception, growth of the company has been remarkable and company created itself a prime position among others. The brand has achieved nationwide recognition and image of its own. To enhance corporate image and brand name, Company has got listed on SME platform of Bombay Stock Exchange on 22nd April 2014.

NOTE # 2**1. Basis of Accounting (AS 1)**

- I. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable, and guidelines issued by the Securities Exchange Board of India.
- II. These accounts are prepared on the historical cost basis and the accounting principles of a going concern.
- III. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2. Use of Estimates (AS 1)

The preparation of financial statement require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

3. Inventories (AS 2)

Stock of Raw Material and WIP is valued at cost. Finished goods are valued at cost or market value whichever is less. Cost of Raw Material and Finished Goods includes the purchase cost (Net of any taxes on which credits are received or receivable) and other incidental cost, to bring such material to its present location and condition.

4. Cash Flows (AS 3)

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

5. Depreciation (AS 6)

Depreciation is provided on Written Down Value Method in the manners prescribed in Schedule II of Companies Act 2013 (In previous years as per Schedules XIV to the Companies Act, 1956), on the basis of shifts / manners of utilization of the assets. Depreciation on additions/ disposals during the year has been provided on pro-rata basis with reference to the nos. of days utilized.

The useful life of assets has been changed in Companies Act 2013 and accordingly depreciation rates are taken as per life of assets provided in Part C of Schedule II of Companies Act 2013. For the opening balances of fixed assets as on 1st April 2014, the rates for depreciation have been applied as mentioned in Note 7 of Part C of Schedule II of the Companies Act 2013. Accordingly the opening balances of Fixed Assets as on 1st April 2014 have been written off in the remaining life of respective assets as per New Companies Act.

6. Revenue Recognition (AS 9)

Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Revenue from sale of goods is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in goods is transferred for a price, significant risks and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales are net off taxes and accounted on mercantile basis.

7. Fixed Assets (AS 10)

- (i) Fixed assets shown under gross block are valued at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition and also include cost of installation wherever incurred. All pre-operative costs, including specific financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalised.
- (ii) (ii) Depreciation on fixed assets has been charged on written down value basis, pro-rata for the period of use, by adopting the revised rates of depreciation specified in Schedule II of the Companies Act, 2013.

8. Foreign Currency Transactions (AS 11)

- (i) The reporting currency of the company is Indian rupees.
- (ii) Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realize gain and losses on settlement of foreign currency transactions are recognized in the profit and loss account under the natural revenue heads of accounts. Exchange differences relating to fixed assets are capitalised to respective Fixed Asset.
- (iii) Foreign Currency assets and liabilities at the yearend are translated at the yearend exchange rates, and the resultant exchange difference is recognized in the profit and loss account.
- (iv) In case of forward contract, foreign currency derivatives or other financial instruments that are in substance forward exchange contracts, the premium or discount arising at the inception of the contract transactions are included in determining the net profit for the year.

9. Investments (AS 13)

Long term Investments are valued at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of investments. Current investments are stated at lower of cost or market value.

10. Employee benefits (AS 15)Defined-contribution plans:

- i) Provident fund and pension scheme are Defined Contribution Plans in the Company. The Company is a member of recognized Provident Fund scheme established under The Provident Fund & Miscellaneous Act, 1952 by the Government of India. The Company is contributing 12% of Salary & Wages of eligible employees under the scheme every month. The amount of contribution is being deposited each and every month. The contribution paid or payable under the scheme is recognized during the period under which the employee renders the related services.
- (ii) Employee Gratuity Fund Scheme is the Defined Benefit Plan. Provision for gratuity has been made in the accounts, in case of those employees who are eligible for the retirement benefits. Gratuity is paid at the time of retirement of employees. Provision for gratuity liability is provided based on Actuarial Valuation made.

11. Foreign exchange transactions

- i) Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions are recognised in the profit and loss account. Exchange differences relating to fixed assets are adjusted in the cost of the asset.
- (ii) Amount payable and receivable in the foreign currency as at the yearend are translated at the yearend exchange rate. Gains and losses thereon are recognised in the profit and loss account.

12. Borrowing costs (AS 16)

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

13. Earnings per share (AS 20)

Basic and Diluted earnings/(loss) per share are calculated by dividing the net profit / (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. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

14. Taxes on income (AS 22)

Current tax - Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions.

Deferred tax - Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable or virtual certainty, as may be applicable, that sufficient future taxable income will be available against which such deferred tax asset can be realised.

15. Impairment of assets (AS 28)

An impairment loss is charged to the Statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

16. Provisions and contingent liabilities (AS 29)

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

17. Preliminary Expenses (AS 26)

Preliminary Expenditure is written off fully during the year under its occurrence as per As 26.

FOR, PRADEEP SINGHI & ASSOCIATES

Chartered Accountants

FRN. 108029W

SD/-

PRADEEP KUMAR SINGHI

Proprietor

M. NO. 024612

Date: 20/05/2015

Place: Surat

R & B DENIMS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs. In thousand)

| | Particulars | Note No. | As at 31st March, 2015 | As at 31st March, 2014 |
|------------|--|----------|------------------------|------------------------|
| I. | EQUITY AND LIABILITIES | | | |
| (1) | Shareholder's Funds | | | |
| | (a) Share Capital | 3 | 139,946.88 | 102,846.88 |
| | (b) Reserves and Surplus | 4 | 151,104.03 | 147,415.84 |
| | (c) Money received against Share Warrants | | - | - |
| (2) | Share Application Money pending allotment | | - | - |
| (3) | Non-Current Liabilities | | | |
| | (a) Long-Term Borrowings | 5 | 236,051.14 | 252,738.77 |
| | (b) Deferred Tax Liabilities (Net) | 6 | 6,279.31 | 2,286.80 |
| | (c) Other Long Term Liabilities | | - | - |
| | (d) Long-Term Provisions | 7 | 107.49 | 105.86 |
| (4) | Current Liabilities | | | |
| | (a) Short-Term Borrowings | 8 | - | 107,005.53 |
| | (b) Trade Payables | 9 | 58,157.42 | 48,867.84 |
| | (c) Other Current Liabilities | 10 | 81,348.25 | 70,927.61 |
| | (d) Short-Term Provisions | 11 | 16,378.78 | 10,129.10 |
| | TOTAL | | 689,373.29 | 742,324.23 |
| II. | ASSETS | | | |
| (1) | Non-Current Assets | | | |
| | (a) Fixed Assets | | | |
| | (i) Tangible Assets | 12 | 382,892.05 | 462,980.84 |
| | (ii) Intangible Assets | | - | - |
| | (ii) Capital work-in-progress | | - | - |
| | (iv) Intangible assets under development | 12 | 59,583.59 | - |
| | (b) Non-Current Investments | | - | - |
| | (c) Deferred Tax Assets (Net) | | - | - |
| | (c) Long-Term Loans and Advances | | - | - |
| | (e) Other Non-Current Assets | 13 | - | - |
| | | | 2,845.00 | 1,500.00 |
| (2) | Current Assets | 14 | 38,599.50 | 17,684.00 |
| | (a) Current Investments | | - | - |
| | (b) Inventories | | - | - |
| | (c) Trade Receivables | | - | - |
| | (d) Cash and Cash Equivalents | 15 | 107,445.46 | 149,269.80 |
| | (e) Short-Term Loans and Advances | 16 | 67,129.02 | 82,511.47 |
| | (f) Other Current Assets | 17 | 8,040.85 | 3,248.19 |
| | TOTAL | 18 | 22,837.81 | 23,455.67 |
| | | 19 | - | 1,674.27 |
| | | | 689,373.29 | 742,324.23 |

For Pradeep Singhi & Associates
Chartered Accountants
FRN : 108029W

Pradeep Kumar Singhi
Proprietor
M. No. 024612

Place : Surat
Date : 20th May 2015

FOR R & B DENIMS LIMITED

Amitkumar A. Dalmia
Chairman & Director
(DIN : 00034642)

Ankur M. Borana
Director
(DIN : 01091164)

Pradip K. Dave
Company Secretary

R & B DENIMS LIMITED
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

(Rs. In thousand)

| | Particulars | Note No. | Year Ended 31st March, 2015 | Year Ended 31st March, 2014 |
|-------|---|----------|--------------------------------|--------------------------------|
| I. | Revenue from Operations | 20 | 1,544,346.65 | 1,072,804.11 |
| II. | Other Incomes | 21 | 21,931.71 | 17,307.05 |
| III. | Total Revenue (I + II) | | 1,566,278.36 | 1,090,111.16 |
| IV. | Expenses: | | | |
| | Cost of Materials Consumed | 22 | 1,202,505.76 | 928,669.21 |
| (1) | Purchases of Stock-in-Trade | | | |
| (2) | Changes in Inventories of Finished Goods, Work-in- | 23 | 43,151.32 | (57,447.90) |
| (3) | Progress and Stock-in-Trade | 24 | 71,973.62 | 46,884.38 |
| (4) | Employee Benefit Expenses | 25 | 44,754.59 | 38,780.95 |
| (5) | Finance Costs | 26 | 84,532.69 | 50,575.22 |
| (6) | Depreciation and Amortization Expense | 27 | 111,631.59 | 77,142.53 |
| (7) | Other Expenses | | 1,558,549.58 | 1,084,604.39 |
| | Total Expenses | | 7,728.79 | 5,506.77 |
| V. | Profit before Exceptional and Extraordinary Items | | - | 1,783.86 |
| VI. | Exceptional Items | | 7,728.79 | 3,722.91 |
| | Prior Period Items | | | |
| VII. | Profit before Extraordinary Items and Tax (V - VI) | | 7,728.79 | 3,722.91 |
| VIII. | Extra Ordinary Items | | | |
| IX. | Profit before Tax (VII - VIII) | | 1,472.72 | 1,066.99 |
| X. | Tax Expense: | | 1,429.83 | 1,035.92 |
| | (a) Current tax expense (provision) | | 5.19887 | - |
| | (b) Provision for MAT credit | | - | 328.71 |
| | (c) Short Provision for Income tax expense relating | | - | - |
| | (d) MAT credit short provision made in earlier year | | (3,992.50) | 2,286.80 |
| | (d) Net current tax expense | | - | - |
| | (e) Deferred Tax Asset | | 4,040.60 | 1,989.17 |
| | (f) Interest on Income Tax | | 3,688.19 | 1,733.74 |
| XI. | Profit/ (Loss) for the period from Continuing Operations (IX - X) | | | - |
| XII | Profit/Loss from Discontinuing Operations | | | - |
| XIII | Tax Expense of Discontinuing Operations | | | |
| XIV. | Profit/ (Loss) from Discontinuing Operations (after Tax) (XII - XIII) | | | - |
| XIII. | Profit/ (Loss) for the Period (XI + XII) | | 3,688.19 | 1,733.74 |
| XIV. | Earnings Per Equity Share | | | |
| | (1) Basic | | 0.27 | 0.20 |
| | (2) Diluted | | 0.27 | 0.20 |

For Pradeep Singh & Associates
Chartered Accountants
FRN : 108029W

FOR R & B DENIMS LIMITED

Pradeep Kumar Singh
Proprietor (M. No. 024612)
Place : Surat
Date : 20th May 2015

Amitkumar A. Dalmia
Chairman & Director
(DIN : 00034642)

Ankur M. Borana
Director
(DIN : 01091164)

Pradip K. Dave
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED*(Rs. In thousand)*

| | PARTICULARS | F.Y. 2014-15 | | F.Y. 2013-14 | |
|----------|--|--------------|-------------|--------------|--------------|
| | | Amount | Amount | Amount | Amount |
| A | CASH FLOW FROM OPERATING ACTIVITIES | | 7,728.79 | | 5,506.77 |
| | Net Profit before tax and Extraordinary Items | | | | |
| | Adjustment For: | 84,532.69 | | 50,575.22 | |
| | Depreciation | (550.29) | | | |
| | Depreciation on TED reversed | (2,697.78) | | (1,858.78) | |
| | Interest Income | 42,759.73 | | 36,936.98 | |
| | Interest Paid | | 124,044.36 | | 85,652.05 |
| | | | 131,773.14 | | 91,158.82 |
| | Operating Profit before Working Capital Changes | | | | |
| | Adjustment For: | 15,382.45 | | (32,790.11) | |
| | Trade & Other Receivables | 41,824.34 | | (95,381.95) | |
| | Inventories | 19,710.22 | | 78,586.18 | |
| | Trade Payables and other Liabilities | 5,843.95 | | 3,423.06 | |
| | Short Term Provisions | | 82,760.96 | | (46,162.82) |
| | | | 214,534.10 | | 44,996.00 |
| | Cash Generated From Operations | (1,072.19) | | (338.58) | |
| | Tax Paid | | (1,072.19) | | (338.58) |
| | | | 213,461.91 | | 44,657.42 |
| | NET CASH FLOW FROM OPERATING ACTIVITIES (A) | | | | |
| B | CASH FLOW FROM INVESTING ACTIVITIES: | | | | |
| | <u>Fixed Assets</u> | (3,893.62) | | (268,529.02) | |
| | Purchase of Fixed Assets | | | | |
| | <u>Work in Progress</u> | (59,583.59) | | 9,331.29 | |
| | Increase in Capital Work in progress | | | | |
| | <u>Other</u> | 2,697.78 | | 1,858.78 | |
| | Interest Received | 1.64 | | 105.86 | |
| | Increase in Long Term Provisions | (1,345.00) | | - | |
| | Long Term Loans & Advances given | 2,047.69 | | 8,571.82 | |
| | Short Term Loans & Advances given | | (60,075.11) | | (248,661.27) |
| | NET CASH FLOW FROM INVESTING ACTIVITIES (B) | | | | |

R & B Denims Limited

| | | | | |
|---|--|-----------------|-------------|--------------------|
| C | CASH FLOW FROM FINANCING ACTIVITIES: | | | |
| | Payments of short term borrowings | (107,005.53) | 81,771.76 | |
| | Proceeds from Long term borrowings | (16,687.63) | 80,253.99 | |
| | Interest Paid | (42,759.73) | (36,936.98) | |
| | Increase in FDRs held for Margin | (19,241.24) | (3,496.59) | |
| | Proceeds from issue of shares | 37,100.00 | 39,894.52 | |
| | NET CASH FLOW FROM FINANCING ACTIVITIES (C) | - | - | 176,592.18 |
| | Net Increase in Cash & Cash equivalents | 4,792.67 | | (27,411.67) |
| D | Cash and Cash equivalents as on 01-04-2014 (D) | 3,248.19 | | 30,659.86 |
| E | Cash and Cash equivalents as on 31-03-2015 (E) | 8,040.85 | | 3,248.19 |
| | | 4,792.67 | | (27,411.67) |

SIGNATURE TO NOTES

For Pradeep Singhi & Associates
Chartered Accountants
FRN : 108029W

Pradeep Kumar Singhi
Proprietor
M. No. 024612

FOR R & B DENIMS LIMITED

Amitkumar A. Dalmia
Chairman & Director
(DIN : 00034642)

Ankur M.Borana
Director
(DIN : 01091164)

Place : Surat
Date : 20th May 2015

Pradip K. Dave
Company Secretary

R & B DENIMS LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The previous period figures have been regrouped / reclassified, wherever necessary to confirm to the current period presentation.

(Rs. In thousand)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 | | |
|---|---------------------------|---------------------------|--------------|---------------------------|
| <u>NOTE # 3</u> | | | | |
| <u>Share Capital</u> | | | | |
| <u>a) Authorised Capital</u> | | | | |
| 25,500,000 Equity shares of Rs. 10/- each. (Previous Year 25,500,000 Equity Shares @ Rs.10/- each) | 255,000.00 | 255,000.00 | | |
| Total | | | | |
| | 255,000.00 | 255,000.00 | | |
| <u>b) Issued, Subscribed and Paid up</u> | | | | |
| 13,994,688 Equity shares of Rs. 10/- each. fully paid (Previous Year 10,284,688 Equity Shares @ Rs.10/- each) | 139,946.88 | 102,846.88 | | |
| <u>c) Reconciliation of Share Capital</u> | | | | |
| <u>Authorised Capital</u> | | | | |
| Number of shares at the beginning Add | 139,946.88 | 102,846.88 | | |
| : Increased during the year Number of shares at the end | | | | |
| | 25,500,000.00 | 25,500,000.00 | | |
| <u>Issued, Subscribed and Paid up</u> | | | | |
| Number of shares at the beginning Add | - | - | | |
| : Issued during the year Number of shares at the end | 25,500,000.00 | 25,500,000.00 | | |
| | | | | |
| | 10,284,688.00 | 6,295,236.00 | | |
| | 3,710,000.00 | 3,989,452.00 | | |
| | 13,994,688.00 | 10,284,688.00 | | |
| <u>d) Shares held by Shareholder holding more than 5% shares and number of shares held is as follows.</u> | | | | |
| Particulars | % of Holding | As at 31st March, 2015 | % of Holding | As at 31st March, 2014 |
| Amit Kumar Dalmia | 3.92% | 549,171.00 | 5.34% | 549,171.00 |
| Deepak Dalmia | 3.92% | 549,168.00 | 5.34% | 549,168.00 |
| Rajkumar Mangilal Borana | 6.74% | 942,921.00 | 9.17% | 942,921.00 |
| Ankur Mangilal Borana | 6.74% | 942,918.00 | 9.17% | 942,918.00 |
| Rawat Khedia Silk Mills Pvt Ltd | 10.72% | 1,500,000.00 | 14.58% | 1,500,000.00 |
| Clubside Dealcom Private Limited | 5.36% | 750,000.00 | 7.29% | 750,000.00 |
| Positive Vinimay Private Limited | 5.36% | 750,000.00 | 7.29% | 750,000.00 |
| Newtown Mercantile Private Limited | 5.36% | 750,000.00 | 7.29% | 750,000.00 |
| Singrodia Bros Holding Private Limited | 5.36% | 750,000.00 | 7.29% | 750,000.00 |
| Shri Ramrathi Marketing Private Limited | 5.36% | 750,000.00 | 7.29% | 750,000.00 |
| Hem Securities Limited | 11.43% | 1,600,000.00 | - | - |

| R & B DENIMS LIMITED | | |
|--|---------------------------|---------------------------|
| NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 | | |
| (Rs. In thousand) | | |
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| <u>NOTE # 4</u> | | |
| <u>Reserves and Surplus</u> | | |
| (a) Securities Premium As per last Balance Sheet | 144,243.85 | 124,138.37 |
| Addition during the year | - | 40,000.00 |
| Less : Bonus Issued | - | -19,894.52 |
| | <u>144,243.85</u> | <u>144,243.85</u> |
| [During the year, company has been listed on SME Platform of Bombay Stock Exchange. During Initial Public Offer, company has issued 37,10,000 equity shares at Rs. 10 each on 11-04-2014.] | | |
| (b) Surplus i.e. Balance in the Statement of Profit & Loss | | |
| Opening balance | 3,171.99 | 1,438.24 |
| Profit during the year | 3,688.19 | 1,733.74 |
| Closing Balance | <u>6,860.18</u> | <u>3,171.99</u> |
| | <u>151,104.03</u> | <u>147,415.84</u> |
| <u>NOTE # 5</u> | | |
| <u>Long-Term Borrowings</u> | | |
| <u>Secured Loans</u> | | |
| <u>Term Loan</u> | | |
| Bank of India (Term Loan) | 300,335.14 | 317,022.77 |
| Less : Current maturities of long term debt | 64,284.00 | 64,284.00 |
| | <u>236,051.14</u> | <u>252,738.77</u> |
| [A - Term loan from Bank of India is Secured by way | | |
| a) All Plant & Machineries & other assets of the Company, | | |
| b) EQM of Land & Building situated at RO of the Company, | | |
| c) EQM of Land at Vesu standing in the name of Mr. Anandkumar Dalmia | | |
| d) All fund and non fund based joint and several guarantee by Directors, their selected relatives & sister concerns] | | |
| <u>Unsecured Loans</u> | | |
| Loan from Directors & Shareholders | - | - |
| Loan from Relatives | - | - |
| | <u>-</u> | <u>-</u> |
| Total Long-Term Borrowings | <u>236,051.14</u> | <u>252,738.77</u> |
| <u>NOTE # 6</u> | | |
| <u>Defferred Tax Liabilities</u> | | |
| Opening Balance [DTL] | (2,286.80) | - |
| Add : Provision made during the year | (3,992.50) | (2,286.80) |
| Closing Balance [DTL] | <u>(6,279.31)</u> | <u>(2,286.80)</u> |

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. In thousand)

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|---------------------------|---------------------------|
| <u>NOTE # 7</u> | | |
| <u>Long-Term Borrowings</u> | - | |
| Provision for Gratuity | 107.49 | 105.86 |
| Total Long Term Borrowings | 107.49 | 105.86 |
| <u>NOTE # 8</u> | | |
| <u>Short-Term Borrowings</u> | - | - |
| <u>Working Capital(cash-credit)</u> | - | - |
| Bank of India (A/c. No. 270930110000020) | - | 107,005.53 |
| Total Short Term Borrowings | - | 107,005.53 |
| [Cash Credit is secured against hypothecation of present and future raw material, stock in process, stores and spares, finished goods, Books Debts (except associate concern)] | | |
| <u>NOTE # 9</u> | | |
| Trade Payables | | - |
| Creditors for Goods | 52,071.53 | 43,167.29 |
| Creditors for Others | 6,085.89 | 5,700.55 |
| Total Trade Payables | 58,157.42 | 48,867.84 |
| <u>NOTE # 10</u> | | |
| <u>Other Current Liabilities</u> | | - |
| Professional Tax Payable | 43.02 | 41.22 |
| TDS / TCS Payable | 251.10 | 161.08 |
| Gujarat Labour Welfare Fund Payable | - | 2.68 |
| Current maturities of long term debt | 64,284.00 | 64,284.00 |
| Advance received from customers | 13,408.38 | 1,641.69 |
| <u>Other Liabilities</u> | - | |
| Creditors for Capital Goods | 3,361.75 | 4,796.94 |
| Total Other Current Liabilities | 81,348.25 | 70,927.61 |
| <u>NOTE # 11</u> | | |
| <u>Short-Term Provisions</u> | | - |
| Provision for Taxation | 1,472.72 | 1,066.99 |
| Provident Fund Payable | 34.84 | 12.43 |
| ESIC Payable | 8.90 | 9.95 |
| Auditors Remunerations | 252.81 | 263.74 |
| Bonus Payable | 6,895.39 | 4,230.74 |
| Electricity Expenses Payable | 4,232.91 | |
| Wages Payable | 3,452.55 | 4,119.76 |
| Salary Payable | - | 425.50 |
| Service Tax Payable | 28.66 | - |
| Total Short Term Provisions | 16,378.78 | 10,129.10 |

ASSETS

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | | NET BLOCK | |
|---------------------------------|----------------|--------------------------|----------------|----------------|-----------|--|----------------|----------------|----------------|
| | As at | Additions/ (Deletion) | As at | As On | Additions | Dedu ction / Adjus tmen t | Upto | As at | As at |
| | 01.04. 2014 | | 31.03. 2015 | 01.04. 2015 | | | 31.03. 2015 | 31.03. 2015 | 31.03. 2014 |
| <u>Tangible Assets</u> | | | | | | | | | |
| Building | 55091.822 | 4,555.24 | 59,647.06 | 7,965.46 | 4,616.75 | - | 12,582.21 | 47,064.85 | 47,126.36 |
| Borewell | 32.38 | | 32.38 | 2.98 | 18.21 | - | 21.20 | 11.18 | 29.40 |
| Computer | 921.09 | 15.50 | 936.59 | 491.38 | 321.26 | - | 812.64 | 123.95 | 429.71 |
| Electrification | 26,326.37 | 548.32 | 26,874.69 | 3,353.70 | 4,401.96 | - | 7,755.66 | 19,119.03 | 22,972.67 |
| Plant & Machinery | 468,951.63 | (1,255.44) | 467,696.19 | 77,001.95 | 75,071.04 | 550.29 | 151,522.70 | 316,173.49 | 391,949.68 |
| Water Tank | 511.54 | | 511.54 | 38.53 | 97.81 | - | 136.34 | 375.20 | 473.01 |
| TOTAL (A) | - | 30.00 | 30.00 | - | 5.66 | - | 5.66 | 24.34 | - |
| Previous Year | 551,834.83 | 3,893.62 | 555,728.45 | 88,853.99 | 84,532.69 | 550.29 | 172,836.39 | 382,892.05 | 462,980.84 |
| | 283,305.81 | 268,529.02 | 551,834.83 | 38,280.14 | 50,575.22 | 1.37 | 88,853.99 | 462,980.84 | 245,025.67 |
| Capital Work in Progress | - | 59,583.59 | 59,583.59 | - | - | - | | 59,583.59 | 9,331.29 |
| Previous Year | 9331.29 | (9331.29) | - | | | | | | 9,331.29 |

| R & B DENIMS LIMITED | | |
|---|--|---------------------------|
| NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 | | |
| | | (Rs. In thousand) |
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| <u>NOTE # 13</u> | | |
| <u>Long-Term Loans and Advances</u> | | |
| Advances | | |
| Advance to GETPL | 2,845.00 | 1,500.00 |
| Total Long-Term Loans and Advances | 2,845.00 | 1,500.00 |
| [Advance to Gujarat Eco Textile Park has been given on account of share for centralised water effluent treatment plant for disposal of effluent coming out from the production and processing. As the same would be required as long as the company is into the existence for environment conservation, therefore the same has been classified as long term loans & advance.] | | |
| <u>NOTE # 14</u> | | |
| <u>Other Non-Current Assets</u> | | |
| [Fixed Deposit(s) have been made and kept as securities against various bank guarantee(s) extended on behalf of company to Government Authorities & Electricity Supply Company.] | | |
| <u>NOTE # 15</u> | | |
| <u>Inventories</u> | | |
| Raw Material Work | 64,615.66 | 67,344.56 |
| in Progress | 13,638.79 | 11,776.73 |
| Finished Goods | 6,113.28 | 62,258.94 |
| Stores& Packing Material | 11,945.45 | 7,889.57 |
| Goods in Transit | 11,132.28 | - |
| | 107,445.46 | 149,269.80 |
| Mode of Valuation of Inventories | | |
| Particulars | Mode of Valuation | |
| Raw material & W.I.P. | : Valued at cost | |
| Finished Goods | : Valued at cost or Market Value whichever is lowe | |
| <u>NOTE # 16</u> | | |
| <u>Trade Receivables</u> | | |
| <u>Unsecured, Considered Good</u> | | |
| - Outstanding for a period exceeding six months | 817.86 | 60.87 |
| - Others | 66,311.16 | 82,450.60 |
| Total Trade Receivables | 67,129.02 | 82,511.47 |

| R & B DENIMS LIMITED | | |
|--|---------------------------|---------------------------|
| NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 | | |
| (Rs. In thousand) | | |
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| <u>NOTE # 17</u> | | |
| <u>Cash and Cash Equivalents</u> | | |
| Cash in hand | 932.13 | 515.06 |
| Balance with Schedule Bank | | |
| Bank Of India (Current A/c. No. 270920110000018) | 15.38 | 27.78 |
| HDFC BANK (Current A/c. No. 50200001607049) | 57.57 | 6.94 |
| HDFC Bank (IEX Settlement A/c. 00990680035248) | - | 502.80 |
| Bank of India (CC A/c. No. 270930110000020) | 2,656.31 | - |
| [Cash Credit is secured against hypothecation of present and future raw material, stock in process, stores and spares, finished goods, Books Debts (except associate concern)] | | |
| F.D.R. With Banks | | |
| FDR with Bank of India | 4,379.46 | 2,195.61 |
| Total of Cash and Cash Equivalents | 8,040.85 | 3,248.19 |
| [Fixed Deposit(s) have been made and kept as securities against various bank guarantee(s) extended on behalf of company to Government Authorities & Electricity Supply Company.] | | |
| <u>NOTE # 18</u> | | |
| <u>Short-Term Loans and Advances</u> | | |
| Advance Tax | 500.00 | 650.00 |
| MAT Credit | 2,794.46 | 1,364.63 |
| Advance to Suppliers | | |
| - Supplier for capital goods | 20.53 | 795.42 |
| - Supplier for others | 228.80 | 184.05 |
| Electricity duty refund Receivable | - | 1,099.06 |
| Interest Subsidy Receivable Custom | 10,430.00 | 13,239.08 |
| duty refundable | 14.49 | - |
| Deposits | 4,625.00 | 75.00 |
| BSE Limited (Security Deposit-IPO) | 371.00 | 371.00 |
| TED Receivable | 176.42 | - |
| Tax Deducted at Source / TCS Receivable (2013-14) | 1,398.87 | 578.19 |
| Income Tax Refund | 433.55 | 277.55 |
| Interest / Bank charges receivable | 578.54 | - |
| Pre-paid Insurance Premium Other | 407.03 | 401.91 |
| Pre-paid Expenses | 859.13 | 897.16 |
| Other Loans and Advances | - | 3,522.63 |
| | 22,837.81 | |
| | | 23,455.67 |

| R & B DENIMS LIMITED | | |
|--|---------------------------|---------------------------|
| NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 | | |
| (Rs. In thousand) | | |
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| <u>NOTE # 19</u> | | |
| <u>Other Current Assets</u> | | |
| <u>1. Preliminary & Pre-operative Expenses</u> | | |
| Opening Balance | - | 1,783.86 |
| Add: Expenditure made during the year | | - |
| | - | 1,783.86 |
| Less: written off during the year (previous year written off 1/5th) | | 1,783.86 |
| Closing Balance | - | - |
| <u>2. F.D. Interest Receivable</u> | | 1,674.27 |
| Total Other Current Assets | - | 1,674.27 |
| <u>NOTE # 20</u> | | |
| <u>Revenue From Operations</u> | | |
| Sale of Products | | |
| - Domestic | 1,454,502.49 | 1,053,214.27 |
| - Exports | 33,357.16 | |
| | 1,487,859.65 | 1,053,214.27 |
| <u>Other Operating Revenues</u> | | |
| Job Work Income | 56,487.00 | 19,589.84 |
| | 56,487.00 | 19,589.84 |
| Total Revenue | 1,544,346.65 | 1,072,804.11 |
| <u>NOTE # 21</u> | | |
| <u>Other Incomes</u> | | |
| Interest Subsidy received | 18,616.76 | 15,333.83 |
| Interest on FDR | 2,697.78 | 1,858.78 |
| Insurance Claim Received | - | 113.07 |
| Profit on sale of Fixed Assets | - | 1.37 |
| Reversal of depreciation on TED of F.A. | 550.29 | - |
| Misc Income | 66.88 | - |
| Total Other Income | 21,931.71 | 17,307.05 |
| <u>NOTE # 22</u> | | |
| <u>Cost of Materials Consumed</u> | | |
| Consumption of Yarn | 1,001,867.88 | 814,353.68 |
| Consumption of Coal/ Lignite | 50,319.84 | 27,403.15 |
| Consumption of Colour/ Chemical | 132,366.48 | 79,761.01 |
| Consumption of Stores/ Packing Materials | 17,951.56 | 7,151.37 |
| | 1,202,505.76 | 928,669.21 |

| R & B DENIMS LIMITED | | |
|---|---------------------------|---------------------------|
| NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 | | |
| (Rs. In thousand) | | |
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| NOTE # 23 | | |
| <u>Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</u> | | |
| <u>Closing stock of finished Goods</u> | 6,113.28 | 62,258.94 |
| Finished Stock of Goods | | |
| WIP | 13,638.79 | 11,776.73 |
| Goods in Transit | 11,132.28 | - |
| Less : | | |
| <u>Opening Stock of Finished Goods</u> | | |
| Finished Stock of Goods | 62,258.94 | 3,377.65 |
| WIP | 11,776.73 | 13,210.12 |
| Goods in Transit | - | - |
| | -43,151.32 | 57,447.90 |
| NOTE # 24 | | |
| <u>Employee Benefit Expenses</u> | | |
| Salary & Wages | 55,832.23 | 35,214.57 |
| Bonus | 11,901.29 | 8,164.93 |
| Leave Wages | 2,748.50 | 2,020.41 |
| Directors Seating Fees | 56.00 | 14.00 |
| Staff Welfare Exps. | 1,182.54 | 1,163.10 |
| P.F. (Employer's Contribution) | 163.71 | 96.44 |
| ESIC (Employer's Contribution) | 83.85 | 96.54 |
| Labour Welfare Funds (Contribution) | 3.87 | 8.54 |
| Gratuity Expense | 1.64 | 105.86 |
| Total Employee Benefit Expenses | 71,973.62 | 46,884.38 |
| <p>[Salary & Wages include Directors Remuneration to all the directors except independent Directors, amounting to Rs. 300 thousand each. (P.Y. Rs. 300 thousand each).]</p> <p>[Directors sitting fees has been paid to the independent directors of the Company @ Rs. 3,500/- per BOD meeting attended.]</p> <p>[Earned Leave encashed in full hence no liability towards unpaid Leave is provided]</p> <p>[Staff Welfare Expenses include food and medical exp of Rs. 697.17 thousand and Rs. 393.61 thousand (P.Y. Rs. 629.90 thousand and Rs. 533.20 thousand) resp. borne by the company for betterment of its employees.]</p> <p>[Gratuity provision of the company is Rs. 1,07,493 as on year ended on 31st march 2015 as against Rs. 1,05,856 as on year ended on 31st March 2014. Hence the provision of Rs. 1,637 has been made in current financial year.]</p> | | |
| NOTE # 25 | | |
| <u>Finance Costs</u> | | |
| Bank Charges | 1,514.08 | 1,843.97 |
| Bank Interest on Cash Credit | 1,711.48 | 2,615.47 |
| Bank Interest on Term Loan | 39,816.37 | 34,321.52 |
| Bank Gaurantee Charges | 480.78 | - |
| Interest on loans | 1,231.89 | - |
| Total Finance Costs | 44,754.59 | 38,780.95 |

| R & B DENIMS LIMITED | | |
|--|---------------------------|---------------------------|
| NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 | | |
| (Rs. In thousand) | | |
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| <u>NOTE # 26</u> | | |
| <u>Depreciation and Amortization Expense</u> | | |
| Depreciation | 84,532.69 | 50,575.22 |
| | <u>84,532.69</u> | <u>50,575.22</u> |
| <u>NOTE # 27</u> | | |
| <u>Other Expenses</u> | | |
| <u>Manufacturing Expenses</u> | | |
| Boiler Expenses Electricity | 4.40 | 4.40 |
| Expenses Factory Expenses | | |
| Job work charges | 95,747.27 | 62,191.86 |
| Lease Rent | 1,074.23 | 879.82 |
| Repairs & Maintenance (Machine) | 478.96 | - |
| Repairs & Maintenance (Electrical Installations) | 179.88 | 96.00 |
| Diesel Exps | 1,282.68 | 949.26 |
| Freight and Transportation (other) | 88.17 | 40.15 |
| Loading and unloading expenses Total | 100.55 | 707.72 |
| Manufacturing Expenses | 315.32 | 44.04 |
| <u>Administrative Expenses</u> | 625.64 | 255.05 |
| Agency Charges Audit | 99,897.10 | 65,168.30 |
| Fees Computer | | |
| Expenses Conveyance | | |
| Exps Courier | 321.92 | 138.15 |
| Expenses | 280.90 | 280.90 |
| Excise Office Penalty | 107.64 | 148.56 |
| Insurance Expenses IPO | 533.85 | 714.32 |
| Expenses | 282.92 | 148.59 |
| Land Tax | - | 2.00 |
| License Fees | 739.81 | 346.56 |
| Membership & subscription | 3,957.00 | 441.57 |
| Miscellaneous Exps Panchayat | 15.42 | 15.42 |
| Tax | 34.36 | 57.52 |
| Pollution Control Exp | 185.45 | 177.30 |
| Printing & Stationary | 1,331.71 | 1,126.20 |
| Professional & Legal Fees | 215.00 | 182.00 |
| Professional Tax | 269.83 | 12.11 |
| Repairs & Maintenance (Others) | 1,235.36 | 1,306.89 |
| ROC Exps | 869.07 | 339.76 |
| Service Tax Expenses | 2.50 | 2.50 |
| Telephone Expenses | 7.25 | - |
| Travelling Exps Travelling | 77.67 | 32.50 |
| Exps (Foreign) Vat Audit | | |
| Fees | 348.99 | 227.53 |
| Total Administrative Expenses | 20.43 | 10.95 |
| | 177.75 | 107.27 |
| | - | 125.45 |
| | 16.85 | 16.85 |
| | <u>11,031.64</u> | <u>5,960.91</u> |

| R & B DENIMS LIMITED | | |
|--|---------------------------|---------------------------|
| NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 | | |
| (Rs. In thousand) | | |
| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
| <u>Selling and Distribution Expenses</u> | | |
| Advertisement Expense | 136.79 | 168.00 |
| Brokerage and Commission | 455.59 | 5,111.49 |
| Insurance (Marine) | 86.87 | 692.15 |
| Sales Promotion Expenses | 6.00 | - |
| Total Selling and Distribution Expenses | 685.24 | 5,971.64 |
| <u>Other Expenses</u> | | |
| Interest on late payment of TDS and other charges | 17.61 | 41.68 |
| Total Other Expenses | 17.61 | 41.68 |
| Total Other Expenses | 111,631.59 | 77,142.53 |

NOTE # 28**Other Disclosures****1. Related Party Transactions (AS 18):****List of Related Parties:**

| Sr. No. | Name | Relation |
|---------|--|--|
| 1 | Amitkumar Dalmia | Directors/ key management personnel |
| 2 | Deepak A. Dalmia | |
| 3 | Rajkumar M. Borana | |
| 4 | Ankur M. Borana | |
| 5 | Amitkumar Dalmia - HUF | Relative of Directors/key management personnel |
| 6 | Deepak Dalmia - HUF | |
| 7 | Rajkumar Borana - HUF | |
| 8 | Ankur Borana - HUF | |
| 9 | Sunaina D. Dalmia | |
| 10 | Shashidevi Dalmia | |
| 11 | Deepa A. Dalmia | |
| 12 | Sharmila Borana | |
| 13 | Mangilal Borana | |
| 14 | Mangilal Borana HUF | |
| 15 | Dhawani Ankur Borana | |
| 16 | Mohini Borana | |
| 17 | Sharmila Enterprises | Companies/Entity Owned or Significantly influenced by Directors/Relatives of Directors |
| 18 | Vijay Corporation | |
| 19 | Jinay Enterprises | |
| 20 | Lalita Textiles | |
| 21 | Rawatkhedha Silk Mills Private Limited | |
| 22 | Saroj Synthetics | |
| 23 | Vijaya Textiles | |
| 24 | Mayfair Vinimay Private Limited | |

I. Transactions with Directors/ key management personnel

| Nature of Transactions | For the year ended 31st March 2015 | For the year ended 31st March 2014 |
|------------------------------------|------------------------------------|------------------------------------|
| Transaction During the Year | | |
| Remuneration | | |
| Amitkumar Dalmia | 300.00 | 300.00 |
| Deepak A. Dalmia | 300.00 | 300.00 |
| Rajkumar M. Borana | 300.00 | 300.00 |

| | | |
|-----------------------|----------------------|----------------------|
| Ankur M. Borana | 300.00 | 300.00 |
| | | |
| Lease Rent | | |
| Amitkumar Dalmia | 24.00 | 24.00 |
| Deepak A. Dalmia | 24.00 | 24.00 |
| Rajkumar M. Borana | 24.00 | 24.00 |
| Ankur M. Borana | 24.00 | 24.00 |
| | | |
| Shares Alloted | No. of Shares | No. of Shares |
| Amitkumar Dalmia | - | 366,114 |
| Deepak A. Dalmia | - | 366,112 |
| Rajkumar M. Borana | - | 628,614 |
| Ankur M. Borana | - | 628,612 |

2. Disclosure of Gratuity Liability as per Actuarial Valuation as required by AS 15 :

(A.)

(Amount in Rs.)

| (a) Defined Benefit Plan (Gratuity) | |
|---|---|
| The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under: | |
| Partiulars | For the period 1st April 2014 to 31st March 2015 |
| 1. The amounts recognised in the Balance Sheet are as follows: | |
| Present value of unfunded obligations recognised | 107,493 |
| Un Funded Status | 107,493 |
| Net Liability | 107,493 |
| 2. The amounts recognised in the Profit & Loss A/c are as follows: | |
| Current Service Cost | 84,270 |
| Interest on Defined Benefit Obligation | 9,855 |
| Net Actuarial Losses / (Gains) Recognized in Year | (92,488) |
| Past Service Cost | - |
| Total, Included in "Salaries, allowances & welfare" | |
| | 1,637 |

| | |
|---|----------|
| 3. Changes in the present value of defined benefit obligation: | |
| Defined benefit obligation as at the beginning of the year/period | 105,856 |
| Expense recognised in statement of profit and loss | 1,637 |
| Service cost | - |
| Interest cost | - |
| Actuarial Losses/(Gains) | - |
| Past Service Cost | - |
| Defined benefit obligation as at the end of the year/period | 107,493 |
| Benefit Type : | |
| Retirement Age: | 60 Years |
| Vesting Period: | 5 Years |
| The principal actuarial assumptions for the above are: | |
| Discount rate per annum | 9.31% |
| Expected salary escalation rate per annum | 6.00% |
| Attrition Rate per Annum | 2.00% |

3. Calculation of Earnings per share (AS 20) :

| Particulars | F.Y. 2014-15 | F.Y. 2013-14 |
|---|--------------|--------------|
| Profit available for appropriation to equity shareholders | 3,688.19 | 1,733.74 |
| Weighted Average number of equity shares for calculation of Basic Earning per share | 13,893 | 8,890 |
| Weighted Average number of equity shares for calculation of Diluted Earning per share | 13,893 | 8,890 |
| Basic Earning per equity shares | 0.27 | 0.20 |
| Diluted Earning per equity shares ** | 0.27 | 0.20 |
| Face Value per equity share | 10 | 10 |

Note . The weighted average number of equity shares outstanding at the year ended on 31st march 2015, are also adjusted for the yearend balance of share application money pending allotment, as considered potential equity shares, for calculation of Diluted Earning Per Share as per the AS 20.

- There was no employee in receipt of remuneration aggregating to Rs. 60,00,000/- or more per year or Rs. 5,00,000/- or more per month for the part or whole of the year. Previous year also there was no such employee.
- Balances of loans, advances, Cash & Bank and Creditors & Debtors are subject to confirmation and have been taken as appeared in the books of account of the company.
- The quantity and value of closing stock is certified by the management as true and correct.
- The quantity and value of closing stock is certified by the management as true and correct.

8. The Company has made registration under Service Tax Statute in current financial year i.e. F.Y. 2013-14. Hence the provision of Service Tax Expense has been made in current of Rs. 3,48,989 (Pre Year Rs. 1,34,748)
9. Additional information :

(a) Managerial remuneration paid/ payable to the Managing Director/ Directors for the period from 1st April 2014 to 31st March 2015 Rs. 1200 thousand (Previous Year Rs. 1200 thousand)

(b)

| Auditor's Remuneration: | Current Year | Previous Year |
|-----------------------------------|--------------|---------------|
| As Auditors and in other capacity | 250.00 | 250.00 |
| Add: Service Tax | 30.90 | 30.90 |
| Total | 280.90 | 280.90 |

(c) Licensed/Installed capacity information :

| Description of Goods | Installed Capacity for year 2014-15 | Installed Capacity for year 2013-14 |
|----------------------|-------------------------------------|-------------------------------------|
| Licensed Capacity | 2 Cr Mts per Annum | 1.20 Cr Mts per Annum |
| Installed Capacity | 2 Cr Mts per Annum | 1.20 Cr Mts per Annum |

(d) CIF Value of Imports

(Rs. In Thousand)

| Particulars | For the period from 1st April 2014 to 31st March 2015 | For the period from 1st April 2013 to 31st March 2014 |
|----------------|---|---|
| Raw Materials | 69,492.39 | 45,809.11 |
| Store & Spares | 21.22.78 | - |
| Capital Goods | - | 124,981 |
| Total | 71,615.16 | 170,790.56 |

(e) Value of Imported and Indigenous Raw Materials purchased and percentage of it to the total purchase

| Particulars | For the period from 1st April 2014 to 31st March 2015 | | For the period from 1st April 2013 to 31st March 2014 | |
|---------------------|---|--------------|---|----------------|
| | Rs. in lacs | % | Rs. in lacs | % |
| Imported | 69,492.39 | 5.90% | 45,809.11 | 4.81% |
| Indigenous Purchase | 1,108,667.40 | 94.10% | 907,086.66 | 95.19% |
| Total Purchase | 1,178,159.79 | 100 % | 952,895.77 | 100.00% |

(f) Breakup of deferred tax assets/ liabilities and the movement of deferred tax account for the year under audit is as

| Sr. No. | Description | Amount | Amount |
|---------|--|---------|----------|
| 1 | Deffered Tax Liability | | |
| | Previous Years Deffered Tax Liabilities | | |
| | W. D. V. as per Companies Act | 382,892 | |
| | W. D. V. as per Income Tax Act | 348,047 | |
| | | 34,845 | (10,767) |
| | Unabsorbed Depreciation F.Y. 2014-15 | 21,044 | 6,503 |
| | | | - |
| | Dis-Allowance u/s. 35D | 880 | 272 |
| | Net Deffered Tax Liability / (Asset) for the year | | (3,993) |

| Sr. No. | Deffered Tax Summary | Amount |
|---------|--|---------|
| 1 | Opening Deferred Tax Liability / (Assets) | (2,287) |
| 2 | Less: Current Deffered Tax Liability / (Assets) | (6,279) |
| 3 | Closing Deferred Tax Liability / (Assets) | (3,993) |

(g) Contingent Liability*(Rs. In Thousand)*

| | Particulars | Amount in Rs. | Date of Expiry of Gaurantee |
|----|---|---------------|-----------------------------|
| 1) | Guarantees in lieu of Deposit | | |
| | Dakshin Gujarat Vij Company Limited, Surat | 4,770.88 | 27/08/2016 |
| 2) | Performance Guarantee | | |
| | Director of Foreign Trade, New Delhi | 703.00 | 17/11/2016 |
| | Director of Foreign Trade, New Delhi | 63.00 | 22/02/2015 |
| | Commissioner of Customs, Nhava Seva, Mumbai | 13,350.00 | 12/07/2021 |
| | Director of Foreign Trade, New Delhi | 1,272.00 | 21/04/2016 |

| | | |
|---|----------|------------|
| Director of Foreign Trade, New Delhi | 280.00 | 25/02/2016 |
| Commissioner of Customs, Nhava Seva, Mumbai | 300.00 | 13/12/2021 |
| Director of Foreign Trade, New Delhi | 1,900.00 | 10/06/2023 |
| Director of Foreign Trade, New Delhi | 107.00 | 12/06/2016 |
| Director of Foreign Trade, New Delhi | 830.00 | 21/06/2023 |
| Director of Foreign Trade, New Delhi | 20.00 | 30/06/2016 |
| Director of Foreign Trade, New Delhi | 25.00 | 30/08/2017 |
| Director of Foreign Trade, New Delhi | 768.00 | 27/11/2017 |
| Commissioner of Customs, Nhava Seva, Mumbai | 50.00 | 08/10/2014 |

- 3) The case of Company stands pending before Deputy Commissioner of Customs, Custom Division, Surat for payment of custom duty. The amount of custom duty involved is Rs. 1,93,179/-, against which duty of Rs. 14,488 is already paid. However, no provision for the liability of remaining amount of duty has been made being contingent in nature.

SIGNATURE TO NOTES

For Pradeep Singhi & Associates
Chartered Accountants
FRN : 108029W

Pradeep Kumar Singhi
Proprietor
M. No. 024612

Place : Surat
Date : 20th May 2015

FOR R & B DENIMS LIMITED

Amitkumar A. Dalmia
Chairman & Director
(DIN : 00034642)

Ankur M. Borana
Director
(DIN : 01091164)

Pradip K. Dave
Company Secretary

Rhythm & Blue



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R & B Denims Ltd.

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