# FEEL THE FINEST GROWTH EVER!



RB Denims

Rhythm & Blue

ANNUAL REPORT 2020-2021

# Where Comfort is a Culture!

Established in 2010, 'R&B Denims' is being promoted by the RawatKhedia and the Borana groups, undoubtedly two of the most influential textile houses in the polyester hub, Surat. Directed by Mr. Anand Dalmia and Mr. Mangilal Borana respectively. 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.

We are one of the largest vertically integrated textile manufacturers in the world with over 30 million meters capacity of production, R&B Denims is one of the few denim manufacturers capable to produce high width stretch denim upto 80 inches. Our world-class facilities are backed by a solid infrastructure to make our processes more productive, people more efficient and products consistent in quality.



# Where Numbers tell a Smooth Achievement!

Manufactured over
**12.45 Million**
Meters of Denim Fabrics in FY 21

Over **30 Million** meters capacity of production.

Spinning capacity of **2208** Open End Rotors & **11520** Ring Spindle.

A trained workforce of **300 employees.**

Capacity to produce high width strech denim upto **80 inches.**

# Where Fashion is a Bright Way to Brighter Future!

## Mission

To serve the best combination of Product, Price and Commitment and create value for money product. Expanding our horizons and moving towards becoming one of the market leaders in textile industry is what we look upto.

## Vision

To lead in product excellence and deliver unmatched quality to sustain culture that ensures trust of our customers, business associates and employees.

## Core Values

1. To value quality over numbers.
2. To work honestly for every person associated with the organisation.
3. To Work in compliance with all rules and regulations.
4. To follow the righteous path aiming towards success.



# Our Passion Reflects in Our Performance!

Revenue from Operations
**₹174 Crores**
in FY 21

EBITDA
**₹17.7 Crores**
in FY 21

Profit after Tax
**₹8.33 Crores**
in FY 21



# The Success Stretch!

- Export to 8+ countries across the world
- Export growth of over 6x times over a period of 3 years
- Proportionate increase in the export to 12.7% of the overall revenue in FY2021



# Quality
# is the end result!

ISO 9001:2015
and
ISO 14001:2015
for Quality Management
System and
Environmental
ManagementCrores

## POLY DOBBY
In this segment dobby fabric with 100% poly content is used in WEFT yarn

## POLY KNITTING
In This Segment Cotton As Well As Poly Content Is Used In WEFT Yarn

## COTTON KNITTING
In This Segment 100% Cotton Content Is Used In WEFT Yarn

## SATIN
In this segment Cam fabric with 100% poly content is used in WEFT yarn

## 3/1 RHT/LHT
In This Segment Cotton As Well As Poly Content Is Used In WEFT Yarn According To Buyer Requirement

# Each Step Marks an Achievement!

## Cotton Yarn

Cotton yarns are used for making the denim Fabrics.

## Warping- 3 Machines

Warping is the process of combining yarns from different cones to form sheet.

## Dyeing- 3 machines

These machines can produce large volumes of denim in similar colors or small lots in differentiated colors

## Air Jet Looms- 174 machines

These are the main weaving machines.

## Singeing- 2 machines

This machine produce an even surface by burning off projecting fibres, yarn ends, and fuzz

## Finishing- 2 machines

Finishing processes comprise washing, bleaching, dyeing and coating on textiles following weaving

## Inspection- 9 machines

This helps to identify the faults in production of fabric before packing & delivery

# CONTENT

## STATUTORY REPORTS


18 Chairman Message

20 Director's Message

21 Q&A with WTD

22 Core Management Team

24 Corporate Information

26 Notice

38 Directors' Report

49 Report on Corporate Governance

76 Management Discussion and Analysis Report

95 Auditors Certificate on Corporate Governance Report

## STANDALONE FINANCIAL STATEMENT


99 Independent Auditor's Report

107 Balance Sheet

109 Statement of Profit & Loss Account

110 Cash Flow Statements

111 Notes to Financial Statements


## CONSOLIDATED FINANCIAL STATEMENT


143 Independent Auditor's Report

148 Balance Sheet

150 Statement of Profit & Loss Account

152 Cash Flow Statements

153 Notes to Financial Statements






174 Attendance Slip

175 Proxy Form

176 Ballot Form

# Chairman's Message



Mr. Rajkumar Borana
Chairman & Managing Director

**The fiscal 2020-21 witnessed significant challenges as the global as well as the Indian economy continued to be affected by several macro-economic factors.**

Dear Stakeholders,

I hope that you, your families, and loved ones are safe and doing well. I write to you amidst uncertain times. The global spread of COVID-19 and India's lockdown have created an economic environment filled with uncertainty and risk. Our first priority has been to ensure that our workforce is safe.

I am pleased to share with you an update on your Company's performance for FY2021. The year saw a challenging business environment with lower GDP growth, compared to the previous years and witnessed a slowdown in consumption. The novel corona-virus has affected not just human health but severely impacted businesses and the society at large. Against this backdrop, your Company has delivered competitive, profitable and responsible growth.

The fiscal 2020-21 witnessed significant challenges as the global as well as the Indian economy continued to be affected by several macro-economic factors. Amidst a challenging environment, your companycontinues to grow, backed by a robust business model and its strategic ability to navigate through troubled times. To retain our competitive advantage and consistently deliver value to all our

stakeholders, we continue to focus on investments for research and development, technological enhancement and quality improvement to sustain profit margins and increase operational efficiency.

The growth of the Company is affected in this financial year 2020-21 due to COVID-19 and the Company recorded total revenue of 17,766.37 Lakhs against Rs. 25,835.70 Lakhs in the previous year, representing a decrease of 31.23% but Profit before tax is increased to Rs. 1,015.99 Lakhs as compared to Rs. 452.76 Lakhs during the year. Total Income during the year increased to Rs. 846.16 as compared to Rs. 335.71 in the previous year.

The textile industry is going through multiple changes from different dimensions which are changing global and regulatory regime and there is no stopping to the increasing levels of competition. The company is diligently striving to provide complete denim fabrics by enrooting new product lines and gaining a deep understanding of consumer preferences through every passing year.

Your company has never intended to grow at an unsustainable & erroneous rate, by opening stores after stores but rather grow at a convincing rate, therefore, your company strategically plans and making sure that it reaches a wider section of people, and create value for its esteemed shareholders.

The Company provides its utmost attention towards the sustainability and protection of the environment and therefore the entire functioning of the plant is planned in such a manner that causes the least or no harm to the purity and beauty of our ecosystem. The Company also makes sure that it complies with all its official obligations relating to the environmental aspects.

However, as your company is involved in textile business, and due to the nation-wide lockdown, the production and demand of textile product was reduced, it did cause a short-term impact on the working, but a surge in demand was witnessed in the unlocking phase. The demand of products is expected to rise with the improving conditions. Hereby, on behalf of the company, I would like to assure that your company does not foresee any impact in respect of its existing contracts and agreements and its long-term sustainability is expected to remain unharmed.

I would like to take this opportunity to thank each and every employee as well as others who are associated with R & B Denims Limited in any way and also our partners across the value chain for their commitmentand service to us. Most importantly, I would like to thank you, our shareholders, for our over whelming trust, support and confidence in R & B Denims Limited.

Thank You for your Support

# Director's Message



Mr. Amit Kumar Dalmia
Whole-time Director

Dear Esteemed Stakeholders,

It gives me great pleasure to share with you the exceptional performance of the Company in FY 20-21. Your Company has touched new heights, strengthening our position in the Denim Market by Market Capitalization and Profitability.

The COVID-19 pandemic disrupted several lives and dealt a severe blow to the economic health of the nation. In these challenging times, your company has started multiple initiatives in FY 21 to reduce cost structurally. The cost reduction initiatives were accelerated in the COVID Scenario will help to improve profitability when sales get back to normal. Your Company has also improved its cash position with inflow of Cash from consolidated operations of Rs. 15.98 CR in FY 21.

I will now update you on your company's Major investment Decisions. As a step towards green future and sustainable growth Your Company has decided to invest in Sustainable energy by investing in solar energy plant and Wind energy plant. We have installed on Site Solar plant having capacity of 1200 KW and off site Wind mill with the capacity of 2.7 MW. This plants will contribute to 60% of our total power consumption.

Consolidated Financial Performance-I am delighted to share that the EBITDA margins of your company has expanded around 2x from 7.8% in FY 20 to 14.6% during FY 21. PAT margins of R&B Denims ltd has improved by almost 4x from FY 20 to FY 21. Our revenue has shown a declining trend because of COVID Impact however our margins are improved. The Debt to equity ratio of our company has decreased from 2.24 times in FY 20 to 1.67 times in FY 21. We will continue to strengthen the balance sheet of the company through debt reduction and effective working Capital management.

While the changing industry trends, we remain eagle-eyed with our inventory management policies. The efficient inventory management helped increase sales, maintain prudent working capital and increased productivity. We increased proportion of our Premium products thereby strengthening our margins. The Coaction of our techniques shall help to create enhanced value for our stakeholders.

Lastly, I would like to thank our customers, bankers, employees, stakeholders for their continued support that helps us to continuously raise the bar of excellence.

# Q&A with WTD

**Q** **How would you see the challenging year FY 21?**

**A** Although FY 21 was a challenging year but with the help of our acute strategies and government support to increase liquidity in the market we are been able to pass this phase with flying colors. We have planned our purchases and inventory management in such a way that our profits are not impacted by the increasing prices of raw material after sudden boom in denim market in Oct-20 that gives us competitive advantage in the market and as a result we have been able to maintain a healthy balance sheet with robust cash flow from operations and low debt-equity ratio.

**Q** **Could you throw some light on the critical success factor of the company?**

**A** We are continuously focusing on increasing market share, reducing Operational Cost, maintaining an efficient internal control system and strengthening the healthy relation with the existing customers for the recurring business. We are continuously looking our financial performance to check where we can improve, this cumulative approaches has led us to achieve the position where we are standing today.

**Q** **What is the strategy for making a future ready company?**

**A** At the start of 2020 no one could have predicted that we'd experience a global pandemic, lockdowns and an economic upheaval. However to make the company future ready we believe in clear and adaptable detailed strategies that reacts quickly to new trends or challenges and are quicker to market than competitors . Denim continues to remain an indispensable part of fashion lifestyle for the youth, across the world. We with our backward integration, strong liquidity, better negotiation skills and extensive strategies will continue to offer best combination of product price and commitment to our customers and expand our business to emerge as a global player.

**Q** **What are your future plans as regards the growth of the business?**

**A** We plan to capture the changing trends and technology that is relevant for our growth and adds to our competitive edge in the market. We also continue to aggressively expand our footprints in Domestic as well as international market to add diversity and reduce dependency on particular market to overcome the certain geographical hindrances that affects the business so that we can continuously add value to the portfolio of our shareholders.

# Core Management Team



## Mr. Rajkumar Borana
**Chairman and Managing Director**

Mr. Rajkumar Borana is the Chairman and Managing Director of our Company. He holds Bachelor's Degree in Commerce from South Gujarat University and has more than 20 years of experience in the business of Textile and Paper. His experience and entrepreneurial skills have been instrumental in the overall growth of our Company. He is one of the founding members of our Company and is actively involved in Financial Planning and Business Development activities.



## Mr. Amit Kumar Dalmia
**Whole-time Director**

Mr. Amitkumar Dalmia is the Whole-time Director of our Company. He holds Bachelor's Degree in Commerce from South Gujarat University and has more than 20 years of experience in the business of Textile. His experience provides us deep insights about our industry and helps us to achieve new heights and build a reputed image of ours in a competitive market. He is one of the founding members of our company and is actively involved in Manufacturing Process, Strategic Planning, and Business Development activities.



## Mr. Deepak Dalmia
**Whole-time Director**

Mr. Deepak Dalmia is the Whole-time Director of our Company. He holds Bachelor's Degree in Commerce from the University of Pune and has more than 18 years of experience in the business of Textile and overall management of affairs of a corporation. He is one of the founding members of our company and is actively involved in the overall management of affairs of our company.



## Mr. Ankur Borana
**Whole-time Director**

Mr. Ankur Borana is the Whole-time Director of our Company. He has completed his High Secondary Examinations from Gujarat Secondary Education Board, Gandhinagar, and has more than 18 years of experience in the business of Textile and overall management of affairs of a corporation. He is one of the founding members of our company and is actively involved in the overall management of affairs of our company.



## Mr. Girish Kumar Kalawatia

**Non-Executive & Independent Director**

Mr. Girish Kumar Kalawatia is the Non-Executive & Independent Director of our Company. He holds Bachelor's degree in Commerce from Rajasthan University. He has around 29 years of experience in Accounting Consultancy and Supply of Human Resources and has been appointed as Director on Board of Directors of our Company since January 03, 2014. His vast and rich experience is valuable to us.



## Mr. Manak Lai Tiwari

**Non-Executive & Independent Director**

Mr. Manak Lai Tiwari is the Non-Executive & Independent Director of our Company. He holds Bachelor's and Master's degrees in Commerce from Rajasthan University. He has around 26 years of experience as Commission Agent of Yarns and has been appointed as Director on Board of Directors of our Company since January 03, 2014. His knowledge of yarns is helpful to us.



## Mr. Dharmesh Prafulchandra Mehta

**Non-Executive & Independent Director**

Mr. Dharmesh Prafulchandra Mehta is the Non-Executive& Independent Director of our company. He is a Master of Commerce and LLB from Veer Narmad South Gujarat University. He has around 20 years of experience in Accountancy and Taxation has been appointed as Director on the Board of Directors of our Company since January 03, 2014. His rich and diverse experience adds value to our organization.



## Mrs. Anita Pankaj Jain

**Non-Executive & Independent Woman Director**

Mrs. Anita Pankaj Jain is a Non-Executive & Independent Woman Director of our company. She is having around 4 Years of experience in the textile industry and has been appointed as a Non- Executive & Independent Director on the Board of Directors of our Company w.e.f July 23, 2018. Her wide experience in the textile industry is valuable to us.



## Mr. Parkin Jariwala

**Chief Financial Officer**

Mr. Parkin Jariwala is the Chief Financial Officer of our Company, appointed as on March 19, 2019. He holds Bachelor's Degree in Commerce from Mumbai University. He is having wide experience of around 21 years in Finance and Accounting. He takes care of the Finance and accounting of our company.

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Rajkumar Borana,** Chairman & Managing Director

**Mr. Amit Dalmia,** Whole time Director

**Mr. Deepak Dalmia,** Whole time Director

**Mr. Ankur Borana,** Whole time Director

**Mr. Girish Kalawatia,** Non–Executive & Independent Director

**Mr. Manaklal Tiwari,** Non–Executive & Independent Director

**Mr. Dharmesh Mehta,** Non–Executive & Independent Director

**Mrs. Anita Jain,** Non–Executive & Independent Women Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

**CS Jyoti Arun Agarwal**

## AUDIT COMMITTEE

**Mr. Dharmesh Mehta,** Chairman

**Mr. Manaklal Tiwari,** Member

**Mr. Rajkumar Borana,** Member

**Mrs. Anita Jain,** Member

## REGISTER & TRANSFER AGENT

**Bigshare Services Private Limited**
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Next to Keys Hotel, Makwana Road, Andheri (East), Mumbai-400059
Email Id: info@bigshareonline.com
Website: www.bigshareonline.com
Tel: +91-022-62638200
Tele Fax: +91-022-62638299

## REGISTERED OFFICE

Block No. 467, Sachin Palsana Road, Palsana, Surat-394315
Ph. No.: 0261-2349892
Email: info@rnbdenims.com
Website: www.rnbdenims.com
CIN: L17120GJ2010PLC062949

## STAKEHOLDER'S SHAREHOLDERS & INVESTOR GRIEVANCES COMMITTEE

**Mrs. Anita Jain,** Chairman

**Mr. Manaklal Tiwari,** Member

**Mr. Amit Dalmia,** Member

## CORPORATE SOCIAL RESPONSIBILITY

**Mr. Amit Dalmia,** Chairman

**Mr. Ankur Borana,** Member

**Mr. Girish Kalawatia,** Member

## BANKER TO THE COMPANY

**The Cosmos Co-op Bank Ltd**

**Axis Bank**

## ISIN: INE012Q01013

## BSE Code: 538119

## 11TH ANNUAL GENERAL MEETING

**Date: Friday, 17th September, 2021**

**Time: 03:00 P.M.**

**Venue: Block No. 467, Sachin Palsana Road**

**Palsana, Surat-394315**

## BOOK CLOSURE:

**Date: 11/09/2021 to 17/09/2021 (Both days inclusive)**

# Notice of AGM

**NOTICE OF 11th ANNUAL GENERAL MEETING**

Notice is hereby given of the 11 th Annual General Meeting of the members of R & B Denims Limited will be held on Friday, the 17th day of September, 2021 at the registered office of the Company situated at Block No. 467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat at 03:00 PM to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the company including Consolidated Financial Statements for the financial year ended on 31st March, 2021, together with the Reports of the Board of Directors and Auditors' thereon and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions.

   "RESOLVED THAT, the Audited Balance Sheet and Profit and loss account for the year ended 31st March, 2021 along with the Director's Report, be and are hereby considered, Adopted and Approved"

2. To appoint a Director in place of Mr. Deepak Dalmia, Whole Time Director (DIN: 00050547), liable to retire by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as Ordinary Resolutions.

   "RESOLVED THAT in accordance with the provision of Section 152 (6) and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Deepak Dalmia, Whole Time Director (DIN: 00050547), who retires by rotation at this annual general meeting, be and is hereby reappointed as director of the Company, liable to retire by rotation."

**SPECIAL BUSINESS:**

**3. APPOINTMENT OF COST AUDITOR OF THE COMPANY**

To consider and if thought fit, to pass with or without modification(s), 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), M/s. V. M. Patel & Associates, Cost Accountants (Membership. No. 32082) of Surat, is and be 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, 2022 and they may be paid a remuneration of Rs. 35,000/- (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."

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

**R & B DENIMS LIMITED**
CIN: L17120GJ2010PLC062949
Regd. Off: Block No. 467, Sachin Palsana Road, Palsana, Surat-394315
Website: www.rnbdenims.com, E mail: info@rnbdenims.com, Ph: +91-9601281648

4. **TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an ordinary Resolution:-

**"RESOLVED THAT**, pursuant to the provision of Section 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulations, 2015 ("Listing Regulation") and the Company's policy on Related Party transactions, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contracts/ arrangements/ transactions with the Related Parties on such terms and conditions as the Board of Directors may deem fit for the financial year 2021-22, provided that the said contracts/ arrangements/transactions so carried out shall be at arm's length basis and in ordinary course of business of the Company."

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

By order of the Board

**For, R & B Denims Limited**

Sd/-

**Jyoti Arun Agarwal**
Company Secretary & Compliance Officer

**Place: Surat**

**Date: 31/07/2021**

**Notes:**

1. A member entitled to attend and vote at the annual general meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The instrument appointing the proxy, duly completed, must be deposited at the company's registered office not less than 48 hours before the commencement of the meeting (on or before 16th September, 2021, 12:30 P.M. IST). 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 person or shareholder. A proxy form for the AGM is enclosed.
2. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Relevant documents referred to in the above Notice are open for inspection at the Registered Office of the Company during the business hours on any working day (except Sunday and holidays) between 10:00 a.m. and 4:00 p.m. up to the date of the Annual General Meeting.
4. Members/ Proxy holders/ Authorized representatives are requested to bring their Attendance slip sent herewith, duly filled-in for attending the Annual General Meeting.
5. Members are requested to quote Folio/ DPID number in all their correspondences.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts & arrangements in which director are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

8. The Register of Members and the Share Transfer Books of the Company will remain closed from 11th September, 2021 to 17th September, 2021 (both days inclusive).
9. The Shareholders are requested to direct change of address notifications and updates details to their respective Depository Participant(s).
10. Equity shares of the Company are under compulsory demat trading by all Investors.
11. The Annual Report 2020-2021, the Notice of the 11th AGM and instructions for e-voting along with the Attendance Slip and Proxy form, are being sent by electronic mode to all the members whose email addresses are registered with the Company/ Depository Participant(s).
12. Members may also note that the Notice of the 11th AGM and the Annual Report 2020-2021 will be available on Company's website, www.rnbdenims.com.
13. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication from the company electronically and quicker response to their queries to RTA or Company.
14. The shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, passport, Aadhar card or driving license to enter the AGM hall.
15. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re- appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules there under.
16. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 10th September, 2021.
17. The route map of the venue of the Annual General Meeting is appended to this Report. The prominent land mark near the venue is Bhagyashree Logistics, Palsana Road, Surat.

**18. Information and other instructions relating to e-voting are as under:**

I. Pursuant to Section 108 of the Companies Act, 2013 ("the Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by NSDL. The facility available for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise the right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

II. The members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'polling paper'.

III. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

IV. M/s. Jainam N. Shah & Co., Practicing Company Secretary has been appointed to act as the Scrutinizer for conducting the remote e-voting process as well as the voting through Poll Paper, in a fair and transparent manner.

V. Voting rights shall be reckoned on the paid up value of shares registered in the name of the member as on the cut-off date i.e. 10th September, 2021.

VI. A person, whose name is recorded in the register of members as on the cut-off date, i.e. 10th September, 2021 only shall be entitled to avail the facility of remote e-voting / voting.

VII. The Scrutinizer, after scrutinizing the votes cast at the meeting (polling paper) and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company. The results shall be communicated to the Stock Exchanges.

VIII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 17th September, 2021.

IX. Instructions to Members for e-voting are as under:

The remote e-voting period begins on Tuesday, 14th September, 2021 at 09:00 A.M. and ends on Thursday, 16th September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 10th September, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 10th September, 2021.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in de-mat mode with NSDL. | 1. Existing IDeAS user can visit the e-Services website of NSDL Viz.<br>https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal |

| Type of shareholders | Login Method |
|---|---|
| | Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.<br><br>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.<br><br>NSDL Mobile App is available on<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br><br>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.<br><br>3. If the user is not registered for Easi/Easiest, option to register is available at<br><br>https://web.cdslindia.com/myeasi/Registration/Ea siRegistration<br><br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e- Voting period |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

**B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:

   https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12********** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

   (a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote

   (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the'initial

password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period now you are ready for e-Voting as the Voting page opens.

3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

4. Upon confirmation, the message "Vote cast successfully" will be displayed.

5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jainam.shah9091@gmail.com of Scrutinizer> with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to info@rnbdenims.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to info@rnbdenims.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

By order of the Board

**For, R & B Denims Limited**

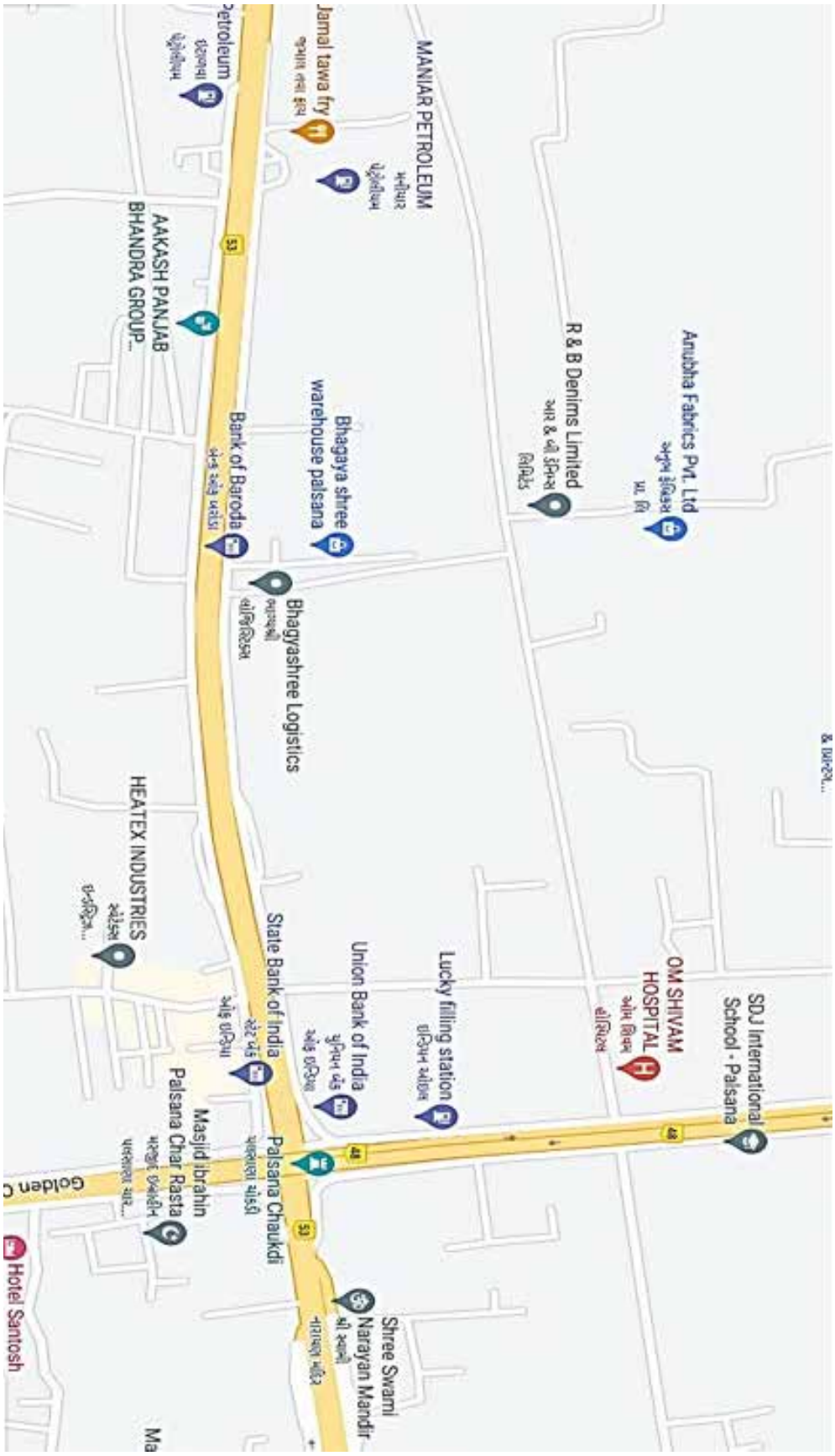
Sd/-

**Jyoti Arun Agarwal**
Company Secretary & Compliance Officer

**Place: Surat**

**Date: 31/07/2021**

**ROUTE MAP TO THE VENUE OF THE 11th ANNUAL GENERAL MEETING OF THE COMPANY**



**ANNEXURE TO NOTICE:**

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

(Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Secretarial Standard 2 issued by the Institute of Company Secretaries of India

| Name of Director | Mr. Deepak Dalmia |
|---|---|
| DIN No. | 00050547 |
| Date of Birth | 29/11/1979 |
| Qualification | B.Com |
| Expertise in specific functional areas | More than 23 years of experience in the Textile Market. |
| Terms and Conditions of Appointment/ Reappointment | As per the resolutions at Item No 3 of the Notice Convening this meeting, Mr. Deepak Dalmia is liable to retire by rotation at the meeting and eligible for re-appointment. |
| Remuneration last drawn | Rs. 750,000/- |
| Remuneration proposed | Rs. 750,000/- |
| Date of First Appointment | 17/11/2010 |
| Relationship with Directors/ Key Managerial Personnel | Mr. Deepak Dalmia brother of Amit Dalmia is concerned or interested in this resolution. |
| List of Companies in which directorship is held as on 31st March, 2021 | As attached below |
| Chairman / Member of the Committee of other Company | NIL |
| No. of Meetings of the Board Attended during the year | 9 |

**List of Companies in which Mr. Deepak Dalmia holds directorship as on 31st March, 2021:**

| Sr. No. | Name of the Company | Nature of Interest | Shareholding | Date on which interest arose/ changed |
|---|---|---|---|---|
| 1 | Bhagwati Syntex Private Limited | Director | 50000 | 01/06/2001 |
| 2 | Mayfair Vinimay Private Limited | Director | - | 26/03/2011 |
| 3 | R & B Denims Limited | Whole Time Director | 1819168 | 17/11/2010<br>03/01/2014<br>30/05/2019 |

The Board of Directors recommends the proposed resolutions for acceptance by member.

By order of the Board

**For, R & B Denims Limited**

Sd/-

**Jyoti Arun Agarwal**
Company Secretary & Compliance Officer

**Place: Surat**

**Date: 31/07/2021**

**ANNEXURE TO NOTICE:**

**EXPLANATORY STATEMNT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS**

**ITEM NO. 3:**

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, 2022 as per the following details:

| Sr. No. | Name of the Cost Auditor | Audit Fees ( Rs.) |
|---|---|---|
| 1 | M/s. 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. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3. The Board recommends the Resolution set out at Item no. 3 of the Notice for approval of the Members. This Explanatory Statement may also be regarded as a disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends this Resolution for your approval.

**Item No. 4**

The Board, has approved the Related Party Transaction the company has entered into during the financial year ended 31st March, 2021 as per the following details.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”), read with the Companies(Meetings of Board and its Powers) Rules, 2014 (‘Rules’), the Company is required to obtain prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as is specified in the said Rules. The aforesaid provisions are not applicable in respect of transactions which are in the ordinary course of business and on arm’s length basis.

However, pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘Listing Regulations’), approval of the members through ordinary resolution is required for all material related party transactions, even if they are entered into in the ordinary course of business and on arm’s length basis. For this purpose, a transaction is considered material, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year exceed 10% of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

The Company proposes to enter into contracts/ arrangements with related parties as mentioned below, which are in the ordinary course of business and on arm’s length basis. Further, the estimated value of the proposed transaction is likely to exceed 10% of the annual consolidated turnover of the Company for the financial year ended on March 31, 2022 and therefore may exceed the materiality threshold as prescribed under Regulation 23 of the Listing Regulations. Thus, these transactions would require the approval of the Members by way of Ordinary

Resolution for the transaction or transactions either individually or taken together with the previous financial year.

| Sr. No. | Name | Relation | Nature of Transactions | Amount for FY 2020-21(in Cr.) | Threshold for FY 2021-22 (in Cr.) |
|---|---|---|---|---|---|
| 1 | Bhagwati | Common Director | Sale of Fabrics | 42.56 | Upto 15.00 |
| 2 | Ricon Industries | Sister Concern | Purchase of Yarn | 6.33 | Upto 75.00 |
| | | | Factory | 0.018 | |
| 3 | RB Industries | Sister Concern | Purchase of Grey Fabric | 55.15 | Upto 120.00 |
| | | | Job Income | 2.93 | Upto 5.00 |
| | | | Sales of Fabrics | 29.75 | Upto 90.00 |
| | | | Sub-Leasing Income | 0.003 | Upto 0.003 |

All the directors are relatives and shall be considered interested in every resolution to the extent of their relations.

Except Mr. Rajkumar Borana, Mr. Amit Dalmia, Mr. Deepak Dalmia and Mr. Ankur Borana and their relatives, to the extent of their shareholding, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

The Board recommends the Resolution set out at Item no. 4 of the Notice for approval of the Members. This Explanatory Statement may also be regarded as a disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends this Resolution for your approval.

# Director's Report

To,
**The Members**
**R & B Denims Limited**

Your Directors take pleasure in submitting the 11th Annual Report of the Business and operations of your Company and the Audited Financial Statements for the financial year ended 31st March, 2021.

## 1. FINANCIAL RESULTS & PERFORMANCE

***(Rs. in Lakhs)***

| Particulars | For the year ended 31st March 2021* | For the year ended 31st March 2020* |
|---|---|---|
| Revenue from operations | 17,415.28 | 25,790.78 |
| Other Income | 351.09 | 44.92 |
| Total Revenue | 17,766.37 | 25,835.70 |
| Profit before tax and Exceptional Items | 1,015.99 | 452.76 |
| Exceptional Items | 0.00 | 0.00 |
| Profit before Taxation | 1,015.99 | 452.76 |
| -Current Tax | (187.10) | (134.08) |
| -Deferred Tax | 5.20 | 9.18 |
| -Short Provision for Income Tax expense relating to prior Year | (1.59) | 1.16 |
| Net Profit/ (Loss) For The Year | 832.49 | 329.02 |
| Other Comprehensive Income for the Year, Net of Tax | 13.67 | 6.69 |
| Total Comprehensive Income for the Year | 846.16 | 335.71 |

* Figures regrouped wherever necessary

The Company discloses financial results on quarterly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the Company's website www.rnbdenims.com.

## 2. STATE OF COMPANY'S AFFAIR

During the year, Your Company recorded total revenue of 17,766.37 Lacs against Rs. 25,835.70 Lacs in the previous year, representing a decrease of 31.23% during the year and Profit before Tax Rs.1,015.99 Lacs as compared to Rs.452.76 Lacs during the year. Total Income during the year Rs. 846.16 as compared to Rs. 335.71 in the previous year. A detailed analysis on the Company's performance is included in the "Management's Discussion and Analysis" Report, which forms part of this Report.

## 3. ROAD AHEAD

Our vision of becoming one of the top quality denim manufacturers and moving towards sustainable growth. Our priorities are as follows:

- Focus on increasing production
- Maintaining Price Competitiveness
- Moving up the value chain - Expanding the product line under own brand

We are very excited to enter into the new phase of growth and will continue to invest in our capabilities to increase our presence prudently and create value for the shareholders. We would like to be thankful to the entire stakeholder for being part of the journey.

**4. DIVIDEND**

In view of the requirement of the profits for strengthening of the company, the directors have decided to plough back the profit into the business hence no dividend could be recommended for the year under review.

**5. UNCLAIMED DIVIDEND**

There is no balance lying in unpaid equity dividend account.

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

For the financial year ended on March 31, 2021, the Company has proposed to carry an amount of Rs. 832.49 (in Lakhs) to Balance Sheet under the head other Equity.

**7. COVID-19 IMPACT ON BUSINESS:**

In the FY 2020-21, the COVID -19 pandemic developed rapidly into a global crisis, forcing governments across the globe to enforce lock-downs of all economic activity. For the company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers globally. In order to ensure smooth functioning, work from home facility was extended to many of the employees of the company. Although there were uncertainties due to the pandemic in the FY 2020-21, inherent resilience of the business model will position the company well to navigate the challenges ahead. But then also the Covid-19 will impact the finances of the company and its impact can be ascertained only after lifting of lockdown and life coming to stable position.

Moreover, due to lockdowns imposed in various states, dispatches of the goods to customers have adversely impacted. However, as per the different directives issued by the various government authorities, the Company has resumed operations in phased manner. The Company has ascertained the impact of this pandemic and made assessment that the impact of COVID-19 on company's business is likely to short to medium term.

The Company's operations and revenue were impacted on account of disruption in economic activity due to Covid-19 in the first six months of FY 2020-2021 but slowly and gradually company started recovering its position and in Quarter-3 and Quarter-4 of FY 2020-2021 was a landmark quarter as the business has delivered a strong performance that reflects a recovery since the pandemic set in.

The Company has done assessment of its liquidity position and expects to fully recover the carrying amount of receivables, investments, intangible assets and other assets. The Company has also evaluated the inventory in hands and found it's sufficient to honor the future orders. However, at this stage it's uncertain to evaluate the duration of the pandemic, if the current pandemic situation remains lasted for long period then the impact may be different from the estimates.

**8. MATERIAL CHANGES**

There are no Material changes occurred between the end of the financial year of the company to which the financial statements related and the date of the report, which is affecting the financial position of the company.

**9. SHARE CAPITAL**

The Authorized Share Capital of the Company as on 31/03/2021 was Rs. 255,000,000 and Paid up share capital of the Company as on 31/03/2021 was Rs. 139,946,880. There has been no such change in the Equity share capital of the Company during the year.

## 10. DEPOSITS

During the year, Company has not accepted any deposits from public within the meaning of the Section 73 of the Companies Act, 2013.

## 11. ANNUAL RETURN

Annual Return Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on the financial year ended March 31, 2021 is placed on the Company's website at https://www.rnbdenims.com/investor/annual-return/Form-MGT- 7%202020-21.pdf

## 12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant material order passed by the regulators or courts or tribunals impacting the going concern status and company's operation in nature.

## 13. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with Section 152(6) of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Deepak Dalmia (DIN: 00050547), Whole time Director, retire by rotation and is being eligible has offered himself for re-appointment at the ensuing Annual General Meeting.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act, 2013.

The following are the List of Directors and KMP of the Company during the year:

| Name of Directors | Category & Designation | Appointment Date | Resignation Date |
|---|---|---|---|
| Mr. Rajkumar M. Borana | Executive Managing Director | 17/11/2010 | - |
| Mr. Amit Dalmia | Executive Whole Time Director | 17/11/2010 | - |
| Mr. Deepak Dalmia | Executive Whole Time Director | 17/11/2010 | - |
| Mr. Ankur M. Borana | Executive Whole Time Director | 17/11/2010 | - |
| Mr. Girish P. Kalawatia | Non-Executive Independent Director | 03/01/2014 | - |
| Mr. Manaklal Tiwari | Non-Executive Independent Director | 03/01/2014 | - |
| Mr. Dharmesh P. Mehta | Non-Executive Independent Director | 03/01/2014 | - |
| Mrs. Anita Pankaj Jain | Non-Executive Independent Director | 27/12/2017 | - |
| Mr. Parkin K. Jariwala | Chief Financial Officer | 19/03/2019 | - |
| Mrs. Jyoti Arun Agarwal | Company Secretary | 21/12/2015 | - |

## 14. STATUTORY AUDITORS

M/s. Pradeep K. Singhi & Associates, Chartered Accountants (having Firm Registration No 126027W) are Statutory Auditors of the Company, who were appointed in 10th Annual General Meeting held on 09.09.2019 holds office until the conclusion of the 13th Annual General Meeting.

**15. COMMENTS ON AUDITOR'S REPORT**

The notes referred to in the Auditor Report are self-explanatory and they do not call for any further explanation as required under section 134 of the Companies Act, 2013.

**16. INTERNAL AUDITOR**

M/s. Shivangi Parekh & Co., Chartered Accountant, Surat appointed as an internal Auditor of the Company for the Financial Year 2020-21. Internal Auditors are appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the internal Audit of the Company to the Audit Committee on a quarterly basis. The Scope of Internal audit is approved by the Audit Committee.

The Company has appointed M/s. Shivangi Parekh & Co., Chartered Accountant, Surat as an Internal Auditor for F.Y. 2020-21 in the Board meeting held on 30thJune, 2020 after obtaining her willingness and eligibility letter for appointment as Internal Auditor of the Company.

**17. COST AUDITOR**

M/s. V. M. Patel & Associates, Cost Accountant, Surat appointed as a Cost Auditor of the Company for the Financial Year 2020-21 in the Board meeting held on 30thJune, 2020 after obtaining his willingness and eligibility letter for appointment as Cost Auditor of the Company.

**18. RELATED PARTY TRANSACTION**

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under section 188 of the Companies Act, 2013 entered by the Company during the financial year, were in ordinary course of business and at arm's length basis. Details of the related party transactions made during the year are attached as Annexure-1 in form AOC-2 for your kind perusal and information.

**19. NUMBER OF MEETING HELD DURING THE YEAR**

The Details of all meeting of Board of Directors and Committee meeting had taken place during the year and their details along with their attendance, is given in Annexure 2 in the Corporate Governance Report.

**20. COMPOSITION OF BOARD AND ITS COMMITTEE**

The detail of the composition of the Board and its committees thereof and detail of the changes in their composition if any is given in Annexure 2 in the Corporate Governance Report.

**21. LOANS, GUARANTEES AND INVESTMENT**

With reference to Section 134(3)(g) of the Companies Act, 2013, loans, guarantees and investments made under section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

**22. DECLARATION BY INDEPENDENT DIRECTORS**

Company has received declaration from all the independent directors duly signed by them stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

There has been no Change in the circumstances affecting their status as Independent Directors of the Company so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant regulations.

All the independent directors have enrolled with the Indian Institute of Corporate Affairs at Manesar.

**SEPARATE MEETING OF INDEPENDENT DIRECTORS**

In terms of requirement of Schedule IV of the Companies Act, 2013, the Independent Directors of the company have complied with the code of Independent Director. Independent Directors met separately on 01st March, 2021 to inter alia review the performance of Non- Independent Directors (Including the Chairman), the entire Board and the quality, quantity and timeliness of the flow of the information between the Management and the Board.

**23. VIGIL MECHANISM**

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at http://www.rnbdenims.com/investor/polices/VIGIL%20 MECHANISM%20FOR%20DIRECTO RS%20AND%20EMPLOYEES.pdf?

**24. RISK MANAGEMENT**

Risks are events, situations or circumstances which may lead to negative consequences on the Company's business. Risk Management is a structured approach to manage uncertainty. An enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Structure, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process over the period of time will become embedded into the Company's business system and processes, such that our responses to risk remain current and dynamic.

**25. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your directors hereby confirm:

A. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departments;

B. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs if the Company at the end of the financial year and of the profit and loss of the Company for that period;

C. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregulations;

D. That the directors had prepared the annual accounts on a going concern basis; and

E. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

F. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 26. ANNUAL EVALUATION

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors.

The performance evaluation of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as participation in decision making; participation in developing corporate governance; providing advice and suggestion etc.

The Committees of the Board were assessed on the degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The board reviewed the performance of the individual directors on the basis of the criteria such as the contribution in decision making, contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive suggestions and advice in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

## 27. INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a well-placed, proper and adequate internal financial control system which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. The internal audit covers a wide variety of operational matters and ensures compliance with specific standard with regards to availability and suitability of policies and procedures. During the year no reportable material weakness in the design or operation were observed.

## 28. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The companies act, 2013 re-emphasizes the need for an effective internal financial control system in the company. Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of internal financial controls with reference to the financial statements to be disclosed in the board' report. The detailed report forms part of Independent Auditors Report.

## 29. CORPORATE GOVERNANCE

Your Company has incorporated the appropriate standards for corporate governance. Company is filing Corporate Governance Report to stock exchange quarterly. Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 company is giving report on corporate governance report in annual report of the company. Corporate Governance Report is as per Annexure – 2.

## 30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING

With reference to Section 134(3)(m) of the Companies Act, 2013, the details of conservation of energy, technology absorption and foreign exchange earnings are as per Annexure - 3.

**31. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to the provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules 2014; the Board has undertaken the CSR activities as per Rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014. The details of CSR activities for the financial year 2020-2021 forms part of this Board report in Annexure – 4.

**32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As per Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, the Management Discussion and Analysis Report is given in Annexure - 5.

**33. SECRETERIAL AUDITOR**

Your board has appointed M/s. Jainam N Shah & Co., Practicing Company Secretary, as secretarial Auditor of the company for the financial year 2020-2021. The secretarial report for the financial year 2020-2021 is attached as Annexure-6. Report of secretarial auditor is self-explanatory and need not any further clarification.

**34. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

There was no employee drawing remuneration in excess of limits prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Disclosure pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as per Annexure - 7.

**35. CEO/ CFO CERTIFICATION**

In terms of Regulation 17(8) of the Listing Regulations, the CFO has certified to the Board of Directors of the Company with regard to the financial statements and other matters specified in the said regulation for the financial year 2020-2021. The certificate received from CFO is attached herewith as per Annexure – 8.

**36. CODE OF CONDUCT**

Board of Directors has formulated and adopted Code of Conduct for Board of Directors and Senior Management Personnel. During the year, Board of Directors and Senior Management Personnel has complied with general duties, rules, acts and regulations. In this regard certificate from Managing Directors as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is attached herewith as per Annexure – 9.

Code of Conduct form Board of Directors and Senior Management Personnel is available on below link: http://rnbdenims.com/investor/polices/RnB-CoC.pdf?

**37. COMPLIANCE CERTIFICATE FROM THE AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATEGOVERNANCE:**

Corporate Governance is a set of process, practice and system which ensure that the Company is managed in a best interest of stakeholders. The key fundamental principles of corporate governance are transparency and accountability. Company's core business objective is to achieve growth with transparency, accountability and with independency. Company has adopted various corporate governance standard and doing business in ethical way by which Company has enhance stakeholders trust, shareholders wealth creation by improving shares valuation, market capitalization, etc.

A certificate received from M/s Pradeep K. Singhi & Associates, Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance, as required under Schedule V of

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached herewith as per Annexure – 10.

**38. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE**

M/s. Jainam N. Shah & Co., Practicing Company Secretary has issued a certificate required under the listing regulations, confirming that none of the Directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of the company by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as Annexure 11.

**39. SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES**

RB Industries, a partnership firm, is a Subsidiary of the company and a statement providing details of performance and salient features of the financial statements of RB Industries, as per Section 129(3) of the Act, is annexed as "Annexure-12" to this report.

**40. SEXUAL HARASSMENT OF WOMEN**

There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of any such complaints of harassment, internal complaints committee has been set up to redress the complaints, if any.

The company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.Your director's further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**41. SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)**

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

**42. FRAUD REPORTING**

During the year under review, no fraud has been reported by Auditors under Section 143(12) of the Companies Act, 2013.

**43. INSURANCE:**

All the properties and the Insurable Interest of the company Including building and stocks wherever necessary and to the extent required have been adequately insured. The company keeps reviewing the insurance amount every year as per requirement.

**44. STATUTORY INFORMATION**

The Company being basically engaged into the manufacturing and whole sell business of Quality Denim Products and is the member of BSE Main Platform. Apart from this business, the Company is not engaged in any other business/activities.

**45. APPRECIATION**

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment and express their sincere thanks and appreciation to all the employees for their continued contribution, support and co-operation to the operations and performance of the company.

**46. ACKNOWLEDGEMENT:**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

**For the Board of Director**

Sd/-

**Rajkumar Borana**
Managing Director
DIN: 01091166

**R & B Denims Limited**

Sd/-

**Amit Dalmia**
Whole Time Director
DIN: 00034642

**Place: Surat**

**Date: 31/07/2021**

# Annexure-1

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis**

| Sr. No. | Name(s) of the related party and nature of relationship | Natureof contracts/ arrangements/ transactions | Duration of the contracts / arrang ements /transa ctions | Justific. ation for enterin g into such contrac ts or arrang ements or transac tions | Date(s) of appro. val by the Board | Amount paid as advance, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---|---|---|---|---|---|---|---|
| NIL | | | | | | | |

**2. Details of material contracts or arrangement or transactions at arm's length basis**

| Sr. No. | Name(s) of the related party and nature of relationship | Nature of contracts/ arrange- ments/ transactions | Duration of the contracts/ | Salient term of the contracts or arrangements or transactions including the value, if any | Date(s) if approval by the Board, if any | Amt paid as adva- nced, if any |
|---|---|---|---|---|---|---|
| 1 | Rajkumar Borana (CMD) | Remunerat ion | 12 Months | Rs. 750,000/- per annum | 30.06.2020 | NIL |
| 2 | Amit Dalmia (WTD) | Remunerat ion | 12 Months | Rs. 750,000/- per annum | 30.06.2020 | NIL |
| 3 | Deepak Dalmia (WTD) | Remunerat ion | 12 Months | Rs. 750,000/- per annum | 30.06.2020 | NIL |
| 4 | Ankur Borana (WTD) | Remunerat ion | 12 Months | Rs. 750,000/- per annum | 30.06.2020 | NIL |
| 5 | Rajkumar Borana (CMD) | Lease Rent | 12 Months | Rs. 24,000/- per annum | 30.06.2020 | NIL |
| 6 | Amit Dalmia (WTD) | Lease Rent | 12 Months | Rs. 24,000/- per annum | 30.06.2020 | NIL |

| | | | | | | |
|---|---|---|---|---|---|---|
| 7 | Deepak Dalmia (WTD) | Lease Rent | 12 Months | Rs. 24,000/- per annum | 30.06.2020 | NIL |
| 8 | Ankur Borana (WTD) | Lease Rent | 12 Months | Rs. 24,000/- per annum | 30.06.2020 | NIL |
| 9 | Ricon Industries | Factory Expense | 12 Months | Rs. 176,581/- per annum | 30.06.2020 | NIL |
| 10 | RB Industries | Job Work Income | 12 Months | Rs. 29,255,775/- per annum | 30.06.2020 | NIL |
| 11 | RB Industries | Sub Lease Income | 12 Months | Rs. 30,000/- per annum | 30.06.2020 | NIL |
| 12 | Ricon Industries | Purchase of yarn | 12 Months | Rs. 63,309,712/- | 30.06.2020 | NIL |
| 13 | Bhagwati Syntex Pvt Ltd | Sale Income | 12 Months | Rs.425,603,886/- | 30.06.2020 | NIL |
| 14 | RB Industries | Sale of Finished fabrics | 12 Months | Rs. 297,453,076/- | 30.06.2020 | NIL |
| 15 | RB Industries | Purchase of Grey Fabrics | 12 Months | Rs. 551,525,094/- | 30.06.2020 | NIL |
| 16 | RB Industries | Purchase of Color Chemical | 12 Months | Rs. 7,471,132/- | 30.06.2020 | NIL |
| 17 | Parkin Khushmanbhai Jariwala, CFO | Salary | Annually | Salary per annum Rs. 752,115/- | 30.06.2020 | NIL |
| 18 | Jyoti Arun Agarwal, Company Secretary | Salary | Annually | Salary per annum Rs. 300,000/- | 30.06.2020 | NIL |

**For the Board of Director**
Sd/-
**Rajkumar Borana**
Managing Director
DIN: 01091166

**R & B Denims Limited**
Sd/-
**Amit Dalmia**
Whole Time Director
DIN: 00034642

**Place: Surat**

**Date: 31/07/2021**

# Annexure-2

**CORPORATE GOVERNANCE REPORT**

In terms of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the report containing details of corporate governance systems and processes at R & B Denims Limited is as under:

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to good Corporate Governance and has benchmarked itself against the prescribed standards. The fundamental objective of Corporate Governance is the enhancement of shareholders' value and protecting the interest of the stakeholders. Your Company's philosophy of Corporate Governance is aimed at assisting the management in the efficient conduct of the business of the Company and in the meeting its obligations to shareholders and others.

## 2. BOARD OF DIRECTORS

The Board of Directors of the Company (Board) has optimum combination of Executive and Non-Executive Directors comprising Four Executive Directors and Four Non-Executive Directors. None of the Directors hold directorship in more than 20 public limited companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

### (a) Board Strength and representation:

As on 31st March, 2021 the Board of Directors comprises of eight directors out of which one is Executive Managing Director, three is Executive Whole Time Director and remaining four are Non-Executive Independent Directors. As on date of this report Board of Directors of the company is as follows:

| Name of Director | Category & Designation |
|---|---|
| Mr. Rajkumar Borana | Executive Managing Director |
| Mr. Amit Dalmia | Executive Whole Time Director |
| Mr. Deepak Dalmia | Executive Whole Time Director |
| Mr. Ankur Borana | Executive Whole Time Director |
| Mr. Girish Kalawatia | Non-Executive Independent Director |
| Mr. Manaklal Tiwari | Non-Executive Independent Director |
| Mr. Dharmesh Mehta | Non-Executive Independent Director |
| Mrs. Anita Jain | Non-Executive Independent Director |

**(b) The Details of Directorship held by the Directors as on 31st March, 2021 and their attendance at the Board meetings during the year are as follows:**

| Name of the Directors | Category of Director | No. of other Director ships | No. of other Board Committee(s) in which he is | | Atten dance at last AGM | Attend-ance at Board Meeings | No. of Shares held as on 31.03.2021 |
|---|---|---|---|---|---|---|---|
| | | | Member | Chairman | | | |
| Mr. Rajkumar Borana | MD\|PD\|ED | 2 | NIL | NIL | YES | 9 | 2052921 |
| Mr. Amit Dalmia | WTD\|PD\|ED | 2 | NIL | NIL | YES | 9 | 1799171 |
| Mr. Deepak Dalmia | WTD\|PD\|ED | 2 | NIL | NIL | YES | 9 | 1819168 |
| Mr. Ankur Borana | WTD\|PD\|ED | 1 | NIL | NIL | YES | 8 | 1632918 |
| Mr. Girish Kalawatia | ID/NED | NIL | NIL | NIL | YES | 6 | NIL |
| Mr. Manaklal Tiwari | ID/NED | NIL | NIL | NIL | YES | 5 | NIL |
| Mr. Dharmesh Mehta | ID/NED | NIL | NIL | NIL | YES | 6 | NIL |
| Mrs. Anita Jain | ID/NED | NIL | NIL | NIL | YES | 5 | NIL |

# PD – Promoter Director, NED – Non Executive Directors, MD – Managing Directors,
ED –Executive Director, WTD – Whole Time Director, ID – Independent Director,

**(c) Details of number of Board Meetings held in the financial year.**

During the financial year 2020-2021, there were Nine (09) Board meetings held on following dates:

| | | |
|---|---|---|
| 1. 30/06/2020 | 2. 12/08/2020 | 3. 26/10/2020 |
| 4. 05/11/2020 | 5. 30/11/2020 | 6. 19/01/2021 |
| 7. 09/02/2021 | 8. 15/02/2021 | 9. 13/03/2021 |

**(d) Disclosure of Relationships between Directors inter-se:**

No other Directors are related to each other except Mr. Amit Dalmia and Mr. Depak Dalmia and Mr. Rajkumar Borana and Mr. Ankur Borana, who are related to each other as brothers respectively.

**(e) Number of shares and convertible instruments held by non-executive Directors**

None of the Non-Executive Directors hold any share in the Company.

**(f) Familiarization to Independent Directors:**

The newly appointed Independent Directors of the Company are familiarized with the various aspects of the Company provided with an overview of the requisite criteria of independence, roles, rights, duties and responsibilities of directors, terms of appointment of the Company and policies of the Company and other important regulatory aspects as relevant for directors. The Company, through its Executive Director or Manager as well as other Senior Managerial Personnel, conducts presentations/ programs to familiarize the Independent Directors with the strategy, operations and functions of the Company inclusive of important developments in business. The web link i s https://www.rnbdenims.com/investor/polices/Familiarization%20Policy%20of%20Independent%20Directors.pdf?

**(g) Meeting of Independent Directors**

The Company's independent directors meet at least once in a financial year without the presence of executive directors and management personnel to review the performance of Non- Independent Directors and Board as whole.

The Company has devised the Policy on Familiarization Programme for Independent Director and the same is available on the website of the Company https://www.rnbdenims.com/policies.html

During the financial year 2020-21, one (1) meeting of Independent Directors were held on following date: 01/03/2021.

Attendance of Directors at independent Directors meeting held during the financial year is as under:

| Name | Categories | No. of Meeting Attended |
|---|---|---|
| Girish Kumar Kalawatia | Chairman | 1 |
| Dharmesh Prafulchandra Mehta | Member | 1 |
| Manak Lal Tiwari | Member | 1 |
| Anita Pankaj Jain | Members | 1 |

**(h) Matrix highlighting core skills/expertise/competencies of the Board of Directors: The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board:**

| Sr. No. | Essential Core skills/ expertise/ competencies required for the Company | Core skills/expertise/ competencies of the Board of Directors |
|---|---|---|
| 1. | Finance expertise | The Board has eminent business leaders with deep Knowledge of finance and business. |
| 2. | Personal Values | Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards. |
| | | |
| 3 | Good Corporate Governance | Experience in developing and implementing good Corporate Governance practice, maintaining Board and Management accountability, managing stakeholder's interest and Company's responsibility towards customer's employees, supplier, regulatory Bodies and the community in which it operates. |
| 4 | Knowledge and Expertise | The Directors have profound knowledge of:<br>1. designing, production, marketing and business development<br>2. fabrication<br>3. knowledge of the Textile Sector and the related value chains<br>4. expertise in technical management i.e. Manufacturing Sites<br>5. Knowledge and experience in Marketing<br>6. Future Planning |

**(i) Names of Directors who have such Skills / Expertise / Competence:**

| Sr. No | Name of Directors | Knowledge about industry | Accounting and Finance | Sale and Marketing | Technology | Regularity | Diversity | Leadership |
|---|---|---|---|---|---|---|---|---|
| 1. | Mr. Rajkumar Borana | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Mr. Amit Dalmia | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. | Mr. Deepak Dalmia | ✓ | | ✓ | ✓ | | ✓ | ✓ |
| 4. | Mr. Ankur Borana | ✓ | | ✓ | ✓ | | ✓ | ✓ |
| 5. | Mr. Girish Kalawatia | | ✓ | | | ✓ | | ✓ |
| 6. | Mr. Manaklal Tiwari | ✓ | | | | ✓ | | |
| 7. | Mr. Dharmesh Mehta | | ✓ | | | ✓ | | |
| 8. | Mrs. Anita Jain | ✓ | | | | | | ✓ |

**(i) Independent Directors confirmation by the Board**

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

All the independent directors have enrolled with the Indian Institute of Corporate Affairs at 'Manesar'.

**(j) Detailed reasons of the resignation of Independent Directors before expiry of his tenure and confirmation by the Board:**

During the year no Independent Directors resigned.

**3. AUDIT COMMITTEE**

The Audit Committee of the company consists of three Independent Directors and one Executive Director of the Company. All the Directors have good understanding Finance, Accounts and Law. Composition of audit committee of the company is as follows:

| Name | Categories | Nature of Directorship |
|---|---|---|
| Mr. Dharmesh P. Mehta | Chairman | Non-Executive Independent Director |
| Mr. Manak Lal Tiwari | Member | Non-Executive Independent Director |
| Mr. Rajkumar M. Borana | Member | Managing Director |
| Mrs. Anita Pankaj Jain | Member | Non-Executive Independent Director |

During the financial year 2020-21, Nine (9) meetings of Audit Committee were held on following dates:

| | | |
|---|---|---|
| 1. 22/05/2020 | 2. 30/06/2020 | 3. 12/08/2020 |
| 4. 05/11/2020 | 5. 30/11/2020 | 6. 02/01/2021 |
| 7. 09/02/2021 | 8. 14/02/2021 | 9. 12/03/2021 |

Attendance of members for the meeting of Audit Committee held during the year 2020-21 is as below:

| Name | Categories | No. of Meeting Attended |
|---|---|---|
| Mr. Dharmesh P. Mehta | Chairman | 9 |
| Mr. Manak Lal Tiwari | Member | 9 |
| Mr. Rajkumar M. Borana | Member | 9 |
| Mrs. Anita Pankaj Jain | Member | 9 |

**The term of reference of Audit Committee is as below:**

The scope of audit committee shall include, but shall not be restricted to, the following;

1. 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;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
   a) Matters required to be included in the Director's 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
   b) Changes, if any, in accounting policies and practices and reasons for the same
   c) Major accounting entries involving estimates based on the exercise of judgment by management
   d) Significant adjustments made in the financial statements arising out of audit findings
   e) Compliance with listing and other legal requirements relating to financial statements
   f) Disclosure of any related party transactions
   g) modified opinion(s) in the draft audit report;.
5. Reviewing, with the management, the Half Yearly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
8. 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;

9. Scrutiny of inter-corporate loans and investments
10. Discussion with internal auditors any significant findings and follow up there on;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. discussion with internal auditors of any significant findings and follow up there on
15. 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
16. 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
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The audit committee shall mandatorily review the following information:**

1. management discussion and analysis of financial condition and results of operations
2. statement of significant related party transactions (as defined by the audit committee), submitted by management
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
6. statement of deviations:
    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

## 4. NOMINATION AND REMUNERATIONCOMMITTEE

Company has formulated nomination and remuneration committee comprising four non- executive directors Composition of the Committee is as follows:

| Name | Categories | Nature of Directorship |
|---|---|---|
| Mr. Girishkumar Prahladrai Kalawatia | Chairman | Non-Executive Independent Director |
| Mr. Manak Lal Tiwari | Member | Non-Executive Independent Director |
| Mr. Dharmesh Prafulchandra Mehta | Member | Non-Executive Independent Director |
| Mrs. Anita Pankaj Jain | Member | Non-Executive Independent Director |

During the financial year 2020-21, Three (3) meetings of Nomination & Remuneration Committee were held on following dates:

| | | |
|---|---|---|
| 1. 01/09/2020 | 2. 28/12/2020 | 3. 01/03/2021 |

Attendance of members for the meeting of Nomination & Remuneration Committee held during the year 2020-21 is as below:

| Name | Categories | No. of Meeting Attended |
|---|---|---|
| Mr. Girishkumar Prahladrai Kalawatia | Chairman | 3 |
| Mr. Manak Lal Tiwari | Member | 3 |
| Mr. Dharmesh Prafulchandra Mehta | Member | 3 |
| Mrs. Anita Pankaj Jain | Member | 3 |

**The term of reference of Nomination & Remuneration Committee is as below:**

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the Criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for directors, KMPs and other employees;
3. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
4. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
5. 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.
6. Decide the amount of Commission payable to the Whole time Directors.
7. 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.
8. To formulate and administer the Employee Stock Option Scheme:

The performance evaluation of the independent director was evaluated by the board after seeking

inputs from all the independent directors on the basis of the criteria such as participation in decision making and rendering unbiased opinion; participation in initiating new ideas and planning of the company etc.

The board reviewed the performance of the independent directors on the basis of the criteria such as the contribution in raising concerns to the Board, safeguarding of confidential information, rendering independent unbiased opinion etc. The web link is https://www.rnbdenims.com/investor/polices/Performance%20Evaluation%20Policy.pdf?

## 5. REMUNERATION OF DIRECTORS

During the year company has paid following remuneration or setting fees to the directors as follows:

| Name | Categories | Remuneration / Sitting Fees (In Rs.) |
|---|---|---|
| Mr. Rajkumar Borana | Executive Managing Director | 7,50,000 |
| Mr. Amit Dalmia | Executive Whole Time Director | 7,50,000 |
| Mr. Deepak Dalmia | Executive Whole Time Director | 7,50,000 |
| Mr. Ankur Borana | Executive Whole Time Director | 7,50,000 |
| Mr. Girish Kalawatia | Non-Executive Independent Director | 21,000 |
| Mr. Manaklal Tiwari | Non-Executive Independent Director | 17,500 |
| Mr. Dharmesh Mehta | Non-Executive Independent Director | 21,000 |
| Mrs. Anita Jain | Non-Executive Independent Director | 17,500 |

### REMUNERATION POLICY

The Company has adopted and implemented the Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013.

The remuneration payable to Directors, Key Managerial Personnel and Senior Management Person will involve a balance between fixed and incentive pay reflecting short term and long term

performance objectives appropriate to the working of the Company and support in the achievement of Corporate Goals.

Presently the company pay sitting fees to its non-executive director. The criteria for making payment to the non-executive director is available on the website of the company https://www.rnbdenims.com/investor/polices/Terms%20and%20Condition%20of%20Appointm ent%20of%20Independent%20Director.pdf?

## 6. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The term of reference of Nomination & Remuneration Committee is as below:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

To solve the investors grievances Company has formulated Stakeholder's Relationship Committee. Composition of the Committee is as follows:

| Name | Categories | Nature of Directorship |
|---|---|---|
| Mrs. Anita Pankaj Jain | Chairman | Non-Executive Independent Director |
| Mr. Manak Lal Tiwari | Member | Non-Executive Independent Director |
| Mr. Amit Dalmia | Member | Whole Time Director |

During the financial year 2020-21, Fours (4) meetings of Stakeholder's Relationship Committee were held on following dates:

| | | | |
|---|---|---|---|
| 1. 01/06/2020 | 2. 17/07/2020 | 3. 20/10/2020 | 4. 21/03/2021 |

Attendance of members for the meeting of Stakeholder's, Shareholders and Investor Committee held during the year 2020-21 is as below:

| Name | Categories | No. of Meeting Attended |
|---|---|---|
| Mrs. Anita Pankaj Jain | Chairman | 4 |
| Mr. Manak Lal Tiwari | Member | 4 |
| Mr. Amit Dalmia | Member | 4 |

Name & Designation and address of the Compliance Officer

**CS JYOTI ARUN AGARWAL**
Company Secretary & Compliance Officer

**R & B Denims Limited**
Block No. 467 Sachin Palsana Road, Palsana, Surat - 394315

Pursuant to the Regulation 13(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015; the details regarding investor's complaints are as follows:

**Status of Complaints pending, received, disposed and unresolved:**

| | |
|---|---|
| Number of Shareholders' Complaints Pending at the end of the year | NIL |
| Number of Shareholders' Complaints received during the year | NIL |
| Number of Shareholders' Complaints disposed during the year | NIL |
| Number of Shareholders' Complaints remain unresolved during the year | NIL |

## 7. CSR COMMITTEE

Your Company has constituted a Corporate Social Responsibility committee ("CSR Committee"). The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.

Composition of the Corporate Social Responsibility committee ("CSR Committee") and attendance at Meetings:

The composition of CSR Committee has been as under;

| Name | Categories | Nature of Directorship |
|---|---|---|
| Mr. Amit Dalmia | Chairman | Executive Whole Time Director |
| Mr. Ankur Mangilal Borana | Member | Executive Whole Time Director |
| Mr. Girishkumar Prahladrai Kalawatia | Member | Non-Executive Independent Director |

During the financial year 2020-21, Two (2) meetings of Stakeholder's Relationship Committee were held on following dates:

| | |
|---|---|
| 1. 05/10/2020 | 2. 25/02/2021 |

Attendance of members for the meeting of CSR Committee held during the year 2020-21 is as below:

| Name | Designation | No. of Meeting Attended |
|---|---|---|
| Mr. Amit Dalmia | Chairman | 2 |
| Mr. Ankur Mangilal Borana | Member | 2 |
| Mr. Girishkumar Prahladrai Kalawatia | Member | 2 |

As per Section 135(5) Companies Act, 2013, an amount of 2 percent of the average net profits of the company made during the three immediately preceding financial years which works out to Rs. 11,10,000/- is to be spent towards Corporate Social Responsibility Activities. The detailed Report on the CSR Activities is annexed at Annexure-4.

## 8. GENERAL BODY MEETING

The details of Annual General Meetings held during the last three years are as follows:

| Year | Day, Date and Time | Venue |
|---|---|---|
| 2017-2018 | Monday, 23rd July, 2018 at 11:00 A.M. | Block No. 467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India |
| 2018-2019 | Monday, 05th August, 2019 at 11:00 A.M. | Block No.467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India |
| 2019-2020 | Friday, 26th September, 2020 at 03:00 P.M. | Block No. 467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat, India |

**The details of Resolution(s) which were passed in the last three Annual General Meetings ("AGM") of the Company along with details of Postal Ballot & voting pattern Naare as follows:**

| Date of AGM | Resolution | Ordinary/ Special | Favor | | Against | |
|---|---|---|---|---|---|---|
| | | | Ballot | E-Voting | Ballot | E-Voting |
| 23rd September, 2018 | Adoption of Annual Accounts,Auditors Report and Directors Report | Ordinary | 10326678 | 2340486 | 0 | 0 |
| | Declaration of Dividend | Ordinary | 10326678 | 2340486 | 0 | 10 |
| | Re-appointment of Mr. Deepak Dalmia as a Whole Time Director, liable to retire by Rotation | Ordinary | 10326678 | 2340486 | 0 | 0 |

| Date of AGM | Resolution | Ordinary/ Special | Favor | | Against | |
|---|---|---|---|---|---|---|
| | | | Ballot | E-Voting | Ballot | E-Voting |
| | Appointment of M/s Pamita Doshi & Co., Chartered Accountant in place of M/s. Pradeep K. Singhi & Associates, Chartered Accountant as a statutory auditor and fix their remuneration | Ordinary | 10314678 | 2340486 | 1200 | 0 |
| | Approve remuneration of M/s V. M. Patel & Associates, Cost Auditor of the Company | Ordinary | 10326678 | 2340486 | 0 | 0 |
| | Appointment of Mrs. Anita Pankaj Jain, Women & Independent Director of the Company | Ordinary | 10305678 | 2340486 | 21000 | 0 |
| 05th August, 2019 | Adoption of Annual Accounts, Auditors Report and Directors Report | Ordinary | 9653178 | 525016 | 0 | 0 |
| | Declaration of Dividend | Ordinary | 9653178 | 525016 | 0 | 0 |
| | Re-appointment of Mr. Amit Dalmia as a Whole Time Director, liable to retire by Rotation | Ordinary | 9653178 | 525016 | 0 | 0 |

| Date of AGM | Resolution | Ordinary/ Special | Favor | | Against | |
|---|---|---|---|---|---|---|
| | | | Ballot | E-Voting | Ballot | E-Voting |
| 05th August, 2019 | Appointment of M/s. Pamita Doshi & Co., Chartered Accountant in place of M/s. Pradeep K. Singhi & Associates, Chartered Accountant as a statutory auditor and fix their remuneration | Ordinary | 9632178 | 525016 | 21000 | 0 |
| | Approve remuneration of M/s V. M. Patel & Associates, Cost Auditor of the Company | Ordinary | 9653178 | 525016 | 0 | 0 |
| | Re-appointment of Mr. Amit Dalmia as a Whole Time Director, liable to retire by Rotation | Ordinary | 9653178 | 525016 | 0 | 0 |
| 26th September, 2020 | Adoption of Financial Statements for the year ended 31st March, 2020 | Ordinary | 1773005 | 10170700 | 0 | 0 |
| | Declaration of Dividend | Ordinary | 1773005 | 10170700 | 0 | 0 |
| | Re-appointment of Mr. Ankur Mangilal Borana (DIN 01091164) | Ordinary | 1773005 | 3642361 | 0 | 0 |
| | To appointment of M/s. Pradeep K. Singhi & Associates, Chartered Accountants as a statutory Auditor | Ordinary | 1773005 | 10170700 | 0 | 0 |
| | To approve the remuneration of the Cost Auditors for the financial year 2020-21. | Ordinary | 1773005 | 10170700 | 0 | 0 |
| | To approve the material Related Party Transactions | Ordinary | 1773005 | 22 | 0 | 0 |

**NAME AND ADDRESS OF SCRUTINIZER OR THE PERSON WHO CONDUCTED THE REMOTE EVOTING AND BALLOT EXERCISE:**

**Jainam N Shah & Co.**
Jainam Navinchandra Shah

Proprietor
Practicing Company Secretary, 4-B, Siddhashila Apartment,
Nr. Jeevan Bharti School,Opp. Kansar Restaurant,
Nanpura, Surat-395001
Email: jainam.shah9091@gmail.com

Ph: +91-9825390282

**EXTRA- ORDINARY GENERAL MEETING:**

There was no Extra-Ordinary General Meeting was held during the year 2020-21.

**POSTAL BALLOT**

The Company has not passed resolutions through postal ballot during the year 2020-21. As per amended Companies Act, 2013, Company is not proposing postal Ballot for 11th AGM and thus procedure for postal ballot is not applicable.

## 9. MEANS OF COMMUNICATION

**Financial Results:** R & B Denims Limited is believes in to publish all the financial information to stakeholders within the stipulations provided under the law. During the year, Company has declared all financial results within the timeline provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Yearly/ Half yearly financial results:** The yearly/ Half yearly financial results of the Company are normally published in website of the Company i.e. on https://www.rnbdenims.com/ Financial results for the year 2020-21 have been submitted to stock exchange within 30 minutes from the conclusion of Board Meeting in which financial results have been approved, except Year ended 31.03.2020 Results approved in Board Meeting held on 30th June 2020 at 04:00 P.M. IST and was concluded at 07:30 P.M. IST and submitted to Stock Exchange at 10:30 PM (approx.) due to power cut-off in the area where the registered office is located. During the year, following half yearly and yearly financial results have been submitted on BSE portal in timely manner.

| Period of Financial Results | Date |
|---|---|
| 1st Quarterly Un-audited result for 30th June, 2020 | 04th August, 2020 |
| 2nd Quarterly Un-audited result for 30th September, 2020 | 05th November, 2020 |
| 3rd Quarterly Un-audited result for 31st December, 2020 | 29th January, 2021 |
| Annual Audited Result for 31st March, 2021 | 8th June, 2021 |

**News Release/ Presentation made to the Investors:** All the Press Release and the presentation made to Institutional Investor/ Analysts are uploaded on the official website of the company www.rnbdenims.com.

**Website:** Company's official website www.rnbdenims.com contains separate tab "Investor Relationship" for investors, in which notices of the Board Meetings, Annual Reports, Investor Presentations, Shareholding Pattern and other announcements made to stock exchange are displayed in due course for the shareholders information.

**Email IDs for investors:** The Company has formulated separate email id compliance@rnbdenims.

com for investor service, investor can also contact share Registrar and Transfer Agent (RTA) of the Company on their email id info@bigshareonline.com and the same is available on website of the Company www.rnbdenims.com

**SCORES:** For investor compliant redressal SEBI has developed SCORES platform in which investor can lodged any complaint against the Company for any grievance. The Company also uploads the action taken report in the SCORES platform for redressal of investor complaint.

## 10. GENERAL SHAREHOLDER INFORMATION

| | |
|---|---|
| Date, Time and Venue of AGM | Friday, 17th September, 2021, 03:00 PM, at Block No. 467, Sachin Palsana Road, Palsana, Surat-394315, Gujarat |
| Financial Year | From 1st April, 2020 to 31st March, 2021 |
| Date of Book Closure | From Saturday, the 11th day of September, 2021 to Friday, the 17th day of September, 2021 (both day inclusive) |

The Members / Proxies who intend to attend the meeting are requested to bring the Attendance slip sent herewith duly filed in to the meeting. The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

### LISTING ON STOCK EXCHANGE

The Equity Shares of the Company as on the date are listed on the Main Board of BSE Limited. The Company confirms that it has paid Annual Listing Fee for the Financial Year 2020-21 to the BSE Limited.

### STOCK CODE OF THE COMPANY

| | | |
|---|---|---|
| ISIN | : | INE012Q01013 |
| Scrip Name | : | RNBDENIMS |
| Security Code | : | 538119 |
| Type of Shares | : | Equity Shares |
| No. of paid up shares | : | 13,994,688 |

### NAME OF THE STOCK EXCHANGE

BSE Limited (Main Board)

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Tel. : 022-22721233/4, Fax : 022-22721919

**MARKET PRICE DATA**

Data of market price high, low for the year 2020-21 is given below:

| Month | High (Rs.) | Low (Rs.) | Volume (No. of Shares) | Turnover (Amount in Rs.) | Closing |
|---|---|---|---|---|---|
| April, 2020 | 35.80 | 30.65 | 265 | 8199 | 35.80 |
| May, 2020 | 35.75 | 34.00 | 230 | 7828 | 34.00 |
| June, 2020 | 34.00 | 28.00 | 1896 | 57910 | 28.00 |
| July, 2020 | 33.80 | 29.00 | 2154 | 68525 | 33.00 |
| August, 2020 | 33.80 | 29.50 | 500717 | 16022247 | 29.50 |
| September, 2020 | 30.90 | 29.15 | 90 | 2741 | 30.90 |
| October, 2020 | 30.90 | 27.10 | 1062 | 30910 | 28.35 |
| November, 2020 | 29.00 | 25.20 | 20860 | 561956 | 27.20 |
| December, 2020 | 36.75 | 26.50 | 61493 | 1880941 | 35.75 |
| January, 2021 | 40.00 | 33.50 | 50600 | 1863039 | 39.90 |
| February, 2021 | 42.00 | 35.90 | 121696 | 4665271 | 40.00 |
| March, 2021 | 42.70 | 35.50 | 125931 | 4913263 | 41.05 |

**PERFORMANCE IN COMPARISON TO OTHER INDICES**

Table below gives the performance comparison of M/s. R & B Denims Limited to BSE Sensex for the F.Y. 2020-21 on month to month closing figures:

| Month | BSE Sensex | Change in % | RNBDENIMS (Closing Price at BSE) | Change in % |
|---|---|---|---|---|
| April, 2020 | 33717.62 | 14.42 | 35.80 | 11.01 |
| May, 2020 | 32424.10 | -3.84 | 34.00 | -5.03 |
| June, 2020 | 34915.80 | 7.68 | 28.00 | -17.65 |
| July, 2020 | 37606.89 | 7.71 | 33.00 | 17.86 |
| August, 2020 | 38628.29 | 2.72 | 29.50 | -10.61 |
| September, 2020 | 38067.93 | -1.45 | 30.90 | 4.75 |
| October, 2020 | 39614.07 | 4.06 | 28.35 | -8.25 |
| November, 2020 | 44149.72 | 11.45 | 27.20 | -4.06 |
| December, 2020 | 47751.33 | 8.16 | 35.75 | 31.43 |
| January, 2021 | 46285.77 | -3.07 | 39.90 | 11.61 |
| February, 2021 | 49099.99 | 6.08 | 40.00 | 0.25 |
| March, 2021 | 49509.15 | 0.83 | 41.05 | 2.62 |

IN CASE THE SECURITIES ARE SUSPENDED FROM TRADING, THE DIRECTOR'S REPORT SHALL EXPLAIN THE REASON THERE OF

Not Applicable

**REGISTRAR & TRANSFER AGENTS:**

**BIGSHARE SERVICES PRIVATE LIMITED**

Registrar to Issue & Share Transfer Agents

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Next to Keys Hotel, Makwana Road, Andheri (East), Mumbai-400059
Email Id: info@bigshareonline.com, Website: www.bigshareonline.com
Ph. No.: +91-022-62638200, Tele Fax: +91-022-62638299

**SHARE TRANSFER SYSTEM**

All shares are held in demat form except 10 no. of equity shares. The Company's shares are compulsorily traded in dematerialized mode. The dematerialized shares are transferable through the depository system. The power of share transfer has been delegated to the designated officials of Registrar & Transfer Agent of the Company, BIGSHARE SERVICES PRIVATE LIMITED. The Registrar & Transfer Agent processes the share transfers within a period of fifteen days from the date of receipt of the transfer documents.

The Company has obtained half yearly certificates from Company Secretary in Practice for compliance of share transfer formalities as per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also carried out Quarterly Secretarial Audit for reconciliation of Share Capital Audit as required under SEBI circular no. 16 dated 31st December, 2002.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further vide its press release PR No.:12/2019 dated March 27, 2019 clarified that transfer of shares (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take dematerialize the shares on expedite manner.

To facilitate shareholders for trading in demat form, Company has entered into agreement with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**DEMATERIALIZATION OF SHARES AND LIQUIDITY**

As on 31" March, 2021, total of 13994678 equity shares equivalent to 99.99% of the total issued, subscribed and paid-up equity share capital of the Company were in dematerialized form and total of 10 equity shares equivalent to 0.00007% of the total issued, subscribed and paid-up equity share capital of the Company were in physical form. The equity shares of the company are traded on BSE Main Board.

**Dematerialization of Shares – Process**

Those shareholders who hold shares in physical form are requested to dematerialize their shares at earliest. Process of converting physical shares into dematerializes form is as below:

(i) Shareholders need to open demat account with a Depository Participant (DP)

(ii) Shareholders should collect Dematerialization Request Form (DRF) form from their respective Depository Participant (DP) and after filling requisite information submit DRF form along with original share certificates to their DP.

(iii) DP will process the DRF and will generate a Dematerialization Request Number (DRN)

(iv) DP will submit the DRF and original share certificate to Bigshare Services Private Limited, the Registrar and Transfer Agent (RTA) of the Company.

(v) RTA will forward DRF to company for confirmation.

(vi) Company will confirm the DRF and request RTA for process demat request.

(vii) RTA will approve or reject DRF as per the direction of Company and inform the same to DP/ Depositories.

(viii) Upon confirmation of request the shareholders will get their shares credited in their respective demat account number.

**INVESTOR HELPDESK**

Shareholders/Investors can also send their queries through e-mail to the Company at compliance@rnbdenims.com. This designated e-mail has also been displayed on the Company's website www.rnbdenims.com under the section Investor contact.

**COMPLIANCE OFFICER**

Mrs. Jyoti Arun Agarwal
Company Secretary & Compliance Officer

**DISTRIBUTION OF SHAREHOLDINGS AS ON MARCH 31, 2021:**

a. On the basis of Shareholdings

| Shareholding of Nominal | No. of Shareholders | % of Shareholders | Shares | % of Shares Amount |
|---|---|---|---|---|
| 0001 to 500 | 74 | 42.28 | 4116 | 0.03 |
| 501 to 1000 | 6 | 3.42 | 5741 | 0.04 |
| 1001 to 2000 | 1 | 0.57 | 1500 | 0.01 |
| 2001 to 3000 | 6 | 3.43 | 15136 | 0.11 |
| 3001 to 4000 | 1 | 0.57 | 3650 | 0.03 |
| 4001 to 5000 | 17 | 9.71 | 85000 | 0.60 |
| 5001 to 10000 | 30 | 17.14 | 265577 | 1.90 |
| 10001 & Above | 40 | 22.86 | 13613968 | 97.28 |
| Total | 175 | 100.00 | 13994688 | 100.00 |

On the basis of Category

| Sr. No. | Description | No. of members | | No. of shares | |
|---|---|---|---|---|---|
| | | Nos. | % | Nos. | % |
| A | Promoters Holding Directors & Relatives | 16 | 9.14 | 8301678 | 59.32 |
| | Bodies Corporate | 3 | 1.71 | 2025000 | 14.47 |
| B | Non Promoter Holding Institutions Mutual Funds | 0 | 0 | 0 | 0 |
| | Non-Institutions | | | | |

| Sr. No. | Description | No. of members | | No. of shares | |
|---|---|---|---|---|---|
| | | Nos. | % | Nos. | % |
| | Resident Individual | 137 | 78.29 | 2508897 | 17.93 |
| | HUF | 8 | 4.57 | 510000 | 3.64 |
| | Foreign Individuals or NRI | 1 | 0.57 | 999 | 0.01 |
| | Bodies Corporate | 3 | 1.71 | 67507 | 0.48 |
| | Any other | 1 | 0.57 | 50000 | 0.36 |
| | Clearing Member | 4 | 2.29 | 607 | 0.00 |
| | Market Maker | 2 | 1.14 | 530000 | 3.79 |
| | Total: | 175 | 100.00% | 13994688 | 100.00% |

**NOMINATION FACILITY**

It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members, who are holding shares in physical mode and have not appointed nominee or want to change the nomination, are requested to send us nomination form duly filed in and signed by all the joint holders.

**OUTSTANDING GDRS/ADRS/WARRANTS/ANY OTHER CONVERTIBLE INSTRUMENTS**

The Company does not have any outstanding instruments of the captioned type.

**PROCEEDS FROM PUBLIC ISSUE / RIGHTS ISSUE / PREFERENTIAL ISSUE / WARRANT CONVERSION**

The Company does not have such proceeds from Public Issue, Right Issue, Preferential Issue and Warrant Conversion.

**UTILISATION OF IPO PROCEEDS**

NA

**DETAILS OF UNPAID DIVIDEND**

There is no unpaid dividend amount outstanding during the year.

**PLANT LOCATION**

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

**ADDRESS FOR CORRESPONDENCE:**

(a) Registrar & Transfer Agents:

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Next to Keys Hotel, Makwana Road, Andheri (East), Mumbai-400059
Email Id: info@bigshareonline.com , Website: www.bigshareonline.com
Tel: +91-022-62638200, Tele Fax: +91-022-62638299

(b) Registered Office:

Block No. 467, Sachin Palsana Road, Palsana, Surat-394315, Ph. No.: 0261-2349892
Email: info@rnbdenims.com , Website: www.rnbdenims.com
CIN: L17120GJ2010PLC062949

**CREDIT RATING:** NIL

## 11. DISCLOSURES

### DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENT

In preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind As) issued by the Institute of Chartered Accountants of India (ICAI). The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

### RISK MANAGEMENT

The Company has to frame a formal Risk Management Framework for risk assessment and risk minimization to ensure smooth operation and effective management control. The Audit Committee has to review the adequacy of the risk management framework of the Company, the key risks associated with the business and to measure the steps to minimize the same

### MATERIAL SUBSIDIARY

The Company doesn't have any material Subsidiary however, RB Industries, a partnership firm is a subsidiary of the company.

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company has adopted the Code of Conduct for regulating, monitoring and reporting of Trading by Insiders in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013. The Code of internal procedures and conduct for Regulating, monitoring and Reporting of Trading by Insiders is available on https://www.rnbdenims.com/investor/polices/Insider%20Trading.pdf?

### CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Mr. Jainam Shah, Practicing Company Secretary, Surat has issued a certificate required under the listing regulations, confirming that none of the Directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of the company by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as Annexure 11.

### COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

The Compliance Certificate on corporate Governance for the Year ended 31st March, 2021, issue by M/s. Pradeep K. Singhi & Associates, Statutory Auditors of the Company forms part of the Corporate Governance Report.

### WHISTLE BLOWER POLICY/VIGIL MECHANISM POLICY

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the website of the Company at https://www.rnbdenims.com/investor/polices/VIGIL%20MECHANISM%20FOR%20DIRECTORS%20AND%20EMPLOYEES.pdf?

### RELATED PARTY TRANSACTION

The list of related party transactions entered by the Company during the year is mentioned in Related party Disclosures (As identified by management) of the financial statement. All related

party transactions are monitored by Audit Committee of the Company. Company's policy on related party transaction is available on below link:

https://www.rnbdenims.com/investor/polices/Related%20Party%20Transaction%20Policy.pdf?

**FEES TO STATUTORY AUDITOR**

Company has paid total fees paid by the company to the Statutory Auditor as mentioned below:

*Amount in Rs.*

| Payment to Statutory Auditor | FY 2020-21 | FY 2019-2020 |
|---|---|---|
| Audit Fees | 2,50,000 | 2,50,000 |

**DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The details of complaints filed, disposed & pending are given below:

Number of Complaints during the year: NIL

Number of complaints disposed of during the year: Not Applicable

Number of complaints pending as on end of the financial year: Not applicable

**STATUTORY COMPLIANCE, PENALTIES AND STRICTURES**

The Company has complied with the requirements of the Stock Exchanges /Securities and Exchange Board of India (SEBI) / and Statutory Authorities to the extent applicable, except Discrepancies in the filing of Corporate Governance Report (Regulation 27(2) of SEBI (LODR) Regulations 2015) submitted for the Quarter ended 31st December 2020 was occurred and exchange levied a fine of Rs. 10,000/- for not complied with Regulation 17(2A) of SEBI (LODR), Regulations, 2015 for the Board meeting held on 26/10/2020. Apart from this no other penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

**MANDATORY & NON MANDATORY REQUIREMENTS**

The Company has complied with all the mandatory requirements of Corporate Governance and endeavors to adopt good corporate governance practices which help in adoption of non-mandatory requirements.

**UPDATE E-MAILS FOR RECEIVING NOTICE/DOCUMENTS IN E-MODE**

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible citizen, your company fully supports the MCA's endeavor.

In accordance of the same, your company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders may register their email addresses with their Depository through Depository Participant.

**UPDATE YOUR CORRESPONDENCE ADDRESS/ BANK MANDATE/PAN/ EMAIL ID**

Shareholder(s) holding shares in dematerialized for are requested to notify changes in Bank details/ address/ email ID directly with their respective DPs.

**QUOTE FOLIO NO. / DP ID NO.**

Shareholders/ Beneficial owners are requested to quote their DP ID no. in all the correspondence with the Company.

Shareholders are also requested to quote their Email ID and contact number for prompt reply to their correspondence.

**12. DISCRETIONARY REQUIREMENTS**

**THE BOARD**

The chairman of the company is an Executive Director.

**SHAREHOLDER RIGHTS**

Half yearly and yearly declaration of financial performance is uploaded on the website of the company http://rnbdenims.com/investor-relations/ as soon as it is intimated to the stock exchange.

**MODIFIED OPINION(S) IN AUDIT REPORT**

Standard practices and procedures are followed to ensure unmodified financial statements.

**REPORTING OF INTERNAL AUDITOR**

The Company has appointed M/s Shivangi Parekh & Co., Chartered Accountant as the Internal Auditor of the Company for Three years from F.Y. 2021-22 to 2023-24. The Internal Auditor reports to the Audit Committee periodically with Internal Audit Report prepared on quarterly basis.

The Internal Auditors M/s Shivangi Parekh & Co., Chartered Accountant has reported directly to the Audit Committee of the Company.

**For the Board of Director**
Sd/-
**Rajkumar Borana**
Managing Director
DIN: 01091166

**R & B Denims Limited**
Sd/-
**Amit Dalmia**
Whole Time Director
DIN: 00034642

**Place: Surat**

**Date: 31/07/2021**

# Annexure-3

**AS PER RULE 8 OF COMPANIES (ACCOUNTS) RULES, 2014**

## A. CONSERVATION OF ENERGY

(i). The steps taken or impact on conservation of energy

a. Identification and monitoring of operation of High energy consuming load centre and also specific loads like Compressors, & Diesel Generators etc., daily monitoring of consumption of 'A' class loads.

b. Use of Energy Efficient Lighting systems

c. switching off machines / equipment when not in use and switching off lights in areas not having adequate activity by regrouping/repositioning the activity so that there will not be any wastage of energy due to lighting.

d. Monitoring of utilization of energy in lighting and other auxiliary equipment.

e. Creating awareness among employees about the necessity of energy conservation by celebrating energy conservation week

(ii). The steps taken by the Company for utilising alternate sources of energy: The Company generated renewable energy in-house through roof-top solar PV, off-site captive wind farms. A combined Renewable energy of solar and wind will be around 9.6 Million units in a Year. This would be equivalent to Rs. 60% of Total power consumption of the Company.

(iii). The capital investment on energy conservation equipment: Company has invested in Solar and Wind Energy in FY 2020-21.

## B. TECHNOLOGY ABSORPTION

(i). The efforts made towards technology absorption

a. Efforts towards technology absorption included continued efforts for process improvements and improved formulation types/strengths to improve the efficacy, productivity and profitability of the Company.

b. The company has contributed an amount of 207 lakhs till Financial Year ended 31.03.2021 as a measure of environment, protection for treating the waste water generated in the process of making Denim.

(ii). The benefits derived like product improvement, cost reduction, product development or import substitution; Product development, value addition and sustainable or import substitution

(iii). In case of imported technology (imported during last three years reckoned from the beginning of the financial year)

a. The details of technology imported: The Company has not imported any technology during the last three financial years.

b. The year of import: Not Applicable

c. Weather the technology been fully absorbed: Not Applicable

d. If not fully absorbed areas where absorption has not taken place & reasons thereof: Not Applicable

(iv). The expenditure incurred on research & development during the year 2020-2021: NIL

## C. FOREIGN EXCHANGE EARNING AND OUTGO

| Sr. No. | Particulars | F.Y. 2020-21 | F.Y. 2019-2020 |
|---|---|---|---|
| 1 | Foreign exchange earnings | - | US $: 1,653,478.74 |
| 2 | Foreign exchange Outgo | US $: 12,134.32<br>Euro: 245.00<br>JPY: 4,743.6 | US $: 420,700.95<br>Euro: 7,282.50<br>JPY: 960,000.00 |

**For the Board of Director**

Sd/-

**Rajkumar Borana**
Managing Director
DIN: 01091166

**R & B Denims Limited**

Sd/-

**Amit Dalmia**
Whole Time Director
DIN: 00034642

**Place: Surat**

**Date: 31/07/2021**

# Annexure-4

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. Brief outline on CSR policy of the Company:**

R&B Denims Limited is committed to conduct business in a socially, economically and environmentally responsible and sustainable manner, which enables the creation and distribution of wealth for the betterment of all its stakeholders, internal as well as external, through the implementation and integration of ethical systems and sustainable management practices. For this, company had laid a balanced emphasis on all aspects of corporate social responsibility and sustainability with regard to its internal operations, activities and processes, as well as undertake initiatives and projects to facilitate awareness program for preventing disease and building immunity, promoting education, eradicating hunger, poverty and malnutrition, environment protection, promotion of green and energy efficient technologies and upliftment of the marginalized and underprivileged sections of the society.

The CSR provisions of the Companies Act 2013, Schedule VII, or the CSR rules are inviolable.

**2. Composition of the CSR Committee:**

The CSR Committee so constituted formulated Policy on Corporate Social Responsibility (CSR Policy) on 28/06/2018 and the Board of Directors of the Company ('Board') has approved the same as per recommendation of CSR Committee.

| Name | Designation | Nature of Directorship |
|---|---|---|
| Mr. Amit Dalmia | Chairman | Whole Time Director |
| Mr. Ankur Borana | Member | Whole Time Director |
| Mr. Girish Kumar Kalawatia | Member | Non-executive Independent Director |

**3. Web-link where Composition of CSR committee, CSR policy and CSR projects approved by the board of Directors of the company are disclosed on the website of the company:**

https://www.rnbdenims.com/images/committee-of-bod/CSR.pdf

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable: Not Applicable**

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

| Sr. No. | Financial year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set- off for the financial year, if any (in ₹) |
|---|---|---|---|
| 1 | 2017-2018 | NIL | NIL |
| 2 | 2018-2019 | NIL | NIL |
| 3 | 2019-2020 | NIL | NIL |

1. Average net profit of the Company as per Section 135(5) i.e. for last three financial years:

   Rs. 55,375,716/-

2. (a) Two percent of average net profit of the Company as per Section 135(5) i.e. for last three financial years: Rs. 11,07,514/-

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

   (c) Amount required to be set-off for the financial year, if any: NIL

   (d) Total CSR obligation for the financial year (7a+7b- 7c): Rs. 1,107,514/-

**3. (a) CSR amount spent or unspent for the financial year:**

| Amount unspent (in Rs.) | | | | | |
|---|---|---|---|---|---|
| **Total Amount Spent for the Financial Year (in ₹)** | **Total Amount transferred to Unspent CSR Account as per Section 135(6)** | | **Amount transferred to any fund specified under Schedule VII as persecond proviso to Section 135(5)** | | |
| | **Amount** | **Date of Transfer** | **Name of Fund** | **Amount** | **Date of Transfer** |
| | | | | | |

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

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sr. No.** | **Name of Project** | **Item from the list of activities in schedule VII of the act** | **Local area yes/ no** | **Location of the project** | | **Project Duration** | **Amount allocated for the project (in Rs.)** | **Amount spent in the current financial year** | **Amount transferred to unspent CSR account for the project as per Section 135(6)** | **Mode of implementation – Direct (yes/ No** | **Mode of implementation -through implementation agency** | |
| | | | | State | Dist. | | | | | | Name | C S R regi. No. |

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

| 1 | 2 | 3 | 4 | 5 | | 6 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sr. No.** | **Name of Project** | **Item from the list of activities in schedule VII of the act** | **Local area yes/ no** | **Location of the project** | | **Amo-unt allocated for the project (in Rs.)** | **Amo-unt spent in the current financial year** | **Amount transferred to unspent CSR account for the project as per Section 135(6)** | **Mode of implementation – Direct (yes/ No** | **Mode of implementation -through implementation agency** | |
| | | | | State | Dist. | | | | | Name | CSR regi. No. |
| 1 | Samast Patidar Samaj Trust managed by Mrs. M. M. Kheni Bhavan | Promoting Education | Yes | Gujarat | Surat | 11,10,000/- | 11,10,000/- | NIL | Yes | NA | NA |

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 1,110,000/-

(g) Excess amount for set-off, if any: NIL

| Sr. No. | Particular | Amount in Rs. |
|---|---|---|
| 1 | Two percent of average net profit of the Company as per Section 135(5) | Rs. 11,07,514/- |
| 2 | Total amount spent for the Financial Year | Rs. 11,10,000/- |
| 3 | Excess amount spent for the financial year [(ii)-(i)] | Rs. 2,486/- |
| 4 | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| 5 | Amount available for set-off in succeeding financial years [(iii)-(iv)] | Rs. 2,486/- |

**4. (a) Details of Unspent CSR amount for the preceding three financial years:**

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in Rs.) | Date of Transfer | |
| 1 | 2017-2018 | Not Applicable | | | | | |
| 2 | 2018-2019 | | | | | | |
| 3 | 2019-2020 | | | | | | |

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

| Sr. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (In Rs.) | Amount spent on the project in the reporting Financial Year (In Rs.) | Cumulative amount spent at the end of reporting Financial Year (In Rs.) | Status of the project - Completed / Ongoing |
|---|---|---|---|---|---|---|---|---|
| 1 | Not Applicable | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |

5. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

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

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

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

   (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

6. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

**For the Board of Director**
Sd/-

**Rajkumar Borana**
Managing Director
DIN: 01091166

**R & B Denims Limited**
Sd/-

**Amit Dalmia**
Whole Time Director
DIN: 00034642

**Place: Surat**

**Date: 31/07/2021**

# Annexure-5

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. DISCLAIMER

Statements in the Directors' Report & Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

### 2. OVERVIEW OF ECONOMY

The Indian economy was negatively impacted by an unprecedented health crisis in 2020-21 with the highly contagious corona virus (Covid-19) spreading across the country. In response to the pandemic, Government has taken several proactive preventive and mitigating measures starting with progressive tightening of international travel, issue of advisories for the members of the public, setting up quarantine facilities, contact tracing of persons infected by the virus and various social distancing measures. Government imposed a strict 21 days nationwide lockdown from 25th March, 2020, under the Disaster Management Act, 2005, with subsequent extensions and relaxations, to contain the spread of Covid-19 while ramping up the health infrastructure in the country. The lockdown measures, imposed to contain the spread of Covid-19 pandemic in India, ubiquitously affected employment, business, trade, manufacturing, and services activities. The real Gross Domestic Product (GDP) growth is projected to contract by 7.7 percent in 2020-21 as compared to a growth of 4.2 percent in 2019-20. GDP growth, however, is expected to rebound strongly in 2021-22 owing to the reform measures undertaken by the Government.

As per the first Advance Estimates of annual national income released by the National Statistical Office (NSO), Real GDP is estimated to contract by 7.7 percent in 2020-21, as compared to a growth of 4.2 percent in 2019-20. This contraction in GDP growth is mainly attributed to the contraction in industry and services sector. The growth of Gross Value Added (GVA) at constant (2011-12) basic prices is estimated to contract by 7.2 percent in 2020-21, as compared to a growth of 3.9 percent achieved in 2019-20. Positive growth in real GVA in agriculture & allied sectors at 3.4 percent in 2020-21 against 4.0 percent in PE of 2019-20 indicates resilience of rural economic activity to the Covid-19 pandemic. From the demand side, private consumption expenditure is estimated to contract at 9.5 percent in 2020-21 as against a growth of 5.3 percent in 2019-20 and fixed investment is estimated to decline by 14.5 percent in 2020-21 as against 2.8 percent in 2019-20. Government consumption final expenditure is estimated to grow at 5.8 percent in 2020-21 as against 11.8 percent in 2019-20. Exports and imports of goods and services are estimated to contract at 8.3 percent and 20.5 percent (at constant prices) respectively in 2020-21.

### 3. INDIAN TEXTILE MARKET

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. It is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products to the organized textile industry. The organized textile industry is characterized by the use of capital-intensive technology for mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

The domestic textiles and apparel industry stood at $108.5 bn in 2019-20 of which $75 bn was domestically consumed while the remaining portion worth $28.4 bn was exported to the world market. Textiles and garments industry is expected to reach $190 bn by 2025-26 from $103.4 bn in 2020-21.

Cotton production supports 5.8 million farmers and 40-50 million people in allied sectors.

Further, the domestic consumption of $75 bn was divided into apparel at $55 bn, technical textiles at $15 bn and home furnishings at $5 bn. While exports comprised of apparel exports at $12 bn; home textiles exports at $4.8 bn; fabric exports at $4 bn; yarn exports at $3.8 bn; fiber exports at $1.8 bn and others at $2 bn.

## 4. ROAD AHEAD

India is working on major initiatives, to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on rise. Government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.

The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

**Major Trends in Textile & Apparel Industry:**

1. Emergence of new garmenting hubs: Increase in labour and raw material cost has brought a shift in global textile industry, forcing companies to shift their base from developed countries to developing countries like India, Ethiopia, Myanmar, Vietnam and Cambodia. These developing countries offer cheap labour and good quality raw material at lower prices.
2. Increasing importance of Industry 4.0: Textile 4.0 is a fourth industrial revolution focusing on automation of industry. This automation can be achieved by data exchange, robotics, the internet of things, cloud computing and through various other measures. This automation will result in lower operating cost with customary processes and improved quality standards.
3. Development of new trade Alliances: Trade alliances and Free Trade Agreement (FTA) are some measures by various governments to connect markets. Through this the exchange of technologies will become easier. These alliances will ultimately lead to increase in flow of FDI, improved infrastructure and more job opportunities helping economies to grow.
5. Shift towards Sustainable Fashion: With rising awareness about climate change, consumers prefer brands that adopt sustainable business practices. As a result, the textile industry has been witnessing a shift towards sustainable processes right from manufacturing of products to selling them. This shift will not only enable them to reduce their footprints on the environment but also offer sustainable fashion solutions.

## 5. INDIAN DENIM MARKET

Since the last decade, the Indian Denim Industry has shown a high-quality boom. Today, the country has a great denim production capacity of around 1.1 billion meters per annum.

By the year 2020, the worldwide denim marketplace is forecast to reach USD 64.1 billion. The Indian denim marketplace covers 80-85 percentage of total denim manufacturing. Despite this amazing

statistic, the Indian denim production contributes only 5 percent to the worldwide textile industry.

According to industry experts, denim is the handiest segment in India that can develop manifolds to the existing marketplace.

Growing denim manufacturers across the globe are looking at India as an emerging denim export area wing to its first-class standards, cost-effectiveness, and a massive pool of tremendous workforce.

In the Indian apparel market, the denim market is driven by growing disposable incomes, westernization of work culture, and ensuing upward push inside the popularity of denim jeans.

In the era of globalization, younger India prefers denim as part of their wardrobe essential. As consistent with the Indian consumer story, the middle class is majorly driving the boom of denim marketplace.

Indian production and intake have grown at a compounded annual growth rate (CAGR) of as much as 15 percent over the past decade and is predicted to develop at similar rate in the coming years.

## 6. INDUSTRY OUTLOOK

Indian Denim Industry is showing a notable increase in recent years. Indian denim brands and manufacturers are focusing on increasing their export globally. Considering the significant proportion that India commands inside the international trade of textile and garb, and the industry is ready to add more exceptional manufacturing capabilities.

Along with a boom in potential, encouraging fabric guidelines and favorable exchange fee moves could help India achieve a large export boom.

By the year 2020, the additional ability will be added to existing production facilities; the ratio of home and exports is possibly to alternate from 65:35 to 55:45.

The Indian government is taking many initiatives to enhance the country's textile area. The benefits offered by government authorities are in all likelihood to percolate to the Indian denim industry in the coming years. This will also ensure its steady growth, and fuel the growth of the denim industry in India.

## 7. TRENDZ IN DENIM INDUSTRY

Denim wear has dominated the garment space for a long time. With innovation & trends set by the fashion industry it is good to have a look at the product trends in the denim industry.

**Fits:** Nineties Denim is making its way in the market as a vintage trend concept, and attracting a lot of eyeballs, especially from the youth segment. A looser fit – varying from baggy, high-waisted jeans, oversized and slightly ill-fitted are making a comeback in the market. The sale of straight leg jeans is also gaining momentum and it could be the future of denims in the years to come.

**Colors:** The classic blue wash & greys are making a comeback. White is also making its mark in the denim sector as searches for white denim rose 42% since the beginning of March 2019 as per Global Fashion Search Platform, Lyst. The monochromatic trend is gaining momentum. The wide acceptance of the same has encouraged brands to continue it for the future as well.

**Design:** Denim design and patterns like ruffled trims, embroidered patches, knots, cigarette hem ankle length, jeans with slits etc. are catching the youth's attention. The popularity of at leisure wear has influenced street wear in the last few years and denim has started following the same trend by incorporating side stripes, ribbons & pin-tucks etc. to lend a sporty chic feel to the pieces.

**Fashion Trends:** The one trend that has been going on for ages now is denim on denim. One can easily carry a casual look while wearing their favorite denim with a denim shirt. This trend ensures

that the consumption of denim will grow at a higher rate in the coming years. In a report by Edited, the outerwear category in denim has grown 101% in the last two years. The printed and embroidered denims are appealing to the youth. Designs like slangs, flora & fauna are being used with denim jeans, jackets etc. The culottes are gaining a lot of popularity among the working population as smart casuals like denim is strongly holding up as a part of corporate wear.

**Fabric:** Denim fabric is primarily made up of cotton but in the last decade or so, the demand for stretch and soft handle denim is growing exponentially. People are looking for feel good factor in their denim, so comfortable and stretchable fabrics are taking centre stage. Mills continue to invest in elastic fabrications, be it stretch in the warp, bi- stretch or hyper-stretch. The use of blended fabric with Lycra, modal & tencel in denim will grow rapidly in the coming times.

## 8. SWOT ANALYSIS OF DENIM INDUSTRY

### STRENGTHS

- Jeans are a wardrobe staple that everyone owns.
- The denim market is segmented into smaller and niche sections, making it easier to target different consumers. The demand is increasing in both domestic as well as international markets.
- Competitors are not competing on exactly the same product. Difference styles, prices and materials are available.
- Easy diversification into other product lines like footwear, innerwear, accessories to make it a complete lifestyle brand.
- Automation of production processes and proper infrastructure
- Availability of raw materials

### WEAKNESS

- The high impact the cotton industry has on the environment as a result of denim manufacturing.
- The denim market is already dominated by several big brands.
- Increase in mid-market / value retailers results in a negative impact for the higher end retailers and increase an opportunity to introduce lower market brands.
- Fluctuation in prices to cope up with changing demands and trends.
- Short time for optimization of products.
- Unavailability of skilled labour.
- Increase in unit cost, high tariff barriers and export duties.

### OPPORTUNITY

- Better consumer knowledge and power driving the demand for more ethical and sustainable denim
- Innovative ways of manufacturing denim and more ways to differentiate from competitors.
- People are willing to buy quality products and long lasting investment pieces at a competitive prices.
- Establishment of E-commerce allows more consumers to enter the chain of market.
- Apart from manufacturing jeans the fabric is used in manufacturing of other products like shirts, trousers, handbags etc.
- Introduction of sustainable development practices.

**THREATS**

- The market is saturated with existing brands.
- The market is continuously growing with brands coming up with innovative ways to compete and stay relevant in the market.
- The ethical denim market already has a number of early entrants which have gained significant market share.
- Unstable economy results in reduced consumer confidence and spending.
- The entry of several international players in the retail industry after opening up of FDI would also pose as a threat for the brand.
- It is difficult to make balance between price and quality when competitors have lower price.
- Quick obsolesce of technology.

**CUSTOMER ORIENTED ORGANISATION:**

R & B Denims Limited makes constant efforts to include the diversity in people around the globe by creating products that would meet every customer's wishes. Customers are also offered delivery services, and R&B Denims Limited makes sure that the products are delivered on time regardless of any procurement hassles. The company believes in working with passion to honor every commitment made to its customers. It also prioritizes regular product innovation to give customers the best experience. Quality and variety has always been one of the major focuses of the company.

## 9. FINANCIAL RESULTS & PERFORMANCE

*(Rs. in Lakhs)*

| Particulars | For the year ended 31-03-2021* | For the year ended 31-03-2020* |
|---|---|---|
| Revenue from operations | 17,415.28 | 25,790.78 |
| Other Income | 351.09 | 44.92 |
| Total Revenue | 17,766.37 | 25,835.70 |
| Profit before tax and Exceptional Items | 1,015.99 | 452.76 |
| Exceptional Items | 0.00 | 0.00 |
| Profit before Taxation | 1,015.99 | 452.76 |
| - Current Tax | (187.10) | (134.08) |
| - Deferred Tax | 5.20 | 9.18 |
| - Short Provision for Income Tax expense relating to prior Year | (1.59) | 1.16 |
| Net Profit/ (Loss) For The Year | 832.49 | 329.02 |
| Other Comprehensive Income for the Year, Net of Tax | 13.67 | 6.69 |
| Total Comprehensive Income for the Year | 846.16 | 335.71 |

* Figures regrouped wherever necessary

The Company discloses financial results on quarterly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the Company's website www.rnbdenims.com.

During the year, Your Company recorded total revenue of 17,766.37 Lacs against Rs. 25,835.70 Lacs

in the previous year, representing a decrease of 31.23% during the year and Profit before Tax Rs. 1,015.99 Lacs as compared to Rs. 452.76 Lacs during the year. Total Income during the year Rs. 846.16 as compared to Rs. 335.71 in the previous year.

**10. OUTLOOK:**

The Indian textile industry at large, as well as the denim industry in specific, is expected to grow further in the coming years. The global industry also has a promising future. This implies growth opportunities for R & B Denims Limited, in the domestic as well as global market. Owing to the growth in demand of apparels, especially from developing countries, as well as rise in income, the demand for denim has significantly increased and will continue to grow. Over the last 4-5 years, denim demand has increased steadily and several Indian denim players, including our company, have increased their capacity under the prevailing government incentive scheme. The industry has become more competitive in these terms. However, the recent outbreak of Covid-19 pandemic has significantly impacted the industry as well as the Company. The situation has caused temporary slowdown and is estimated to bounce back once the situation gets normalized. The Company's values that focus on constant evolution and product innovation will help it in maintaining its strong standing in the industry and will eventually help in growing further in the future.

**11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has made adequate investment for an effective internal control and risk-mitigation system, and they are constantly assessed and strengthened from time to time with new standard operating procedures. The Audit committee, in its meeting, along with the CFO formulates a detailed audit plan for the internal auditor to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry. The Internal Auditors attend the Meetings of the Audit Committee at regular basis and submit their recommendations to the Audit Committee. The Audit Committee in consultation with the Statutory Auditors and the Business Heads reviews the recommendations placed by the Internal Auditors, suggests improvements, take corrective actions, wherever needed, to strengthen the internal control system and place it before the Board. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

**12. KEY RISKS**

**RISK AND CONCERNS**

The Company is exposed to specific risks that are particular to its business and environment within which it operates, including Foreign Exchange Risk, Interest Rate Risk, Commodity Price Risk, Risk of Product Concentration and other Business Risk. While risk is an inherent aspects of any business, the Company is conscious of the need to have an effective monitoring mechanism and has put in place appropriate measure for its mitigation including business portfolio risk, financial risk and legal risk and internal process risk.

The list of the potential risks the industry is exposed to domestically/internationally is given below:

**Business Operational Risk:** The business operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events like economic and market conditions, cut throat competitions at local as well as at international level, introduction of new players in textile markets, even events which are not directly connected with the organization like natural disasters, political and military turmoil etc. It can be minimized by decreasing labour turnover, power cost, logistics, balancing demand & supply risks, implementing latest technologies to create new and innovative designs of textile products, techniques required to upgrade plants, boiler house, machines, equipment, Un-interrupted availability of raw material

at competitive prices so as to avoid production loss, maintenance of quality and harmonizing production for completing the orders in time as well. Fluctuations in yarn prices in international market which can impact the price / cost of a particular product(s) and its blend(s) is also a part of business operational risk.

**Environmental Risk:** The safety of environment is important because of its ecological, economic or social significance to an ecosystem. If environment get impact/suffer more due to highly polluting nature or due to violation of any environmental law/norms by the industry/business then it may get adverse remarks from the Regulator/Statutory Authority or may have to face penal provisions as well as implications. An effort should be made to recycle the waste, make reusable products, and use natural resources instead of hazardous chemicals to protect the environment.

**Raw material risk:** There is always a risk of inadequate or non-availability of raw materials in the market due to volatility in the prices of cotton, transportation cost etc which could impede business profits and prospects.

**Quality risk:** Easy entry of various competitors in the market could affect the quality of products in order to match the competitive prices. Also inability to match the stringent quality standards of leading retails brands consistently could impact product off take.

**Working capital risk:** To expand the business operations requires increased working capital and its proper management.

**Purchasing power risk:** It means loss of purchasing power due to the effect of inflation. This risk is also known as inflation risk. When there is inflation in the economy, the currency loses its value due to the rising price level in the economy. The higher the inflation rate, the faster the money loses its value.

**Foreign Exchange / Currency risk:** It is the uncertainty associated with changes in the relative value of currencies. Currency risk arises from the change in price of one currency against another. The Company while doing foreign transactions deals with the currencies of other countries and therefore any fluctuations in foreign currency may impact margins of Company. The fluctuations in the exchange rate are caused basically by the supply of and the demand for the currencies being exchanged. The depreciation in exchange rate increases the risk of foreign banks, which leads to large foreign currency exposures in the emerging markets. The adverse exchange rate movement increases the repayment obligations of the banks' borrowers in terms of domestic currency. The investors or companies, in order to avoid currency risks should properly hedge their positions with the foreign banks.

**Financial Risk:** It is the uncertainty associated with how firms finance its business like by issue of shares, debentures, taking loans from government / financial institutions etc. Such financial transactions also include risk of default in payment of interest, dividend or repayment of capital due to various internal or external factors like increase in credit days of debtors, inflation, interest rate fluctuations, change in government policies etc. It may lead to loss of liquidity, falling assets value, significant change in cash inflow and outflow etc.

**Liquidity Risk:** Liquidity Risk reflects the possibility/position that a party may have insufficient funds to settle an obligation for full value when due because of insufficient capital or difficulty in selling as asset or an investment to generate capital, but will have funds to cover settlement obligations on some unspecified date thereafter. In non-bankruptcy situations, the allowable methods to cover short positions are generally driven by local market conventions. As a result, liquidity could be adversely affected by prohibitions on transactions such as Repos, Reverse Repos, Securities Lending and other allied components.

**Global Risk:** Global risk refers to an uncertain event or condition that can cause significant negative

impact to several countries or industries for a long period of time. India is still emerging in the market of textile industries. There is a tremendous competition around the world. Indian manufacturers will have to face a tough fight to sustain in the competition. Due to poor infrastructure facilities, the production and transaction cost remain high in India. Also India's logistic disadvantage due to its geographical location can give it a major thumbs-down in global trade. As a result, high cost of shipments and longer lead time coupled with lack of infrastructure facility may prove to be a major hindrance. To overcome this problem, India needs to increase the size of its industrial infrastructure to capture the efficiencies of the economies of scale and it must cluster the textile production.

**Political Risk:** Political risk may be defined as the probability that a political event will impact adversely on a firm's profit. It represents the financial risk that a country's government will suddenly change its policies. A new law or a change in an existing could have a significant impact on an investment. Whatever laws the government passes today may be extinct tomorrow. This risk covers restriction on remittances in the buyer's country or any government action which may block or delay payment to the exporter, war, revolution or civil commotion in the buyer's country, cancellation or imposition of new export / import licensing restrictions in the buyer's country, any other kind of loss occurring either in India or outside India which is not within the control of the exporter or the buyer.

**Technological risk:** Technology can response corporate culture and facilitate innovative procedures. In a garment manufacturing industry, the firm is constantly required to make changes and transformations in the production process over time, upgrade their machinery besides creating new facilities and additional capacities in order to survive in the highly competitive market.

## 13. Working Capital

Working capital requirement in the business went up because of the fact that our key distributors are required to offer elongated credit to the garment manufacturers who are their customers, and the garment manufacturers are also required to offer extended credit periods to their own customers and thus in the process the entire working capital cycle has been significantly elongated.

## 14. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has appropriate internal control systems for business processes, with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations etc. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The system is improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

## 15. HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATION

The Company rely that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of the workplace hazards for protection of all is utmost importance. The manufacturing operations are conducted to ensure sensitivity towards the environment and minimize waste by encouraging "Green" practices. The Company continued to enjoy healthy industrial relations during the year.

## 16. 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 2020-21, a Sustainable Development Strategy was developed with a focus on the following areas:

**1. Water Pollution Control Measures**

- Our Company adopted the Policy called "Reduce, Reuse and Recycle" and installed the Rain water harvesting system for Reducing water consumption additionally we are Re-using the water utilized at finishing stage of Denim Fabric. Also, our Company is a member of Gujarat Eco-Textile Park (GETP) since 2014, the Company has make sure that it implements various measures across all its operations to control fugitive emissions from polluting our water bodies and also Re-Cycling the polluted water to reusable condition.

**2. Air Pollution Control Measures**

- The Company has also installed Air Receiver in the weaving department to reduce and control on toxin emissions. Our Company has obtained a license from Gujarat Pollution Control Board (GPCB) to ensure pollution control. GPCB ensures that the pollution control limits are maintained by surprise inspections at the factory.

**3. Power & Energy Control Measures**

- Our company has invested in Solar and Wind Energy in FY 2020-2021. The Company generates renewable energy in-house through roof-top solar PV, off-site captive wind farms. Solar Plant is commenced from the mid of April' 2021 and Wind Plant is commence from 1st August, 2021. A Combined Renewable energy of solar and wind will be around 9.6 Million units in a year. This would be equivalent to Rs. 60% of total power Consumption of the Company.

## 17. HEALTH & SAFETY

The company believes Health & Safety as an indispensable province. Company has placed suitable facilities for all workers and employees like proper lighting, ventilation, no congestion, medical kits, stretchers, fire extinguishers etc. at prominent places. Personnel at supervisory level have been trained in basic life support techniques.

The safety measures taken by the company has resulted in improving the conditions under which workers are employed and work, consequently increasing the productivity.

## 18. INFRASTRUCTURE

The company is equipped with modern infrastructure facilities which assist in smooth production. The company's manufacturing unit is outfitted with advanced machines and equipment and a trained staff, who have years of experience behind them.

To sell products to the clients, the company has facilitated a smooth transportation mechanism through a strong base of transporters and traders.

## 19. SIGNIFICANT CHANGES:

| Ratios (Based on Standalone Financials) | 2020-21 | 2019-2020 |
|---|---|---|
| Debtor Turnover Ratio | 3.49 times | 5.89 times |
| Inventory Turnover Ratio | 19.66 times | 25.13 times |
| Interest Coverage Ratio | 3.72 times | 2.28 times |
| Current Ratio | 1.36 times | 1.03 times |
| Debt Equity Ratio | 1.08 times | 1.33 times |
| Operating Profit Margin | 9.82% | 6.32% |
| Net Profit Margin | 4.78% | 1.28% |
| Return on Net worth | 19.31% | 9.49% |

## 20. CAUTIONARY STATEMENT:

The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties, regarding a fluctuations in earnings, our ability to manage growth, competition, economic growth in India, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions with respect to investments, fiscal deficits, regulation etc. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the Company.

**For the Board of Director**
Sd/-
**Rajkumar Borana**
Managing Director
DIN: 01091166

**R & B Denims Limited**
Sd/-
**Amit Dalmia**
Whole Time Director
DIN: 00034642

**Place: Surat**

**Date: 31/07/2021**

# Annexure-6

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2021**

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

**To,**

**The Members,**

**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 (herein after 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 ratification of the company 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, 2021 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, 2021 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 (Listing Obligations And Disclosure Requirements) Regulations, 2015

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not Applicable during the review period)

   e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999; (Not Applicable during the review period)

   f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the review period)

g. 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;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable during the review period)

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

j. Employees Provident Fund and Miscellaneous Provisions Act, 1952 (Not Applicable during the review period)

k. Employees State Insurance Act, 1948

l. Employers Liability Act, 1938

m. Environment Protection Act, 1986 and other environmental laws

n. Equal Remuneration Act, 1976

o. Factories Act, 1948

p. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003

q. Indian Contract Act, 1872

r. Income Tax Act, 1961 and Indirect Tax Laws

s. Indian Stamp Act, 1999

t. Industrial Dispute Act, 1947

u. Maternity Benefits Act, 1961

v. Minimum Wages Act, 1948

w. Negotiable Instruments Act, 1881

x. Payment of Bonus Act, 1965

y. Payment of Gratuity Act, 1972

z. Payment of Wages Act, 1936 and other applicable labour laws

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

a. Secretarial Standards issued by The Institute of Company Secretaries of India.

b. The Listing Agreements entered into by the Company with 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 hereby report that, during the period under review the company has made the following non compliances:

a. Delay in submission of disclosure of encumbrance shares directly or indirectly, for the financial year ended March 31, 2021. However there were no shares of the promoters and promoters group is encumbered in any manner

b. Audited Financial Results for the Quarter and Year ended 31st March, 2020 is submitted two and a half hour late after the Board approve in Board Meeting. The delay was occurred due to power cut-off in the area where the registered office of the listed entity located.

c. Inadvertent typo-graphical error in mentioning the presence of Independent Director in the Board Meeting dated 26th October, 2020. BSE levied a fine of Rs. 10,000/- for not complied with Regulation 17 (2A) of SEBI (LODR), Regulations, 2015 for the Board meeting held on 26/10/2020.

The company submits supporting documents viz: Attendance Register, Minutes of Meeting and Letter from Independent director for presence in the said meeting to BSE however BSE not consider the application along with supporting documents for taking back the imposed fine and the listed entity paid the fine imposed by BSE.

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.

I further report that during the audit period, there were no events/actions in pursuance of:

a. Public/Right/Preferential issue of shares/debentures/sweat equity, etc.
b. Redemption / buy-back of securities
c. Major decisions taken by the members in pursuance to section180 of the Companies Act, 2013.
d. Merger / amalgamation / reconstruction, etc. take place
e. Foreign technical collaborations take place during the audit year

For - **JAINAM N SHAH & CO.**
Company Secretaries

Sd/-

**Jainam Navinchandra Shah**
Proprietor
**M. No.: 35397**
**C P No. 13108**
**UDIN: A035397C000664731**

**Place: Surat**

**Date: 21/07/2021**

This report is to be read with our letter dated 21st July, 2021 which is annexed and forms an integral part of this report.

**To,**
**R & B Denims Limited**
**Block No. 467 Sachin Palsana Road,**
**Palsana, Surat-394315**

**Our Secretarial Audit report dated 21st July, 2021 is to be read along with this letter.**

1. Maintenance of records is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I have obtained the Management representation about the compliance of SEBI laws, rules and regulations thereof.
5. The compliance of the provisions of SEBI laws, rules and regulations is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. This report is neither an assurance as to future viability of the Company nor of the efficacy and effectiveness with which the management has conducted the affairs of the Company.

For - **JAINAM N SHAH & CO.**
Company Secretaries

Sd/-

**Jainam Navinchandra Shah**
Proprietor
**M. No.: 35397**
**C P No. 13108**

**Place: Surat**
**Date: 21/07/2021**

# Annexure-7

**THE DISCLOSURES PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 ARE AS UNDER:**

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of the employees of the Company for the financial year 2020-21 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 F.Y. 2020-2021 (Amount in Rs.) | % increase in Remuneration in the F.Y. 2020-2021 | Ratio of Remuneration of each Director/to median remuneration of employees |
|---|---|---|---|---|
| 1 | Mr. Rajkumar Borana Executive Chairman cum Managing Director | 750,000 | 0% | 10.41 |
| 2 | Mr. Amitkumar Dalmia Whole-time Director | 750,000 | 0% | 10.41 |
| 3 | Mr. Deepak Dalmia Whole-Time Director | 750,000 | 0% | 10.41 |
| 4 | Mr. Ankur Borana Whole-Time Director | 750,000 | 0% | 10.41 |
| 5 | Mr. Girish Kumar Kalawatia Independent Director | NIL | NIL | N.A. |
| 6 | Mr. Manaklal Tiwari Independent Director | NIL | NIL | N.A. |
| 7 | Mr. Dharmesh P. Mehta Independent Director | NIL | NIL | N.A. |
| 8 | Mrs. Anita Pankaj Jain Independent Director | NIL | NIL | N.A. |
| 7 | Parkin Khushmanbhai Jariwala Chief Financial Officer | 752,115 | -12.55% | N.A. |
| 8 | Jyoti Arun Agarwal Company Secretary & Compliance Officer | 300,000 | NIL | N.A. |

**(i) Names of the top ten employees in terms of remuneration drawn from the Company in the financial year 2020-21:**

| Sr. No. | Name & Designation | Qualification and Experience | Remuneration (Amount in Rs.) Per month | Date of Appointment | Age (In years) | Particulars of Last Employment | Relative of Director/ Manager | Percentage of Equity Shares |
|---|---|---|---|---|---|---|---|---|
| 1 | Alpeshkumar Punamchand Patel – General Manager | Diploma Textiles 22 Years | 100,000 | 01/04/2012 | 46 | Tarachand Impex | No | - |
| 2 | Krishnakant Bhogilal Prajapati – Manager | Diploma Textiles 18 Years | 75,000 | 01/04/2020 | 42 | Kanchan India Ltd | No | - |
| 3 | Sanjay Jotiram Patel - Manager | Diploma Textiles 17 Years | 71,350 | 01/07/2015 | 44 | Soma Textiles | No | - |
| 4 | Sudhaben Patel – Executive | H.S.C. 18 years | 70,000 | 01/04/2015 | 45 | Tarachand Impex | No | - |
| 5 | Perkin Jariwala – CFO | B.Com | 65,000 | 01/04/2014 | 45 | NA | No | 0.05 |
| 6 | Amit Dalmia – Director | B.COM | 62,500 | 01/05/2012 | 44 | Na | Brother OF Deepak Dalmia | 12.86 |
| 7 | Rajkumar Mangilal Borana – Director | B.Com | 62,500 | 01/05/2012 | 44 | NA | Brother of Ankur Borana | 14.67 |
| 8 | Deepak Dalmia – Director | B.Com | 62,500 | 01/05/2012 | 42 | NA | Brother of Amit Dalmia | 13.00 |
| 9 | Ankur Mangilal Borana –Director | B.Com | 62,500 | 01/05/2012 | 41 | NA | Brother of Rajkumar Borana | 11.67 |
| 10 | Surya Narayan Samanta – Executive | Diploma Textile - 15 Years | 50,100 | 01/07/2016 | 40 | JINDAL DENIMS INC | No | - |
| 11 | Daxesh Maheshbhai Patel - Manager | Dtc - 15 Years | 50,000 | 01/07/2017 | 41 | Bhaskar Deim | No | - |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 12 | Priti Krishnakant Prajapati – Executive | B.Com - 15 Years | 50,000 | 01/02/2020 | 40 | Kanchan India Ltd | No | - |
| 13 | Nilesh Bhikhabhai Timbaliya – Manager | Msw - 12 Years | 44,450 | 01/02/2017 | 38 | Jindal Denims Inc | No | - |
| 14 | Jyoti Arun Agarwal – CS | Company Secretary | 25,000 | 01/12/2015 | 51 | NA | No | - |

(ii) The median remuneration of employees of the Company during the Financial Year was Rs. 72,060/-

(iii) In the Financial year, the median remuneration of employees has increased by 56.65%.

(iv) There were 358 permanent employees on the rolls of the Company as on March 31,2021;

(v) Average percentage increase/decrease made in the salaries of employees other than the managerial personnel in comparison of the last financial year is 6.21%.

(vi) The remuneration of KMP is as per the recommendations of the Nomination & Remuneration Committee.

(vii) It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

**For the Board of Director**
Sd/-
**Rajkumar Borana**
Managing Director
DIN: 01091166

**R & B Denims Limited**
Sd/-
**Amit Dalmia**
Whole Time Director
DIN: 00034642

**Place: Surat**

**Date: 31/07/2021**

# Annexure-8

**CERTIFICATE IN TERMS OF REGULATION 17(8) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To,**

**The Board of Directors**

**R & B DENIMS LIMITED**

Dear Sir/Madam,

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. I have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2021 and that to the best of my knowledge and belief:
   a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. 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.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2021 which is fraudulent, illegal or violative of the Company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal controls.
4. I have indicated to the auditors and the Audit Committee:-
   a. that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2021;
   b. there are no significant changes in accounting policies during the financial year ended March 31, 2021; and
   c. that there are no instances of significant fraud of which we have become aware.

**For the Board of Director**
**R & B Denims Limited**

Sd/-
**Parkin Khushmanbhai Jariwala**
Chief Financial Officer

**Place: Surat**

**Date: 31/07/2021**

# Annexure-9

**DECLARATION BY MANAGING DIRECTOR THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

All the Members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2021 as applicable to them as laid down in Companies Act, 2013 with the code of conduct of Board members and senior management personnel.

**For the Board of Director** **R & B Denims Limited**

Sd/-
**Rajkumar Mangilal Borana**
Managing Director
DIN: 01091166

**Place: Surat**

**Date: 31/07/2021**

# Annexure-10

**Pradeep K. Singhi & Associates**
CHARTERED ACCOUNTANTS

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To**
**The Members of**
**R & B DENIMS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by R & B Denims Limited (The Company); for the year ended 31st March 2021 as stipulated in Regulation 27(2) of SEBI (Listing Obligation And Disclosure Requirements), Regulations 2015 of the said Company with BSE Limited.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the ministry of corporate affairs and SEBI warranted due to the spread of the COVID-19pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations And Disclosure Requirements), Regulations 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

For - **Pradeep K. Singhi & Co.**
Chartered Accountants

Sd/-
**Pradeep Kumar Singhi**
Partner
**UDIN: 21024612AAAADO9464**
**M. No. 200/24612**
**FRN No. 126027W**

**Place: Surat**

**Date: 31/07/2021**

# Annexure-11

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

**To,**
**The Members,**
**R & B Denims Limited**
**(CIN: L17120GJ2010PLC062949)**
**Block No. 467 Sachin Palsana Road,**
**Palsana, Surat - 394315**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **R & B DENIMS LIMITED** having CIN: L17120GJ2010PLC062949 and having registered office at Block No. 467 Sachin Palsana Road, Palsana, Surat - 394315 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | AMIT DALMIA | 00034642 | 17/11/2010 |
| 2. | DEEPAK DALMIA | 00050547 | 17/11/2010 |
| 3. | ANKUR MANGILAL BORANA | 01091164 | 17/11/2010 |
| 4. | RAJKUMAR MANGILAL BORANA | 01091166 | 17/11/2010 |
| 5. | DHARMESH PRAFULCHANDRA MEHTA | 00514582 | 03/01/2014 |
| 6. | GIRISHKUMAR PRAHLADRAI KALAWATIA | 06687242 | 03/01/2014 |
| 7. | MANAK LAL TIWARI | 06687259 | 03/01/2014 |
| 8. | ANITA PANKAJ JAIN | 08010993 | 27/12/2017 |

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

For - **JAINAM N SHAH & CO.**
Company Secretaries

Sd/-

**Jainam Navinchandra Shah**
Proprietor
**M. No.: 35397**
**C P No. 13108**
**UDIN: A035397C000717991**

**Place: Surat**

**Date: 31/07/2021**

# Annexure-12

**FORM AOC-1**

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/JOINT VENTURES**

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies Accounts) Rules, 2014)*

**Part "A": Subsidiaries**

(In Rs.)

| Sr.No. | Particulars | Details |
|---|---|---|
| 1 | Name of the Subsidiary | RB Industries |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01/04/2020 to 31/03/2021 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Indian Rupee |
| 4 | Capital | 152,793,526 |
| 5 | Reserves & Surplus | - |
| 6 | Total Assets | 537,348,453 |
| 7 | Total Liability | 384,554,927 |
| 8 | Investments | 10,572,500 |
| 9 | Turnover | 966,147,412 |
| 10 | Profit before taxation | 69,798,926 |
| 11 | Provision for taxation | (21,344,355) |
| 12 | Profit after taxation | 48,454,571 |
| 13 | Proposed Dividend | - |
| 14 | % of shareholding | 60% |

**Notes:**

1. Names of subsidiaries which are yet to commence operations- Nil
2. Names of subsidiaries which have been liquidated or sold during the year- Nil

**Part "B": Associate and Joint Ventures**

| Sr.No. | Particulars | Details |
|---|---|---|
| 1 | Name of associates/Joint Ventures | Nil |
| 2 | Latest audited Balance sheet date | |
| 3 | Shares of Associates / Joint Ventures held by the company on the year end<br>(i) No.<br>(ii) Amount of Investment in Associates /Joint Venture<br>(iii) Extend of Holding % | Indian Rupee |
| 4 | Description of how there is significant influence | |
| 5 | Reason why the associate/joint venture is not consolidated | |

| | | |
|---|---|---|
| 6 | Net worth attributable to shareholding as per latest audited Balance Sheet | |
| 7 | Profit/(Loss) for the year<br>(i) Considered in consolidation<br>(ii) Not considered in consolidation | |

**Notes:**

1. Names of associates or joint ventures which are yet to commence operations- Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year- Ni

**For the Board of Director**

Sd/-

**Rajkumar Borana**
Managing Director
DIN: 01091166

**R & B Denims Limited**

Sd/-

**Amit Dalmia**
Whole Time Director
DIN: 00034642

**Place: Surat**

**Date: 31/07/2021**

# INDEPENDENT AUDITOR'S REPORT

**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**

**The Board of Directors of R & B Denims Limited**

**Report on the audit of the Standalone Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of R & B Denims Limited (the "Company") for the quarter ended March 31, 2021 and for the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

b. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2021 and for the year ended March 31,2021.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics Issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibility for the Standalone Financial Statements**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial Information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with

Regulation 33 of the listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other Irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent;

and the design, Implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, If such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

**Other Matters**

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the listing Regulations.

For - **Pradeep K. Singhi & Co.**
**Chartered Accountants**
**ICAI FRN: 126027W**

Sd/-
**Pradeep Kumar Singhi**
**Partner**
**UDIN: 21024612AAAACY2473**
**M. No. 24612**

**Place: Surat**

**Date: 08/06/2021**

# Annexure 'A' to the Independent Auditor's Report

In respect of the Annexure referred to in paragraph 1 of our report to the Members of R & B Denims Ltd ("the company") for the year ended March 31, 2021, we report on following matters:

| Sr. No. | Particulars | Auditor's 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 of fixed assets. |
| | (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, fixed assets have been physically verified at regular intervals.<br>No, material discrepancies have been noticed on such verification. |
| | (c) Whether title deeds of immovable properties are held in the name of the company. If not, provide details thereof. | Yes, But Factory Land is in possession under long term lease deed. |
| (ii) | (a) Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, how they have been dealt with in the books of account. | Yes, physical verification of inventory has been conducted at reasonable intervals by the management. No material discrepancies were noticed. |
| (iii) | Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. If so, | No loans have not been granted to the companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013 during the period under audit. |
| | (a) Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest | Not Applicable |
| | (b) Whether receipt of the principal amount and interest are regular. If not provide details thereof; and | Not Applicable |
| | (c) If amount is overdue, state total amount overdue, state total amount overdue for more than 90 days and whether reasonable steps have been taken by the company for recovery of the principal and interest; | Not Applicable |
| (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, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions 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, the 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, 2013 and whether such accounts and records have been made and maintained; | Yes, maintained. |
| (vii) | (a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-Lax, , service tax, duty of customs, duty of excise, value added tax, 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, the company is regular. |
| | (b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute). | Appeal is pending before Commissioner of Appeals for F.Y. 2012-13 for tax demand of Rs. 62,00,050/-for F.Y. 2013-14 for tax demand of Rs. 1,59,74,700/- and for F.Y. 2015-16 for tax demand of Rs. 4,81,78,440/-. However, for all these three cases, assesse has applied in Vivaad se Vishwas Scheme. Under the scheme of Vivaad se Vishwas , as per form 3 issued by authorities amount payable for F.Y. 2012-13 is Rs. 1,80,87,936/- for F.Y. 2013-14 Rs. 1,66,32,737/- and for F.Y. 2015-16 of Rs. 2,90,72,598/-. Appeal with CESTAT is pending for levy of Custom Duty for Rs. 1,93,179/- for import of Coal. |
| (viii) | 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 (in case of banks and financial institutions, lender wise details to be provided). | No default has been made in repayment of dues. |
| (ix) | Whether moneys raised by way of public issue/ follow-on offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays / default and subsequent rectification, if any, as may be applicable, be reported; | No Money has been raised by way of Public issue/ follow-on offer during the period. Term Loan were applied for the purposes for which those had been raised. |
| (x) | Whether any fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year; if yes, the nature and the amount involved be indicated | No.<br>Not Applicable |

| | | |
|---|---|---|
| (xi) | Whether managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same. | Yes. Managerial Remuneration has been paid / provided in accordance with provisions of section 197 and under other rules. |
| (xii) | Whether the Nidhi Company has complied with the Net Owned Fund in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining 10% liquid assets to meet out the unencumbered liability. | Not Applicable |
| (xiii) | Whether all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013. | Yes. |
| (xiv) | Whether the company has made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Section 42 of the Companies Act, 2013 have been complied and the amount raised have been used for the purposes for which the funds were raised. If not, provide details thereof. | During the period under consideration, no such allotment / placement has been made. |
| (xv) | Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether provisions of Section 192 of Companies Act, 2013 have been complied with. | No. |
| (xvi) | Whether the company is required to be registered under Section 45 IA of Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained. | Not Applicable |

For - **Pradeep K. Singhi & Co.**
Chartered Accountants
ICAI FRN: 126027W

Sd/-
**Pradeep Kumar Singhi**
Partner
**UDIN: 21024612AAAACY2473**
**M. No. 24612**

**Place: Surat**

**Date: 08/06/2021**

# ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of R & B Denims Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For - Pradeep K. Singhi & Co.**
**Chartered Accountants**
**ICAI FRN: 126027W**

**Sd/-**
**Pradeep Kumar Singhi**
**Partner**
**UDIN: 21024612AAAACY2473**
**M. No. 24612**

**Place: Surat**

**Date: 08/06/2021**

## STANDALONE BALANCE SHEET AS ON 31st MARCH, 2021

*(Rs. In Lakhs except share and per share data)*

| Particulars | Notes | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 5 | 1,737.61 | 2,084.55 |
| (b) Capital Work in Progress | | 1,313.35 | - |
| (c) Investment Property | | - | - |
| (d) Goodwill | | - | - |
| (e) Other Intangible Assets | | - | - |
| (f) Intangible Assets under Development | | - | - |
| (g) Financial Assets | | | |
| (i) Investments | 6 | 1,787.66 | 1,995.51 |
| (ii) Trade Receivables | 9 | 131.50 | 21.65 |
| (iii) Loans | | - | - |
| (iv) Other Financial Assets | | | |
| (h) Deferred Tax Assets | 30 | 139.34 | 134.14 |
| (i) Other non current assets | 7 | 450.30 | 64.24 |
| **Total Non-Current Assets** | | **5,559.75** | **4,300.11** |
| **Current Assets** | | | |
| (a) Inventories | 8 | 959.22 | 2,072.44 |
| (b) Financial Assets | | | |
| (i) Investments | | | |
| (ii) Trade Receivables | 9 | 4,100.39 | 5,483.76 |
| (iii) Cash and Cash Equivalents | 10 | 348.25 | 320.16 |
| (iv) loans | | | |
| (v) Other Financial Assets | | | |
| (c) Others Current Assets | 7 | 790.48 | 908.19 |
| **Total Current Assets** | | **6,198.34** | **8,784.54** |
| **TOTAL ASSETS** | | **11,758.09** | **13,084.65** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 29 | 1,399.47 | 1,399.47 |
| Other Equity | | 2,912.46 | 2,066.29 |
| **Total Equity** | | **4,311.93** | **3,465.76** |
| **Liabilities** | | | |
| Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 11 | 2,384.10 | 661.82 |
| (ii) Trade Payable | 13 | | |

## STANDALONE BALANCE SHEET AS ON 31st MARCH, 2021

*(Rs. In Lakhs except share and per share data)*

| Particulars | Notes | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| (1) Total Outstanding dues of Micro and Small Enterprises; and | | - | - |
| (2) Total Outstanding dues of Creditors other than Micro and Small Enterprises | | - | 0.65 |
| (iii) Other Financial Liabilities | | - | |
| (b) Provisions | 12 | 11.72 | 18.37 |
| (c) Deferred Tax liabilities (Net) | 30 | - | - |
| (d) Other non current liabilities | | 478.90 | 448.92 |
| **Total Non-Current Liabililties** | | **2,874.71** | **1,129.76** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 11 | 2,069.58 | 3,460.81 |
| (ii) Trade Payable | 13 | | |
| (1) Total Outstanding dues of Micro and Small Enterprises; and | | 143.34 | 181.08 |
| (2) Total Outstanding dues of Creditors other than Micro and Small Enterprises | | 1,020.41 | 2,557.68 |
| (iii) Other Financial Liabilities | 14 | 203.00 | 481.40 |
| (b) Other Current Liabilities | 15 | 228.19 | 989.33 |
| (c) Provisions | 12 | 906.93 | 818.83 |
| **Total Current Liabilities** | | **4,571.45** | **8,489.13** |
| **Total Liabilities** | | **7,446.16** | **9,618.89** |
| **TOTAL EQUITY AND LIABILITIES** | | **11,758.09** | **13,084.65** |

The accompanying notes form an integral part of these standalone financial statements

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat**
**Date : 08/06/2021**
**UDIN: 21024612AAAACY2473**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Jyoti Agarwal**
Company Secretary

## STANDALONE STATEMENT OF PROFIT AND LOSS AS ON 31st MARCH, 2021

*(Rs. In Lakhs except share and per share data)*

| Particulars | Notes | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue from Operations | 17 | 17,415.28 | 25,790.78 |
| Other Incomes | 18 | 351.09 | 44.92 |
| **Total** | | **17,766.37** | **25,835.70** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 19 | 12,988.67 | 22,055.33 |
| Purchases of Stock-in-Trade | | - | - |
| Changes in Inventories of Finished Goods, | 20 | 988.22 | -516.79 |
| Work-in-Progress and Stock-in-Trade | | - | - |
| Employee Benefit Expenses | 16 | 785.24 | 1,038.33 |
| Finance Costs | 21 | 384.70 | 364.49 |
| Depreciation and Amortization Expense | 5 | 368.11 | 458.90 |
| Other Expenses | 22 | 1,235.43 | 1,982.67 |
| **Total Expenses** | | **16,750.38** | **25,382.94** |
| **Profit before tax** | | 1,015.99 | 452.76 |
| Exceptional Items | | - | |
| Profit before Tax from Continuing Operation | | 1,015.99 | 452.76 |
| **Tax Expense:** | | | |
| (1) Current tax | | (187.10) | (134.08) |
| (2) Deferred Tax | | 5.20 | 9.18 |
| (3) Short/Excess Tax Provision of the earlier year | | (1.59) | 1.16 |
| Less: Taxation for previous year | | | - |
| **Profit after Tax (A)** | | **832.49** | **329.02** |
| Profit/(Loss) from discontinued operations | | - | - |
| Tax expense of discountinued operation | | - | - |
| **Profit after Tax from Discontinued Operation (B)** | | **-** | **-** |
| **Profit for the year** | | **832.49** | **329.02** |
| **Other Comprehensive Income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Defined Benefit plan actuarial gains/(losses) | 16 | 18.27 | 8.95 |
| **Income Tax relating to items that will not be reclassified to profit or loss** | | | |
| Defined Benefit plan actuarial gains/(losses) | | 4.60 | 2.25 |
| **Items that will be reclassified to profit or loss** | | | |
| Income Tax relating to items that will be reclassified to profit or loss | | - | - |
| **Total Other Comprehensive Income for the year, net of tax** | | **13.67** | **6.69** |
| **Total Comprehensive Income for the year** | | **846.16** | **335.71** |
| Earnings per equity share | | | |
| (1) Basic [Absolute amount] | 23 | 5.95 | 2.35 |
| (2) Diluted [Absolute amount] | 23 | 5.95 | 2.35 |

The accompanying notes form an integral part of these standalone financial statements

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat | Date : 08/06/2021**
**UDIN: 21024612AAAACY2473**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Jyoti Agarwal**
Company Secretary

## STATEMENT OF STANDALONE CASH FLOW FOR THE YEAR ENDED MARCH 2021

*(Rs. In Lakhs*

| | Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **A** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | Profit before tax | 1,015.99 | 452.76 |
| | **Adjustment For:** | | |
| | Depreciation | 368.11 | 458.90 |
| | Sub-lease income | (0.30) | (0.30) |
| | Interest Income | (56.68) | (17.00) |
| | Share of profit from partnership firm | (294.12) | (27.62) |
| | Interest Expense | 373.19 | 353.78 |
| | **Operating Profit before Working Capital Changes** | **1,406.19** | **1,220.53** |
| | **Adjustment For:** | | |
| | (Increase)/decrease in trade receivables | 1,273.53 | (2,267.06) |
| | (Increase)/decrease in inventories | 1,113.22 | 604.26 |
| | (Increase)/decrease in other current assets | 117.71 | (109.25) |
| | (Increase)/decrease in other non-current assets | (386.05) | (65.78) |
| | Increase/(decrease) in trade payables | (1,575.67) | 421.89 |
| | Increase/(decrease) in other current financial liabilities | (278.40) | (291.29) |
| | Increase/(decrease) in other current liabilities | (761.14) | 719.94 |
| | Increase/(decrease) in non-current provisions | 7.02 | 9.36 |
| | Increase/(decrease) in non-current Liabilities | 29.98 | 448.92 |
| | Increase/(decrease) in current provisions | 35.08 | (28.30) |
| | **Cash Generated From Operations before taxes** | **981.47** | **663.22** |
| | Income taxes paid | (135.67) | (151.74) |
| | **NET CASH FLOW FROM OPERATING ACTIVITIES (A)** | **845.80** | **511.48** |
| **B** | **CASH FLOW FROM INVESTING ACTIVITIES:** | | |
| | Purchase of Fixed Assets | (35.27) | (218.62) |
| | Adjustment/Sale of Fixed Assets | 14.10 | - |
| | Decrease in Capital Work in progress | (1,313.35) | - |
| | (Investment)/Maturity of fixed deposits | - | 367.71 |
| | (Investment)/Drawings from partnership firm | 207.85 | (377.62) |
| | Profit from partnership firm | 294.12 | 27.62 |
| | Sub - lease income | 0.30 | 0.30 |
| | Interest Received | 56.68 | 17.00 |
| | **NET CASH FLOW FROM INVESTING ACTIVITIES (B)** | **(775.57)** | **(183.61)** |
| **C** | **CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| | Increase/(decrease) in short term borrowings | (1,391.22) | 756.79 |
| | Increase/(decrease) in long term borrowings | 1,722.28 | (417.67) |
| | Interest Paid | (373.19) | (353.78) |
| | **NET CASH FLOW FROM FINANCING ACTIVITIES (C)** | **(42.13)** | **(14.66)** |
| | **Net Increase in Cash & Cash equivalents [A+B+C]** | **28.10** | **313.21** |
| D | Cash and Cash equivalents at the beginning of the year (D) | 320.16 | 6.95 |
| E | Cash and Cash equivalents at the end of the year (E) | 348.25 | 320.16 |

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat | Date : 08/06/2021**
**UDIN: 21024612AAAACY2473**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Jyoti Agarwal**
Company Secretary

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**(Rs in Lakhs, except share and per share data, unless otherwise stated)**

## 1) THE COMPANY OVERVIEW:

R & B Denims Ltd. is a Listed Public Limited Company incorporated and domiciled in India, having its registered office at Block No. 467, Palsana - Sachin Highway, Gujarat, India. The Company is engaged in the business of manufacturing and sale of quality Denim Textile products. The company caters both domestic and international markets.

## 2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

### Statement of compliance and basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time, the provisions of the Companies Act, 2013 ("the Companies Act") as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI").

Accounting policies have been applied consistently to all periods presented in these financial statements.

All amounts included in the financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

### Basis of measurement

These financial statements have been prepared on the going concern basis and on a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS;

- The defined benefit asset(liability) is as the present value of defined benefit obligation less fair value of plan assets and
- Financial instruments classified as fair value through profit or loss.

### Use of estimates and judgment

The preparation of the financial statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in financial statements are included in the following notes:

- Useful lives of Property, plant and equipment [Note L]
- Measurement of defined benefit obligations [Note D]
- Provision for inventories [Note J]

- Measurement and likelihood of occurrence of provisions and contingencies [Note O]
- Deferred taxes [Note E]

**Uncertainty relating to the global health pandemic on COVID-19**

In assessing the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, etc. as well as liabilities accrued, the Company has considered internal and external information up to the date of approval of these standalone financial statements including economic forecasts. Based on the current indicators of future economic conditions, the Company expects to recover these carrying amounts.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

## 3) SIGNIFICANT ACCOUNTING POLICIES

### (A) Current and non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis".

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

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

### (B) Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) prices in active market for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

### (C) Revenue recognition:

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

**Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable

**Dividend income**

Dividends are recognized in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**Trade receivables and Contract Balances**

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the year ended and as at March 31, 2021 is insignificant.

**(D) Employee Benefits:**

**Short-term obligations**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefit such as salaries, wages etc are recognized in period in which the employee renders the related services. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plans**

Contributions to defined contribution schemes such as employees' state insurance, provident fund, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. 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. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined Benefit Plans**

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the

Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses in other comprehensive income, net of taxes.

The code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**(E) Income Taxes:**

Tax expense for the period comprises current and deferred tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized in other comprehensive income in which case the tax also recognized in other comprehensive income and except to the extent that it relates to items recognized directly in equity. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year 2019-20.

**Reconciliation of Effective Tax Rate**

The reconciliation between the income before income taxes and the income tax provision to the amount computed by applying the statutory income tax rate is summarized below.

(Amount in Lakhs)

| INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS | F.Y. 2020-21 | F.Y. 2019-20 |
|---|---|---|
| Current Tax | 187.10 | 134.08 |
| Deferred Tax | (5.20) | (9.18) |
| Short/Excess Tax Provision of the earlier year | 1.59 | (1.16) |
| **Total Income Tax Expenses** | **183.49** | **123.74** |
| The income tax expenses for the year can be reconciled to the accounting profit as follows: | | |
| Profit Before Tax (Before Exceptional Item) | 1015.99 | 452.76 |
| Applicable Tax Rate | 25.17% | 25.17% |
| Computed Tax Expense | 255.70 | 113.95 |
| Tax Effect of: | | |
| Exempted Income | (74.02) | (6.95) |

| | | |
|---|---|---|
| Expenses Allowed | (93.34) | (106.54) |
| Expenses Disallowed | 98.75 | 133.62 |
| Business Deduction | - | - |
| **Current Tax Provision (A)** | **187.10** | **134.08** |
| Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Other Intangible Assets | (6.40) | (6.13) |
| Incremental Deferred Tax (Asset)/Liability on account of Financial Assets and Other | 1.21 | (3.05) |
| **Deferred Tax Provision (B)** | **(5.20)** | **(9.18)** |
| Changes due to other calculation | 1.22 | (1.73) |
| Interest on Income Tax | 0.38 | 0.57 |
| Short/Excess Tax Provision of the earlier year ( C) | **1.59** | **(1.16)** |
| Tax Expenses recognised in Statement of Profit and Loss (A+B+C) | **183.49** | **123.74** |
| Effective Tax Rate | **18.06%** | **27.33%** |

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Current tax and deferred tax shall be recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

a) in other comprehensive income, shall be recognised in other comprehensive income.

b) directly in equity, shall be recognised directly in equity.

**Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:**

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

**(F) Leases:**

The Company determines that a contract is or contains a lease, if the contract conveys right to control the use of an identified asset for a period of time in exchange for a consideration. At the inception of a contract which is or contains a lease, the Company recognises lease liability at the present value of the future lease payments for non-cancellable period of a lease which is not short term in nature except for lease of low value items. The future lease payments for such non-cancellable period is discounted using the Company's incremental borrowing rate.

**(G) Foreign Currency:**

**Functional and presentation currency**

The financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**Foreign currency transactions**

- Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non- monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.
- Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

**(H) Cash & cash equivalents:**

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes cash in hand, balances with the banks that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**(I) Earnings Per Share:**

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 period and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

**(J) Inventories:**

Inventories consist of raw materials, stores & spares, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realizable value (NRV) except for raw materials which is valued at cost.

Cost of raw materials and stores & spares includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labor and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable.

Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost, except in case of samples, fants & cut pieces.

**(K) Financial instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of theinstrument.

**Financial assets:**

**Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

**Initial recognition and measurement**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

**Subsequent measurement**

After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortized cost.

**Debt instruments**

Debt instruments are subsequently measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through Profit and Loss ('FVTPL')

till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

**Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair Value Through Other Comprehensive Income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss. When the financial asset is derecognized,

the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair Value Through Profit and Loss (FVTPL):**

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is recognised in the Statement of Profit and Loss.

**Equity instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Financial liabilities:**

**Initial recognition and measurement**

Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

**Subsequent measurement**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of Profit and Loss.

**De-recognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

**(L) Property, Plant and Equipment (PPE)**

Items of Property, plant and equipment are acquired or constructed are initially recognized at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation, amortisation and impairment loss, if any. The historical cost of Property, plant and equipment comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to

bringing the assets to their working condition for their intended use. The estimated useful lives and amortisation period is reviewed at the end of each reporting period. Properties held are used for business purpose only and whenever it will be probable we will recognise as an investment property.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Gains and losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognized.

**Depreciation methods, estimated useful lives and residual values**

Depreciation is provided on written down value method based on the respective estimate of useful lives.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

**The estimated useful lives of assets are as follows:**

| Category | Estimated Useful life |
|---|---|
| Buildings | 60 years |
| Plant and machinery | 5 to15 years |
| Computer equipment and software | 3 to 6 years |
| Office Equipments | 5 to 15 years |
| Vehicle | 3 to 5 years |
| Electrification | 10 Years |

**(M) Intangible assets**

Intangible assets purchased including acquired in a business combination are measured at cost of acquisition as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

**(N) Government Grants**

Government grants are initially measured at amount receivable from the Government and are recognized on an accrual basis only if there is reasonable assurance that they will be received and the company will comply with the conditions associated with the grant and for those grants which are uncertain are not recognized unless there is reasonable assurance of the same.

- In case of capital grants, they are then recognized in Statement of Profit and Loss on a systematic basis over the useful life of the asset.

- In case of grants that compensate the Company for expenses incurred are recognized in Statement of Profit and Loss on a systematic basis in the periods in which the expenses are recognized.

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

**(N) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note 28 for segment information presented.

**(O) Provisions and Contingent Liabilities**

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. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date.

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.

**A summary of activity in provision as follows:**

*(Amount in Lakhs)*

| Particulars | Gratuity | Employee Benefits | Provisions for taxes | Expense Payable |
|---|---|---|---|---|
| Provision at the beginning of the year | 18.37 | 2.36 | 794.91 | 21.56 |
| Add: Additions during the year, net | 4.62 | 13.84 | 192.77 | 407.29 |
| Less: Utilized/ reversed during the year | 11.27 | 14.18 | 135.44 | 375.95 |
| Provision at the end of the year | 11.72 | 2.02 | 852.24 | 52.44 |
| Included in the balance sheet as | Non-Current | Current | Current | Current |

Provision for taxes also includes provision for Vivad se Vishwas tax. The new scheme was introduced by the government. “The Direct Tax Vivad se Vishwas Act, 2020” as a dispute

resolution scheme, which was applicable to all appeals/petitions filed by the taxpayers or the income tax department, which were pending until 31 January 2020, before any appellate forum. The scheme offered complete waiver on interest and penalty to the taxpayers with a full and final settlement of the dispute if the scheme was availed by March 31, 2020.The government extended the deadline under the scheme without paying any interest and penalty to August 31, 2021.

Provision for taxes also includes provision for Vivad se Vishwas tax. The new scheme was introduced by the government. "The Direct Tax Vivad se Vishwas Act, 2020" as a dispute resolution scheme, which was applicable to all appeals/petitions filed by the taxpayers or the income tax department, which were pending until 31 January 2020, before any appellate forum. The scheme offered complete waiver on interest and penalty to the taxpayers with a full and final settlement of the dispute if the scheme was availed by March 31, 2020.The government extended the deadline under the scheme without paying any interest and penalty to August 31, 2021.

We have filed the declaration under the said scheme in March 2020 and by the end of March 31, 2021, the designated authority have accepted the declaration filed and have granted a certificate via Form 3. As per Ind AS-10, Events occurring after the Balance sheet date is an adjusting event and an entity should consider all such adjusting events till the date of approval of financial statements in the preparation of the financial statements and thereby we had created the provision in financial year 2019-20 for the amount payable under the scheme.

**(P) Expenditure**

Expenses are recognised on accrual basis.

**(Q) Borrowing Costs**

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.

Other borrowing costs are recognized as an expense in the period in which they are accrued / incurred.

**(R) Cash flow statement**

Cash flows are reported using the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flow', whereby profit for the year is adjusted for the effects of transaction 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. The cash flows from operating, investing and financing activities of the Company are segregated.

**(S) Investments in Subsidiaries:**

Company's investment includes investment in RB Industries which is a partnership firm and having its registered office at Plot No. B-11/2 & B-11/3, Hojiwala Industrial Estate Road No.11, SUSML, Surat and company have control over the firm at the year-end 31st March 2021. The share in profits of partnership firm is 60%. Investments are carried at cost and at the end of each reporting period any addition made and share of profit of the partnership firm is added to the cost and any withdrawal of investment by the company and share of loss of the partnership firm is deducted.

**(T) Related parties**

**Parties where control exists:**

a) RB Industries–Partnership Firm

| Relationship | Mr. Rajkumar Mangilal Borana |
|---|---|
| Father | Mr. Mangilal Ambalal Borana |
| Mother | Mrs. Mohini Devi Borana |
| Spouse | Mrs. Sharmila Borana |
| Brother | Mr. Ankur Borana |
| Sister | Mrs. Vijaya Vimal Rathod |
| Son | Mr. Vivan Borana |
| Daughter | Ms. Kanshika Borana |
| Spouse's Father | Mr. Chandan Mal Talesara |
| Spouse's Mother | Mrs. KanchanTalesara |
| Spouse's Brother | Mr. Hitesh Talesara |
| Spouse's Sister | 1. Mrs. Zinal Bhagar<br>2. Mrs. Hema Kothari<br>3. Mrs. Pushpa Rathore |

| Relationship | Mr. Amitkumar Anandbhai Dalmia |
|---|---|
| Father | Mr. Anandbhai Vasudev Dalmia |
| Mother | Mrs. Shashi Dalmia |
| Spouse | Mrs. Deepa Dalmia |
| Brother | Mr. Deepak Dalmia |
| Sister | Mrs. Vandana Goyal |
| Son | Mr. Nirmit Dalmia |
| Daughter | Ms. Nishka Dalmia |
| Spouse's Father | Mr. G.S. Kokra |
| Spouse's Mother | Mrs. Sumitra Kokra |
| Spouse's Brother | Mr. Shashi Kokra<br>Mr. Sanjay Kokra |
| Spouse's Sister | None |

| Relationship | Mr. Deepak Dalmia |
|---|---|
| Father | Mr. Anandbhai Vasudev Dalmia |
| Mother | Mrs. Shashi Dalmia |
| Spouse | Mrs. Sunaina Dalmia |
| Brother | Mr. Amit Kumar Dalmia |
| Sister | Mrs. Vandana Goyal |
| Son | Mr. Aarush Dalmia |
| Daughter | Ms. Aashvi Dalmia |
| Spouse's Father | Mr. Anil Goyal |
| Spouse's Mother | Mrs. Manju Goyal |
| Spouse's Brother | Mr. Sameer Goyal |
| Spouse's Sister | None |

| Relationship | Mr. Ankur Mangilal Borana |
|---|---|
| Father | Mr. Mangilal Ambalal Borana |
| Mother | Mrs. Mohini Devi Borana |
| Spouse | Mrs. Dhawni Borana |
| Brother | Mr. Rajkumar Borana |
| Sister | Mrs. Vijaya Vimal Rathod |
| Son | Mr. Jinay Borana<br>Mr. Jiyan Borana |
| Daughter | None |
| Spouse's Father | Mr. Mithalal V. Mehta |
| Spouse's Mother | Mrs. Pushpa M. Mehta |
| Spouse's Brother | None |
| Spouse's Sister | Mrs. Shaily Solanki<br>Mrs. Garima Jain |

| Nature of Relationship | Entity |
|---|---|
| (A) Any Body corporate in which twenty percent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member; | • Rawatkhedia Processors Private Limited<br>• Bhagwati Syntex Private Limited<br>• Borana Filaments Private Limited<br>• Borana Industries LLP<br>• Sachin Paper Mills Private Limited<br>• Mayfair Vinimay Private Limited<br>• Rawatkhedia Silk Mill LLP |
| (B) Any Body corporate in which a body corporate as provided in (A) above holds twenty percent. or more, of the equity share capital; | • Mayfair Vinimay Private Limited<br>• Rawatkhedia Silk Mill LLP<br>• Bhagwati Syntex Private Limited<br>• Borana Industries LLP |
| (C) Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent. of the total; and | **Partnership Firm :**<br>• M/s. New National Fabrics<br>• M/s. RB Industries<br>• M/s. Nivika Syntex<br>• M/s. Ricon Industries<br>**HUF:**<br>• Rajkumar Mangilal Borana (HUF)<br>• Amitkumar Anand Dalmia(HUF)<br>• Deepak A. Dalmia (HUF)<br>• Ankur Mangilal Borana (HUF)<br>• Mangilal Ambalal Borana (HUF)<br>**Proprietorship Firm:**<br>• M/s. Raju Enterprises<br>• M/s. Ankur Enterprises<br>• M/s. Kanishka Fashion<br>• M/s. Jinay Enterprise<br>**Trusts:**<br>• Hanjabai Family Trust |

The company has the following related party transactions for the year ended March 31, 2021 and 2020:

| Transactions | Directors | | RB Industries | | Ricon Industries | | Bhagwati Syntex Pvt Ltd | | Nivika Syntex & Borana Filaments | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Remuneration | 30.00 | 30.00 | - | - | - | - | - | - | - | - |
| Lease Rent | 0.96 | 0.96 | - | - | - | - | - | - | - | - |
| Factory Expense | - | - | - | - | 1.77 | 1.17 | - | - | - | - |
| Purchase of Raw material | - | - | - | - | - | - | | - | - | - |
| Job Work Income | - | - | 292.56 | 485.05 | - | - | - | - | - | - |
| Sub Lease Income | - | - | 0.30 | 0.30 | - | - | - | - | - | - |
| Purchase of yarn | - | - | - | - | 633.10 | 3493.68 | - | - | - | - |
| Sale Income | - | - | | - | | - | 4256.04 | - | - | - |
| Sale of Finished fabrics | - | - | 2974.53 | 2538.24 | - | - | - | - | - | - |
| Purchase of Grey Fabrics | - | - | 5515.25 | 9127.01 | - | - | | - | | - |
| Purchase of Color Chemical | - | - | 74.71 | - | - | - | - | - | - | - |

The company has the following balances outstanding as of March 31, 2020 and March 31, 2021:

| Balances at the year end | RB Industries | | Entities controlled by Directors | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Receivables | 945.29 | 1298.84 | 1022.56 | - |
| Payables | 689.69 | 1367.48 | - | 179.13 |

Transactions with related parties are entered on arm's length price

The company has provided following benefits to Key Management Personnel as of March 31, 2021:

| KMP's | Particulars | Amount |
|---|---|---|
| Directors | Short Term Employee Benefits | 40.52 |
| | Post-Employment Benefits | - |
| | Other Long Term Benefits | - |
| | Termination Benefits | - |

**(U) Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing

standards.

**Amendments to IAS 16**

On May 14, 2020 International Accounting Standards Board (IASB) has issued amendment to IAS 16 Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) which amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2022, although early adoption is permitted. The Company is in the process of evaluating the impact of the amendment.

**Amendments to IAS 8**

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 8 Accounting Policies, Changes in Accounting estimates and Errors which introduced a definition of 'accounting estimates' and included amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Company is in the process of evaluating the impact of the amendment.

**Amendments to IAS 1**

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 1 Presentation of Financial Statements Making Materiality Judgements which requires the entities to disclose their material accounting policies rather than their significant accounting policies.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Company is in the process of evaluating the impact of the amendment.

**(V) Other Notes**

1) The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on 08-06-2021.

2) In respect of new term loans taken by the company, Moratorium has been taken for the loans from the banks for a period of 12 Months.

3) The Company has invested in project of generating renewable energy through solar and wind Mill. The operations of the new project are likely to begin in year 2021-22.

4) Company has acquired shares of THE COSMOS CO-OP. BANK LTD. Though Fair Market Value certificate of the same is not available.

5) The Company's operations and revenue were impacted on account of disruption in economic activity due to Covid-19 in the first six months of FY 2020-2021 but slowly and gradually company started recovering its position in Q3 of FY 2020-2021 and in Q4 FY 2020-2021 was a landmark quarter as the business has delivered a strong performance that reflects a recovery since the pandemic set in however, the emergence of the second COVID wave in March has led to fresh curbs and resultant disruptions, adversely impacting footfalls, sentiment and operations. The management is continuing to closely monitor the developments and

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021

*Amount in Rs.*

| | |
|---|---|
| **A. Equity Share Capital** | |
| As on April 01, 2020 | 1,399.47 |
| Changes in Equity share capital | - |
| As at March 31, 2021 | 1,399.47 |

**B. Other Equity** *(Rs. In Lakhs except share and per share data)*

| | Reserves and surplus | | | |
|---|---|---|---|---|
| | **Reserves and surplus** | **Retained earnings** | **Other Comprehensive Income** | **Total other equity** |
| **As at April 01, 2020** | **1,442.44** | **613.70** | **10.16** | **2,066.29** |
| Short/Excess Tax Provision of the earlier year | | - | | - |
| Provision for Vivad se Vishwas Tax | | - | | - |
| Total Comprehensive income | - | 832.49 | 13.67 | 846.16 |
| **Total Comprehensive income for the year** | **-** | **832.49** | **13.67** | **846.16** |
| Transactions with owners in their capacity as owners: | - | - | - | - |
| Other Changes | - | - | - | - |
| **Total** | **-** | **832.49** | **13.67** | **846.16** |
| **Balance as at 31st March, 2021** | **1,442.44** | **1,446.19** | **23.83** | **2,912.46** |

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat**
**Date : 08/06/2021**
**UDIN: 21024612AAAACY2473**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Jyoti Agarwal**
Company Secretary

## NOTES TO ACCOUNTS

### 5. Property, plant and equipment

*(Rs. In Lakhs except share and per share data)*

| Particulars | Building | Borewell | Computer | Electrifi-cation | Plant & Machinery | Water Tank | Vehicle | Others | Total | Capital W.I.P |
|---|---|---|---|---|---|---|---|---|---|---|
| Closing gross carrying amount as at March 31, 2020 | 803.74 | 1.54 | 17.83 | 285.21 | 5,993.98 | 7.05 | 19.49 | 0.30 | 7,129.14 | - |
| Accumulated amortization and impairment : | | | | | | | | | | |
| Opening Accumulated Depreciation | 331.80 | 1.18 | 15.74 | 192.35 | 4,036.57 | 3.34 | 4.65 | 0.06 | 4,585.68 | - |
| Depreciation/Amortization charge during the year | 44.77 | 0.13 | 0.80 | 16.64 | 391.44 | 0.48 | 4.64 | - | 458.90 | - |
| **Closing accumulated amortization** | **376.57** | **1.31** | **16.54** | **208.98** | **4,428.02** | **3.82** | **9.28** | **0.06** | **5,044.58** | **-** |
| **Net carrying amount as at March 31, 2020** | **427.17** | **0.23** | **1.28** | **76.22** | **1,565.96** | **3.23** | **10.21** | **0.24** | **2,084.55** | **-** |
| Opening Gross Carrying Amount | 803.74 | 1.54 | 17.83 | 285.21 | 5,993.98 | 7.05 | 19.49 | 0.30 | 7,129.14 | - |
| Additions | | | 0.92 | 3.53 | 30.23 | | 0.60 | | 35.27 | 1,313.35 |
| Disposal/Adjustment | - | - | - | - | 14.10 | - | - | - | 14.10 | - |
| **Closing gross carrying amount as at March 31, 2021** | **803.74** | **1.54** | **18.75** | **288.73** | **6,010.11** | **7.05** | **20.09** | **0.30** | **7,150.31** | **1,313.35** |
| Accumulated amortization and impairment : | | | | | | | | | | |
| Opening Accumulated Depreciation | 376.57 | 1.31 | 16.54 | 208.98 | 4,428.02 | 3.82 | 9.28 | 0.06 | 5,044.58 | - |
| Depreciation/Amortization charge during the year | 40.49 | 0.08 | 0.81 | 15.56 | 319.27 | 0.40 | 3.26 | - | 379.88 | - |
| Accumulated depreciation on deletions | | | | | 11.76 | | | | 11.76 | |
| **Closing accumulated amortization** | **417.05** | **1.39** | **17.35** | **224.55** | **4,735.53** | **4.22** | **12.55** | **0.06** | **5,412.70** | **-** |
| **Net carrying amount as at March 31, 2021** | **386.68** | **0.15** | **1.39** | **64.19** | **1,274.58** | **2.83** | **7.54** | **0.24** | **1,737.61** | **1,313.35** |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **6. Investments** | | |
| Financial instruments at FVTPL | | |
| Equity instruments [Note 6.1] | 18.84 | 4.81 |
| Investment in Partnership Firm | 1,768.82 | 1,990.70 |
| **Total** | **1,787.66** | **1,995.51** |
| **6.1 Details of investments in equity instruments (fully paid up) - classified as FVTPL** | | |
| The Cosmos Co-operative Bank Ltd. | 18.84 | 4.81 |
| [Number of shares held as at March 31, 2021 : 18,841 and March 31, 2020 : 4811] | | |
| **Total** | **18.84** | **4.81** |
| **7. Other Assets** | | |
| **Non - Current** | | |
| Capital advances | 386.05 | - |
| Security Deposits | 63.91 | 63.91 |
| Balance with Excise, Customs, Income Tax and other authorities | 0.34 | 0.34 |
| | **450.30** | **64.24** |
| **Current** | | |
| Prepaid Expenses | 19.46 | 26.92 |
| Advance to Suppliers | 3.94 | 1.28 |
| Balance with Excise, Customs, Income Tax and other authorities | 767.08 | 880.00 |
| | 790.48 | 908.19 |
| **Total** | **1,240.78** | **972.43** |
| **8. Inventories** | | |
| Raw Materials [including goods in transit - March 31, 2021: Nil and March 31, 2020 : 20.41 lacs] | 380.51 | 498.06 |
| Work-in-progress | 196.98 | 286.87 |
| Finished goods | 349.77 | 1,248.11 |
| Stores and spares | 31.95 | 39.39 |
| **Total** | **959.22** | **2,072.44** |
| **Mode of Valuation of Inventories** | | |
| Raw material & W.I.P. : Valued at cost. | | |
| Finished Goods : Valued at lower of cost and net realizable value. | | |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **9. Trade Receivables** | | |
| Unsecured | | |
| Considered Good | 4,231.89 | 5,505.41 |
| Doubtful | - | - |
| | 4,231.89 | 5,505.41 |
| Less : Allowance for expected credit loss | - | |
| **Total** | **4,231.89** | **5,505.41** |
| Non - current | 131.50 | 21.65 |
| Current | 4,100.39 | 5,483.76 |
| Trade receivables are due neither from directors or other officers of the company either severally or jointly with any other person nor from firms or private companies respectively in which any director is a partner, a director or a member except company's partnership firm/Subsidiary entity. Tradereceivablesincludedebtduefrompartnershipfirm(Subsidiary Entity) of Rs. 945.30 Lakhs (Previous year of Rs.1298.84 Lakhs) in the ordinary course of business. | | |
| **10. Cash and cash equivalents** | | |
| Balances with Banks | | |
| Current accounts | 2.68 | 5.89 |
| Deposits with Banking institutions | 341.57 | 310.39 |
| Cash on hand | 4.00 | 3.87 |
| **Total** | **348.25** | **320.16** |
| * FDRs have been kept as Margin Money and against various bank guarntees extended on behalf of company. These deposits can be withdrawn by the Company at any time without prior notice and without any penalty on the principal. | | |
| **11. Borrowings** | | |
| **Non - current Borrowings** | | |
| Secured | | |
| Term Loans * | 2,325.34 | 600.40 |
| Car Loan | 2.68 | 5.34 |
| Unsecured | | |
| Loan from Other Companies | 56.08 | 56.08 |
| **Total** | **2,384.10** | **661.82** |
| **Current Borrowings** | | |
| Cash Credit | 2,069.58 | 3,460.81 |
| **Total** | **2,069.58** | **3,460.81** |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*** Term Loan(s) availed by the Company from Schedule Banks under Multiple Banking arrangements.**

**Term Loan(s) from The Cosmos Co-op Bank Ltd are secured by way of :**

a) Hypothecation of existing plant and machineries.

b) Factory Land (lease hold), along with construction thereon made by the company, situated at Revenue Survey 446, Block No. 467, at Sachin-Palsana Highway Road, at Village Palsana, Dist. Surat, given as collateral security.

c) Personal gaurantee by the Directors - Mr. Amitkumar Dalmia, Mr. Deepakkumar Dalmia, Mr. Rajkumar Borana and Mr. Ankur Borana.

**Term Loan(s) from Kotak Mahindra Bank Ltd are secured by way of :**

a) Offering Collateral Security in the form of registered mortage of Residential Plot in the name of Director and his Spouse & also personal guarantee of the Director namely Mr. Amitkumar Dalmia, Mr. Deepak Dalmia, Mr. Rajkumar Borana & Mr. Ankur Borana.

**** Cash Credit facility**

From The Cosmos Co-op Bank Ltd & Axis Bank Ltd are secured by,

a) charge on all Current Assets of the Company & Pari Passu charges on the Facory Land & Building, in the name of Director's of the Company namely Mr. Amitkumar Dalmia, Mr. Deepak Dalmia, Mr. Rajkumar Borana & Mr. Ankur Borana and also their respective Personal Guarantee.

Current maturities of term loans amounting to Rs. 199.8 on March 31, 2021 (March 31, 2020 and March 31, 2019 : Rs 464.80 and Rs 739.12 respectively) is classified under "Other Current Financial Liabilities". (Other Current Financial Liabilities has not been computed for new term loans taken as moratorium is taken for the loans.)

Terms of repayment of term loans and other loans

*(Rs. In Lakhs*

| Particulars | Monthly Installment | Total Period of Loan |
|---|---|---|
| Term Loan - II | 24.33 | 72 Months + 12 months moratarium period |
| Term Loan - III | 4.41 | 76 Months + 6 months moratarium period |
| Kotak Mahindra - TL | 16.65 | 60 Months |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **12. Provisions** | | |
| **Non-current** | | |
| Provision for Gratuity (P&L) | 47.33 | 30.15 |
| Provision for Gratuity (OCI) | (35.62) | (11.78) |
| **Total** | **11.72** | **18.37** |
| **Current** | | |
| Provision for employee benefits | 2.02 | 2.36 |
| **Others** | | |
| Provision - Other Taxes | 852.46 | 794.91 |
| Auditor's Remuneration | 2.31 | 2.25 |
| Internal Audit Fees | 0.69 | 0.68 |
| GST Audit Fees | 1.00 | 0.75 |
| ROC Fees Payable | - | 0.45 |
| Electricity Expenses Payable | 48.44 | 17.43 |
| **Total** | **906.93** | **818.83** |
| Provision for employee benefits includes gratuity liability. Provision for other taxes includes liability related to Income tax and Indirect Taxes. The timing of cash outflows in respect of other provisions cannot be reasonably determined. | | |
| **13. Trade Payables** | | |
| **Non Current** | | |
| (1) Total Outstanding dues of Micro and Small Enterprises; and | - | - |
| (2) Total Outstanding dues of Creditors other than Micro and Small Enterprises | - | 0.65 |
| | | 0.65 |
| **Current** | | |
| (1) Total Outstanding dues of Micro and Small Enterprises; and 143.34 | 181.08 | |
| (2) Total Outstanding dues of Creditors other than Micro and Small Enterprises | 1,020.41 | 2,557.68 |
| | 1,163.75 | 2,738.76 |
| **Total** | **1,163.75** | **2,739.41** |
| **14. Other Financial Liabilities** | | |
| Current maturities of long term debt | 199.80 | 464.80 |
| Interest Payable and Due (Term Loan) | 3.20 | 16.60 |
| **Total** | **203.00** | **481.40** |
| **15. Other current liabilities** | | |
| Unearned Revenue | 3.93 | 773.00 |
| Professional Tax Payable | 0.68 | 0.73 |
| TDS / TCS Payable | 11.85 | 6.13 |
| Other Payables | 211.74 | 209.47 |
| **Total** | **228.19** | **989.33** |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **16. Employee Benefit Expenses** | | |
| **(a) Employee costs include :** | | |
| **Salaries and wages** | | |
| Salary & Wages | 601.84 | 894.23 |
| Bonus | 130.58 | 71.43 |
| Leave Wages | 21.22 | 34.18 |
| Directors Sitting Fees | 0.77 | 0.63 |
| **Total** | **754.41** | **1,000.47** |
| Contribution to provident and other funds | 18.46 | 21.59 |
| Staff Welfare expenses | 12.37 | 16.28 |
| **Total** | **785.24** | **1,038.33** |
| **(b) Defined benefit plan actuarial loss/(gains) recognised in other comprehensive income include :** | | |
| **Re-measurement of net defined benefit liability/(asset)** | | |
| Return on plan assets excluding interest income | - | - |
| Actuarial loss/ (gain) arising from financial assumptions | 0.60 | 3.13 |
| Actuarial loss/ (gain) arising from demographic assumptions | - | - |
| Actuarial loss/ (gain) arising from experience adjustments | (18.87) | (12.07) |
| **Total** | **(18.27)** | **(8.95)** |
| **(c) Defined benefit plans – Gratuity:** | | |
| Current service cost | 10.41 | 7.99 |
| Net interest on net defined benefit liability/(asset) | 1.21 | 1.37 |
| Net gratuity cost/(benefit) | 11.62 | 9.36 |
| "Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans. The principal assumptions used for the purpose of actuarial valuation are as follows:" | | |
| Discount rate | 0.06 | 0.07 |
| Expected return on plan assets | N.A. | N.A. |
| Expected rate of salary increase | 0.05 | 0.05 |
| The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. Salary escalation and attrition rate are considered as advised by the the company; they appear to be line with the industry practice considering promotion and demand & supply of the employees. | | |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Change in present value of defined benefit obligation is summarized below:** | | |
| Defined benefit obligation at the beginning of the year | 18.37 | 17.95 |
| Current service cost | 10.41 | 7.99 |
| Past service cost | - | - |
| Interest on obligation | 1.21 | 1.37 |
| Benefits paid | - | - |
| Remeasurement loss/(gains) | - | - |
| Actuarial loss/(gain) arising from financial assumptions | 0.60 | 3.13 |
| Actuarial loss/(gain) arising from demographic assumptions | - | - |
| Actuarial loss/(gain) arising from experience assumptions | (18.87) | (12.07) |
| **Total** | **11.72** | **18.37** |
| **(d) Amount Recognized in the Balance Sheet** | | |
| (Present Value of Benefit Obligation at the end of the Period) | (11.72) | (18.37) |
| Fair Value of Plan Assets at the end of the Period | - | - |
| Funded Status (Surplus/ (Deficit)) | (11.72) | (18.37) |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **(11.72)** | **(18.37)** |
| **(e ) Maturity Analysis of the Benefit Payments: From the Employer** | | |
| Projected Benefits Payable in Future Years From the Date of Reporting | | |
| 1st Following Year | 0.07 | 0.08 |
| 2nd Following Year | 0.15 | 0.29 |
| 3rd Following Year | 0.24 | 0.38 |
| 4th Following Year | 0.30 | 0.52 |
| 5th Following Year | 0.38 | 0.63 |
| Sum of Years 6 To 10 | 3.08 | 3.59 |
| Sum of Years 11 and above | 35.46 | 73.01 |
| Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above. | | |
| **(f) Sensitivity Analysis** | | |
| Projected Benefit Obligation on Current Assumptions | 11.72 | 18.37 |
| Delta Effect of +1% Change in Rate of Discounting | (1.70) | (3.00) |
| Delta Effect of -1% Change in Rate of Discounting | 2.13 | 3.82 |
| Delta Effect of +1% Change in Rate of Salary Increase | 2.13 | 3.85 |
| Delta Effect of -1% Change in Rate of Salary Increase | 1.74 | (3.06) |
| Delta Effect of +1% Change in Rate of Employee Turnover | 0.14 | 0.08 |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.10 | (0.22) |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**"Risks associated with defined benefit plan**

- **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.
- **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Company has to manage pay- out based on pay as you go basis from own funds.
- **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **17. Revenue from operations** | | |
| Sale of products | 16,586.48 | 25,259.40 |
| Sale of services | 292.56 | 458.05 |
| Other operating revenue | 536.24 | 73.33 |
| **Total** | **17,415.28** | **25,790.78** |
| 18. Other Income | | |
| Interest income | | |
| Interest on FDR | 31.48 | 13.24 |
| Interest on deposit with DGVCL | 2.64 | 3.69 |
| Interest on VAT refund | 22.56 | - |
| Interest -Other | - | 0.07 |
| | **56.68** | **17.00** |
| **Dividend income** | **-** | **-** |
| **Other non-operating income** | | |
| Sub lease Income | 0.30 | 0.30 |
| Share of profit from partnership firm | 294.12 | 27.62 |
| | **294.42** | **27.92** |
| **Total** | **351.09** | **44.92** |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **19. Cost of Materials Consumed** | | |
| Consumption of Yarn | 6,289.55 | 10,550.54 |
| Consumption of Grey | 5,595.97 | 9,391.31 |
| Consumption of Coal/ Lignite | 144.82 | 224.14 |
| Consumption of Colour/ Chemical | 795.39 | 1,630.25 |
| Consumption of Stores/ Packing Materials | 162.93 | 259.09 |
| **Total** | **12,988.67** | **22,055.33** |
| **20. Changes in inventories of finished goods, stock-in-trade and work-in-progress** | | |
| Closing Stock | | |
| Finished products | 349.77 | 1,248.11 |
| work-in-progress | 196.98 | 286.87 |
| | 546.76 | 1,534.98 |
| **Less : Opening stock** | | |
| Finished products | 1,248.11 | 674.87 |
| work-in-progress | 286.87 | 343.32 |
| | **1,534.98** | **1,018.20** |
| **Decrease/(Increase)** | **988.22** | **(516.79)** |
| **21. Finance costs** | | |
| **Interest expense** | | |
| Bank Interest on Cash Credit | 169.21 | 208.14 |
| Bank Interest on Term Loan | 99.49 | 48.04 |
| Interest to Party | 0.03 | - |
| Interest to Others | 40.43 | 8.25 |
| Interest on loans | 61.79 | 89.36 |
| Interest on ECLGS | 2.24 | - |
| | **373.19** | **353.78** |
| Bank charges | 11.52 | 10.71 |
| **Total** | **384.70** | **364.49** |
| **22. Other Expenses** | | |
| **Manufacturing Expenses** | | |
| Boiler Expenses | - | 1.20 |
| Factory Expenses | 4.45 | 2.89 |
| Insurance Expenses | 18.42 | 12.70 |
| Job work charges | 94.45 | 422.88 |
| Laboratory Expense | 0.05 | 0.19 |
| Power & Fuel Expense | 786.15 | 1,068.42 |
| Professional & Legal Fees | 8.95 | 3.52 |
| Repairs & Maintenance | 36.55 | 37.63 |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Administrative Expenses** | | |
| Audit Fees | 2.50 | 2.50 |
| Computer Expenses | 2.82 | 4.17 |
| Courier Expenses | 2.92 | 7.99 |
| Corporate Social Responsibility | 11.10 | 8.50 |
| Donation | 1.21 | - |
| Foreign Exchange Fluctuation | - | (28.79) |
| GST Audit Fees | 0.50 | 0.25 |
| Internal Audit Fees | 0.75 | 0.75 |
| Insurance Expenses | 1.39 | 1.28 |
| Interest on late payment of GST and other charges | 0.13 | 0.02 |
| Interest on late payment of TDS | 0.23 | 0.25 |
| Listing Fees (IPO EXP) | 3.00 | 3.94 |
| License Fees | 0.29 | 1.60 |
| Membership & subscription | 1.56 | 1.67 |
| Miscellaneous Exps | 0.46 | 0.45 |
| Pollution Control Exp | 38.83 | 101.33 |
| Printing & Stationary | 3.41 | 5.62 |
| Professional & Legal Fees | 31.08 | 26.67 |
| Penalty | - | 0.05 |
| Rent Rate and Taxes | 3.48 | 4.08 |
| Repairs & Maintenance | 1.74 | 5.48 |
| ROC Exps | 0.08 | 0.09 |
| RTA & Depository Expense | 0.42 | 0.52 |
| Service tax/GST Paid | - | 1.50 |
| Telephone Expenses | 0.56 | 0.76 |
| Travelling Exps | 4.28 | 4.37 |
| **Selling & Distribution Expenses** | | |
| Advertisement Expense | 0.42 | 0.41 |
| Brokerage and Commission | 147.67 | 192.47 |
| Exibition Expense | - | 3.15 |
| Foreign Tours | - | 0.56 |
| Sales Promotion Expenses | 3.20 | 16.60 |
| Sample Expense | - | 0.78 |
| Insurance (Marine) | 1.21 | 3.66 |
| Clearing and Forwarding Charges (Export) | - | 14.50 |
| Loading and unloading expenses | 20.42 | 2.85 |
| Freight & Transportation | 0.78 | 43.19 |
| **Total** | **1,235.43** | **1,982.67** |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **23. Earnings per share** | | |
| Profit for the year | 832.49 | 329.02 |
| Weighted average number of shares for Basic Earnings per share* | 139.95 | 139.95 |
| Weighted average number of shares for Diluted Earnings per share* | 139.95 | 139.95 |
| Nominal value per share | 10.00 | 10.00 |
| Basic earnings per share (Rs) | 5.95 | 2.35 |
| Diluted earnings per share (Rs) | 5.95 | 2.35 |
| * Weighted average number of shares, basic earnings per share and diluted earnings per share are represented in absolute amount EPS calculated on the basis of Profit excluding OCI Income | | |
| **24. Fair Value** | | |
| The fair value of cash and cash equivalents, trade receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long term debt and investment in fixed deposit have been contracted at market rates of interest. Accordingly, the carrying value of such instruments approximates their fair value. | | |
| The fair value of investment in shares of The Cosmos Co-operative Bank Ltd. has been valued using cost approach. | | |
| **25. Contingent Liabilities** | | |
| **Guarantees in lieu of Deposit** | | |
| Dakshin Gujarat Vij Company Limited, Surat | 47.71 | 47.71 |
| Dakshin Gujarat Vij Company Limited, Surat | 35.69 | - |
| The Textile Commissioner - Ministry of Textile | 12.69 | - |
| **Performance Guarantees** | | |
| Director of Foreign Trade, New Delhi | 7.03 | 7.03 |
| Director of Foreign Trade, New Delhi | - | 0.63 |
| Commissioner of Customs, Nhava Seva, Mumbai | 133.50 | 133.50 |
| Director of Foreign Trade, New Delhi | 12.72 | 12.72 |
| Director of Foreign Trade, New Delhi | 2.80 | 2.80 |
| Commissioner of Customs, Nhava Seva, Mumbai | 3.00 | 3.00 |
| Director of Foreign Trade, New Delhi | 19.00 | 19.00 |
| Director of Foreign Trade, New Delhi | - | 1.07 |
| Director of Foreign Trade, New Delhi | 8.30 | 8.30 |
| Director of Foreign Trade, New Delhi | 0.20 | 0.20 |
| Director of Foreign Trade, New Delhi | 0.25 | 0.25 |
| Director of Foreign Trade, New Delhi | - | 7.68 |
| Commissioner of Customs, Nhava Seva, Mumbai | 0.50 | 0.50 |
| Director of Foreign Trade, New Delhi | 2.90 | 2.90 |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| The case of the Company stands pending before Customs Excise & Servive Tax Appellate Tribunal (CESTAT) for payment of custom duty. The amount of custom duty involved is Rs. 1,93,179/- which is contigent in nature. | | |
| The Appeal of the Company stands pending before Commissioner of Appeals (Income Tax) for F.Y. 2012-13, F.Y. 2013-14 and F.Y.2015-16. The amount of tax liability involved are Rs. 62,00,050/- , Rs. 1,59,74,700/- and Rs. 4,81,78,440/- respectively which are contigent in nature. | | |
| All the performance Guarantee of DGFT is fulfilled but as the final Closure certificate is pending we have shown it under liabilities | | |
| **26. Operating Lease** | | |
| Future lease commitments in respect of non-cancellable leases : | | |
| **Where the Company is the lessee:** | | |
| Charged to Statement of profit and loss | 1.30 | 1.30 |
| Not later than one year | 1.30 | 1.30 |
| Later than one year but not later than five years | 6.49 | 6.49 |
| Later than five years | 19.96 | 21.26 |
| **Where the Company is the lessor:** | | |
| Charged to Statement of profit and loss | 0.30 | 0.30 |
| Not later than one year | 0.30 | 0.30 |
| Later than one year but not later than five years | 0.93 | 1.23 |
| Later than five years | - | - |
| **27. Operating Segment** | | |
| The operations of the company are limited to one segment viz. Denims manufacturing.<br>Operating segments are defined as components of a company for which discrete financial information is available that is evaluated regularly by Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance.<br>Geographical revenues is allocated based on the location of the customer. Information regarding geographical revenue is as follows: | | |
| India | 16,879.04 | 24,529.41 |
| Rest of the world | - | 1,188.05 |
| **Total** | **16,879.04** | **25,717.46** |
| Following customers represented 10% or more of the Company's total revenue during the year ended March 31, 2021 and March 31, 2020. | | |
| Bhagwati Syntex Pvt Ltd | 425.60 | - |
| RB Industries | 3,267.39 | - |
| Denim Corporation | - | 4,573.79 |
| **Total** | **3,692.99** | **4,573.79** |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **28. Other Additional Information** | | |
| There was no employee in receipt of remuneration aggregating to Rs. 102,00,000/- or more per year or Rs 8,50,000/- or more per month for the part or whole of the year. Previous year also there was no such employee. | | |
| The quantity and value of closing stock is certified by the management as true and correct. | | |
| The Company has certain dues to suplliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclousers pursuant to the said MSMED Act are as follows: | | |
| Principal amount remaining unpaid | 143.34 | 181.08 |
| Interest due thereon remaining unpaid* | - | - |
| Interest paid by the Company in terms of Section 16 of the Micro, Small | - | - |
| Interest due and payable for the period of delay in making payment | - | - |
| Interest accrued and remaining unpaid* | - | - |
| Interest remaining due and payable even in the succeeding years, until | - | - |
| Dues to Micro and Small Enterprise have been determind to the extent such parties have been identified on the basis of information collected by the Management. | | |
| * Suppliers have granted extended credit period of more than 45 days with no interest charged. Hence there is no interest due and payable to the creditors | | |
| Managerial remuneration paid/payable to the Managing Director/ Directors for the period from 1st April 2020 to 31st March 2021 Rs. 30 Lacs (Previous Year Rs. 30 Lacs) | | |
| Previous year's figures have been regrouped / recast wherever necessary to conform to current preriod's presentation. | | |
| **Auditor's Remuneration** | | |
| Auditor Fees | 2.50 | 2.50 |
| For taxation matters | - | - |
| **Total** | **2.50** | **2.50** |

**Licensed/Installed capacity information :**

| Particulars | Installed Capacity 2020-21 | Installed Capacity 2019-20 |
|---|---|---|
| Licensed Capacity | 2 Cr Mts per Annum | 2 Cr Mts per Annum |
| Installed Capacity | 2 Cr Mts per Annum | 2 Cr Mts per Annum |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **CIF Value of Imports** | | |
| Raw Materials | - | 2,59,21,988.00 |
| Store & Spares | 13,02,469.00 | 10,23,969.00 |
| Capital Goods | - | - |
| **Total** | **13,02,469.00** | **2,69,45,957.00** |

**Value of Imported and Indigenous Raw Materials purchased and percentage of it to the total purchase.**

| Particulars | 2020-21 Amt in Rs. & % | 2019-20 Amt in Rs. & % |
|---|---|---|
| Imported | - | 2,59,21,988.00 |
| | - | 1.25 |
| Indigenious Purchase | 1,27,12,36,957.53 | 2,05,60,25,679.98 |
| | 100.00 | 98.75 |
| **Total Purchase** | **1,27,12,36,957.53** | **2,08,19,47,667.98** |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### 30. Share Capital

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Authorised Capital** | | |
| 25,500,000 Equity shares of Rs. 10/- each. | 2,550.00 | 2,550.00 |
| (2020 : 25,500,000, 2019 : 25,500,000) | | |
| **Issued, Subscribed and paid up capital** | | |
| 13,994,688 Equity shares of Rs. 10/- each.fully paid | 1,399.47 | 1,399.47 |
| (2020 : 13994688, 2019 : 13994688) | | |

**(i) Reconciliation of number of shares and equity share capital.**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | No. of Shares | Amt in lakhs | No. of Shares | Amt in lakhs |
| **Authorised Capital** | | | | |
| Number of shares at the beginning | 2,55,00,000 | 2,550 | 2,55,00,000 | 2,550 |
| Add : Increased during the year | - | - | - | - |
| **Number of shares at the end** | **2,55,00,000** | **2,550** | **2,55,00,000** | **2,550** |
| **Issued, Subscribed and Paid up** | | | | |
| Number of shares at the beginning | 1,39,94,688 | 1399.47 | 1,39,94,688 | 1399.47 |
| Add : Issued during the year | - | - | - | - |
| **Number of shares at the end** | **1,39,94,688** | **1399.47** | **1,39,94,688** | **1399.47** |

**(ii) Terms and rights attached to equity shares.**

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

**(iii) Shares held by shareholder holding more than 5% shares and number of shares held is as follows.**

| | 31st March, 2021 | % | 31st March, 2020 | % |
|---|---|---|---|---|
| Amit Kumar Dalmia | 17,99,171.00 | 12.86 | 17,99,171.00 | 12.86 |
| Deepak Dalmia | 18,19,168.00 | 13.00 | 18,19,168.00 | 13.00 |
| Rajkumar Mangilal Borana | 20,52,921.00 | 14.67 | 20,52,921.00 | 14.67 |
| Ankur Mangilal Borana | 16,32,918.00 | 11.67 | 16,32,918.00 | 11.67 |
| Rawat Khedia Silk Mills Pvt Ltd | 15,00,000.00 | 10.72 | 15,00,000.00 | 10.72 |
| Lalita Nareshkumar Borana | 7,23,000.00 | 5.17 | 7,23,000.00 | 5.17 |

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

**(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2021:**

| | 31st March, 2021 | 31st March, 2020 | 31st March, 2019 | 31st March, 2018 | 31st March, 2017 |
|---|---|---|---|---|---|
| Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash | - | - | - | - | - |
| Aggregate number of shares allotted as fully paid bonus shares | - | - | - | - | - |
| Aggregate number of shares bought back | - | - | - | - | - |

**30. Deferred Taxes**

| | CALCULATION OF TEMPORARY DIFFERENCES AND DEFERRED TAX - As at March, 2021 | | | | |
|---|---|---|---|---|---|
| **ITEMS** | **Carrying Amount - Asset/ (Liability) = (A)** | **Tax Base - Asset/ (Liability) = (B)** | **Temporary Difference C = (B-A)** | **(Taxable)/ Deductible (D)** | **DTA/(DTL) E = C*25.1680% (Being future tax rate)** |
| Property, plant & equipment | 1,737.61 | 2,136.09 | 398.48 | Deductible | 100.29 |
| Expenses u/s. 35D | - | 113.40 | 113.40 | Deductible | 28.54 |
| Expenses u/s. 43B | - | 41.76 | 41.76 | Deductible | 10.51 |
| **TOTAL** | **1,737.61** | **2,291.25** | **553.64** | | **139.34** |
| NET DTA/(DTL) AS ON 31/03/2021 | | | | | 139.34 |
| NET DTA/(DTL) AS ON 01/04/2020 | | | | | 134.14 |
| **DIFFERENCE - CHARGED TO P/L** | | | | | **5.20** |

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat**
**Date : 08/06/2021**
**UDIN: 21024612AAAACY2473**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Jyoti Agarwal**
Company Secretary

# INDEPENDENT AUDITOR'S REPORT

**Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**

**The Board of Directors of**

**R & B Denims Limited**

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of R & B Denims Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group'') for the quarter ended March 31, 2021 and for the year ended March 31, 2021 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

a. includes the results of the following subsidiary;

a. RB Industries, Partnership Firm

b. are presented In accordance with the requirements of the listing Regulations In this regard; and

c. c. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted In India, of the consolidated net profit and other comprehensive Income and other financial information of the Group for the quarter ended March 31, 2021 and for the year ended March 31, 2021.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibility for the Consolidated Financial Statements**

The statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed

under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the listing Regulations. The respective Board of Directors of the companies Included in the Group are responsible for maintenance of adequate accounting records In accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, Implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included In the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud Is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Director.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to, continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included In the Statement of which we are the Independent auditors.

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

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

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 Issued by the Securities Exchange Board of India under Regulation 33 (8) of the listing Regulations, to the extent applicable.

**Other Matters**

The Statement includes the results for the quarter ended March 31, 2021 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2021 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

**For - Pradeep K. Singhi & Co.**
**Chartered Accountants**
**ICAI FRN: 126027W**

**Sd/-**
**Pradeep Kumar Singhi**
**Partner**
**UDIN: 21024612AAAACY2473**
**M. No. 24612**

**Place: Surat**

**Date: 08/06/2021**

**Annexure 'B' to the Independent Auditor's Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of R & B Denims Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that WE comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**For - Pradeep K. Singhi & Co.**
**Chartered Accountants**
**ICAI FRN: 126027W**

**Sd/-**
**Pradeep Kumar Singhi**
**Partner**
**UDIN: 21024612AAAACY2473**
**M. No. 24612**

**Place: Surat**

**Date: 08/06/2021**

## CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2021

*(Rs. In Lakhs*

| Particulars | Notes | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a) Property, Plant and Equipment | 5 | 3,619.20 | 4,591.29 |
| (b) Capital Work in Progress | | 1,438.53 | - |
| (c) Investment Property | | - | - |
| (d) Goodwill | | - | - |
| (e) Other Intangible Assets | | - | - |
| (f) Intangible Assets under Development | | - | - |
| (g) Financial Assets | | | |
| (i) Investments | 6 | 124.57 | 98.84 |
| (ii) Trade Receivables | 9 | 131.50 | 21.65 |
| (iii) Loans | | - | - |
| (iv) Other Financial Assets | | - | - |
| (h) Deferred Tax Assets | 29 | 143.36 | 136.54 |
| (i) Other non current assets | 7 | 837.51 | 120.20 |
| **Total Non-Current Assets** | | **6,294.67** | **4,968.53** |
| **Current Assets** | | | |
| (a) Inventories | 8 | 1,740.57 | 2,711.51 |
| (b) Financial Assets | | | |
| (i) Investments | | - | - |
| (ii) Trade Receivables | 9 | 3,665.01 | 5,125.99 |
| (iii) Cash and Cash Equivalents | 10 | 382.33 | 343.59 |
| (iv) loans | | - | - |
| (v) Other Financial Assets | | - | - |
| (c) Others Current Assets | 7 | 1,644.67 | 1,365.09 |
| **Total Current Assets** | | **7,432.59** | **9,546.18** |
| **TOTAL ASSETS** | | **13,727.26** | **14,514.71** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 28 | 1,399.47 | 1,399.47 |
| Other Equity | | 2,911.94 | 2,066.12 |
| Equity Attributable to Owners | | 4,311.41 | 3,465.59 |
| Non Controlling Interest | | (240.88) | (339.13) |
| **Total Equity** | | **4,070.53** | **3,126.46** |
| **Liabilities** | | | |
| **Non Current Liabilities** | | | |
| (a) Financial Liabilities | | | |

## CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2021

*(Rs. In Lakhs*

| Particulars | Notes | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| (i) Borrowings | 11 | 3,591.61 | 1,660.08 |
| (ii) Trade Payable | 13 | 0.96 | 0.65 |
| (iii) Other Financial Liabilities | | - | - |
| (b) Provisions | 12 | 13.25 | 25.23 |
| (c) Deferred Tax liabilities (Net) | 29 | - | - |
| (d) Other non current liabilities | | 478.90 | 448.92 |
| **Total Non-Current Liabililties** | | **4,084.72** | **2,134.89** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 11 | 2,353.87 | 4,207.51 |
| (ii) Trade Payable | 13 | 884.02 | 1,943.62 |
| (iii) Other Financial Liabilities | 14 | 864.00 | 1,147.62 |
| (b) Other Current Liabilities | 15 | 321.26 | 1,065.79 |
| (c) Provisions | 12 | 1,148.86 | 888.83 |
| **Total Current Liabilities** | | **5,572.01** | **9,253.37** |
| **Total Liabilities** | | **9,656.73** | **11,388.25** |
| **TOTAL EQUITY AND LIABILITIES** | | **13,727.26** | **14,514.71** |

The accompanying notes form an integral part of these standalone financial statements

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat**
**Date : 08/06/2021**
**UDIN: 21024612AAAACZ5179**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Jyoti Agarwal**
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS ON 31st MARCH, 2021

*(Rs. In Lakhs*

| Particulars | Notes | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue from Operations | 17 | 18,219.70 | 25,695.27 |
| Other Incomes | 18 | 107.82 | 25.01 |
| **Total** | | **18,327.52** | **25,720.27** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 19 | 11,919.38 | 20,230.97 |
| Purchases of Stock-in-Trade | | - | - |
| Changes in Inventories of Finished Goods, | 20 | 961.81 | (613.88) |
| Work-in-Progress and Stock-in-Trade | | - | - |
| Employee Benefit Expenses | 16 | 1,074.44 | 1,419.16 |
| Finance Costs | 21 | 575.19 | 605.43 |
| Depreciation and Amortization Expense | 5 | 657.07 | 856.03 |
| Other Expenses | 22 | 1,720.18 | 2,688.67 |
| **Total Expenses** | | **16,908.08** | **25,186.38** |
| **Profit before tax** | | 1,419.44 | 533.90 |
| Exceptional Items | | | |
| Profit before Tax from Continuing Operation | | 1,419.44 | 533.90 |
| **Tax Expense:** | | | |
| (1) Current tax | | (402.16) | (192.23) |
| (2) Deferred Tax | | 6.82 | 9.56 |
| (3) Short/Excess Tax Provision of the earlier year | | (1.69) | (1.27) |
| Less: Taxation for previous year | | | - |
| **Profit after Tax (A)** | | **1,022.41** | **349.96** |
| Profit/(Loss) from discontinued operations | | - | - |
| Tax expense of discountinued operation | | - | - |
| **Profit after Tax from Discontinued Operation (B)** | | - | - |
| **Profit for the year** | | **1,022.41** | **349.96** |
| Other Comprehensive Income | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Defined Benefit plan actuarial gains/(losses) | 16 | 27.40 | 9.55 |
| **Income Tax relating to items that will not be reclassified to profit or loss** | | | |
| Defined Benefit plan actuarial gains/(losses) | | 7.79 | 2.46 |
| **Items that will be reclassified to profit or loss** | | | |
| Income Tax relating to items that will be reclassified to profit or loss | | | - - |
| **Total Other Comprehensive Income for the year, net of tax** | | **19.61** | **7.09** |
| **Total Comprehensive Income for the year** | | **1,042.02** | **357.05** |

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS ON 31st MARCH, 2021

*(Rs. In Lakhs*

| Particulars | Notes | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **Net Profit attributable to:** | | | |
| a) Owners of the Company | | 828.59 | 330.54 |
| b) Non Controling Interest | | 193.82 | 19.43 |
| **Other Comprehensive Income attributable to:** | | | |
| a) Owners of the Company | | 17.24 | 6.93 |
| b) Non Controling Interest | | 2.38 | 0.16 |
| **Total Comprehensive Income attributable to:** | | | |
| a) Owners of the Company | | 845.82 | 337.47 |
| b) Non Controling Interest | | 196.20 | 19.58 |
| **Earnings per equity share** | | | |
| (1) Basic [Absolute amount] | 23 | 7.31 | 2.50 |
| (2) Diluted [Absolute amount] | 23 | 7.31 | 2.50 |

The accompanying notes form an integral part of these standalone financial statements

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat**
**Date : 08/06/2021**
**UDIN: 21024612AAAACZ5179**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Jyoti Agarwal**
Company Secretary

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 2021

*(Rs. In Lakhs*

| | Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|---|
| **A** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | Profit before tax | 1,419.44 | 533.90 |
| | **Adjustment For:** | - | - |
| | Depreciation | 657.07 | 856.03 |
| | Interest Income | (68.83) | (22.77) |
| | Share of profit from partnership firm | (97.95) | (485.50) |
| | Interest Expense | 557.42 | 593.13 |
| | **Operating Profit before Working Capital Changes** | **2,467.16** | **1,474.79** |
| | **Adjustment For:** | | |
| | (Increase)/decrease in trade receivables | 1,351.13 | (1,962.72) |
| | (Increase)/decrease in inventories | 970.94 | 284.18 |
| | (Increase)/decrease in other current assets | (279.58) | (186.83) |
| | (Increase)/decrease in other non-current assets | (717.31) | (67.10) |
| | Increase/(decrease) in trade payables | (1,059.29) | 384.29 |
| | Increase/(decrease) in other current liabilities | (744.53) | 746.05 |
| | Increase/(decrease) in other current financial liabilities | (283.63) | (289.37) |
| | Increase/(decrease) in non-current provisions | (11.98) | 12.35 |
| | Increase/(decrease) in non-current Liabilities | 49.59 | 448.92 |
| | Increase/(decrease) in current provisions | 50.10 | (41.63) |
| | **Cash Generated From Operations before taxes** | **1,792.60** | **802.93** |
| | Income taxes paid | (193.92) | (245.53) |
| | **NET CASH FLOW FROM OPERATING ACTIVITIES (A)** | **1,598.68** | **557.40** |
| **B** | **CASH FLOW FROM INVESTING ACTIVITIES:** | | |
| | Purchase of Fixed Assets | (37.04) | (238.51) |
| | Adjustment/Sale of Fixed Assets | 352.07 | 0.02 |
| | Increase/(decrease) in Capital work-in-progress | (1,438.53) | 2.71 |
| | (Investment)/Maturity of fixed deposits | - | 388.56 |
| | Increase/(decrease) in Investment | (25.73) | - |
| | Interest Received | 68.83 | 22.77 |
| | **NET CASH FLOW FROM INVESTING ACTIVITIES (B)** | **(1,080.41)** | **175.55** |
| **C** | **CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| | Increase/(decrease) in short term borrowings | (1,853.64) | 874.02 |
| | Increase/(decrease) in long term borrowings | 1,931.53 | (684.29) |
| | Interest Paid | (557.42) | (593.13) |
| | **NET CASH FLOW FROM FINANCING ACTIVITIES (C)** | **(479.53)** | **(403.39)** |
| | Increase in Deferred Tax Assets | | |
| | Net Increase in Cash & Cash equivalents [A+B+C] | 38.75 | 329.56 |
| **D** | **Cash and Cash equivalents at the beginning of the year (D)** | **343.59** | **14.03** |
| **E** | **Cash and Cash equivalents at the end of the year (E)** | **382.33** | **343.59** |

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat | Date : 08/06/2021**
**UDIN: 21024612AAAACY5179**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Jyoti Agarwal**
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED MARCH 31, 2021**
**(Rs in Lakhs, except share and per share data, unless otherwise stated)**

## 1) THE COMPANY OVERVIEW:

R & B Denims Ltd. is a Public Limited Listed Company incorporated and domiciled in India. The address of its registered office is R & B Denims Limited, Block No. 467, Palsana-Sachin Highway, Gujarat, India. The Company is engaged in the business of manufacturing and sale of quality Denim Textile products. The company caters both domestic and international markets.

## 2) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

### Statement of compliance and basis of preparation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time, the provisions of the Companies Act, 2013 ("the Companies Act") as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI").

Accounting policies have been applied consistently to all periods presented in these financial statements.

All amounts included in the consolidated financial statements are reported in lakhs of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

### Basis of measurement

These consolidated financial statements have been prepared on going concern basis and a historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS;

- The defined benefit asset(liability) is as the present value of defined benefit obligation less fair value of plan assets and
- Financial instruments classified as fair value through profit or loss.

### Use of estimates and judgment

The preparation of the consolidated financial statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in consolidated financial statements are included in the following notes:

- Useful lives of Property, plant and equipment [Note L*]
- Measurement of defined benefit obligations [Note D*]
- Provision for inventories [Note J*]
- Measurement and likelihood of occurrence of provisions and contingencies [Note O*]
- Deferred taxes [Note E*]

*As given in Company's Significant Accounting Policies in Standalone Financial Statements.

**Uncertainty relating to the global health pandemic on COVID-19**

In assessing the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, etc. as well as liabilities accrued, the Company has considered internal and external information up to the date of approval of these Consolidated financial statements including economic forecasts. Based on the current indicators of future economic conditions, the Company expects to recover these carrying amounts.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these Consolidated financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**3) SIGNIFICANT ACCOUNTING POLICIES**

**(A) Income Taxes:**

Tax expense for the period comprises current and deferred tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized in other comprehensive income in which case the tax also recognized in other comprehensive income and except to the extent that it relates to items recognized directly in equity. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of Profit & Loss for the year.

**Reconciliation of Effective Tax Rate**

The reconciliation between the income before income taxes and the income tax provision to the amount computed by applying the statutory income tax rate is summarized below.

| INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS | F.Y. 2020-21 | F.Y. 2019-20 |
|---|---|---|
| | **Consolidated** | **Consolidated** |
| **Current Tax** | 402.16 | 192.23 |
| **Deferred Tax** | (6.82) | (9.56) |
| **Short/Excess Tax Provision of the earlier year** | 1.69 | 127 |
| Total Income Tax Expenses | **397.03** | **183.93** |
| The income tax expenses for the year can be reconciled to the accounting profit as follows: | | |
| **Profit Before Tax (Before Exceptional Item)** | 1723.11 | 555.21 |
| **Computed Tax Expense** | 502.80 | 149.75 |

| | | |
|---|---|---|
| Tax Effect of: | | |
| **Exempted Income** | (74.02) | (6.95) |
| **Expenses Allowed** | (243.17) | (262.08) |
| **Expenses Disallowed** | 216.55 | 311.51 |
| **Business Deduction** | - | - |
| Current Tax Provision (A) | **402.16** | **192.23** |
| **Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Other Intangible Assets** | (6.40) | (6.13) |
| **Incremental Deferred Tax (Asset)/Liability on account of Financial Assets and Other** | (0.41) | (3.43) |
| Deferred Tax Provision (B) | (6.82) | (9.56) |
| **Changes in depreciation calculation and Other calculation** | - | (1.67) |
| **Changes due to Other Calculation** | 1.22 | - |
| Interest on Income Tax | 0.47 | 2.93 |
| Short/Excess Tax Provision of the earlier year ( C) | **1.69** | **1.27** |
| Tax Expenses recognised in Statement of Profit and Loss (A+B+C) | **397.03** | **183.93** |

**(B) Principles of Consolidation:**

The consolidated financial statement relates to R&B Denims Limited ("the Company") and its subsidiary entity (Partnership Firm). The consolidated financial statements have been prepared on the following basis:

(a) The financial statements of the company and its subsidiary entity are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra group transactions.

(b) Offset (eliminate) the carrying amount of the parent's investment in subsidiary entity and the parent's portion of equity of subsidiary entity.

(c) Non-Controlling Interest's share of consolidated subsidiary entity is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

(d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

Following Companies have been considered in preparation of Consolidated Financial Statements.

| Name of Company | Nature of Interest | Country of Incorporation | Profit Sharing Ratio |
|---|---|---|---|
| RB Industries | Subsidiary entity | India | 60% |

**4) OTHER SIGNIFICANT ACCOUNTING POLICIES**

These are set out under ''Significant Accounting Policies'' as given in the Company's Standalone Financial Statements.

## NOTES TO ACCOUNTS

### 5. Property, plant and equipment (Fixed Asset of R&B Denims Ltd)

*(Rs. In Lakhs except share and per share data)*

| Particulars | Building | Land | Borewell | Comput-er | Electrifi-cation | Plant & Machinery | Water Tank | Vehicle | Others | Total | Capital W.I.P |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net carrying amount as at March 31, 2019 | 471.94 | | 0.36 | 1.36 | 83.11 | 1,749.26 | 3.71 | 14.85 | 0.24 | 2,324.83 | - |
| Opening Gross Carrying Amount | 803.74 | | 1.54 | 17.10 | 275.46 | 5,785.84 | 7.05 | 19.49 | 0.30 | 6,910.51 | - |
| Additions | - | | - | 0.73 | 9.75 | 208.14 | - | - | - | 218.62 | - |
| Disposal/Adjustment | - | | - | - | - | - | - | - | - | - | - |
| **Closing gross carrying amount as at March 31, 2020** | **803.74** | | **1.54** | **17.83** | **285.21** | **5,993.98** | **7.05** | **19.49** | **0.30** | **7,129.14** | **-** |
| **Accumulated amortization and impairment :** | | | | | | | | | | | |
| Opening Accumulated Depreciation | 331.80 | | 1.18 | 15.74 | 192.35 | 4,036.57 | 3.34 | 4.65 | 0.06 | 4,585.68 | - |
| Depreciation/Amortization charge during the year | 44.77 | | 0.13 | 0.80 | 16.64 | 391.44 | 0.48 | 4.64 | - | 458.90 | - |
| Closing accumulated amortization | 376.57 | | 1.31 | 16.54 | 208.98 | 4,428.02 | 3.82 | 9.28 | 0.06 | 5,044.58 | - |
| **Net carrying amount as at March 31, 2020** | **427.17** | | **0.23** | **1.28** | **76.22** | **1,565.96** | **3.23** | **10.21** | **0.24** | **2,084.55** | **-** |
| Opening Gross Carrying Amount | 803.74 | | 1.54 | 17.83 | 285.21 | 5,993.98 | 7.05 | 19.49 | 0.30 | 7,129.14 | - |
| Additions | | | 0.92 | 3.53 | 30.23 | | 0.60 | | | 35.27 | 1,313.35 |
| Disposal/Adjustment | - | - | - | - | 14.10 | - | - | - | - | 14.10 | - |
| Closing gross carrying amount as at March 31, 2021 | 803.74 | | 2.46 | 21.35 | 301.34 | 5,993.98 | 7.65 | 19.49 | 0.30 | 7,150.31 | 1,313.35 |
| **Accumulated amortization and impairment :** | | | | | | | | | | | |
| **Opening Accumulated Depreciation** | **376.57** | **-** | **1.31** | **16.54** | **208.98** | **4,428.02** | **3.82** | **9.28** | **0.06** | **5,044.58** | **-** |
| **Depreciation/Amortization charge during the year** | **40.49** | | **0.08** | **0.81** | **15.56** | **319.27** | **0.40** | **3.26** | **-** | **379.88** | **-** |
| **Accumulated depreciation on deletions** | | | | | | **11.76** | | | | **11.76** | |
| **Closing accumulated amortization** | **417.05** | | **1.39** | **17.35** | **224.55** | **4,735.53** | **4.22** | **12.55** | **0.06** | **5,412.70** | **-** |
| **Net carrying amount as at March 31, 2021** | **386.68** | | **1.07** | **4.00** | **76.79** | **1,258.45** | **3.42** | **6.95** | **0.24** | **1,737.61** | **1,313.35** |

## NOTES TO ACCOUNTS

### 5. Property, plant and equipment (Fixed Asset of RB Industries)

*(Rs. In Lakhs except share and per share data)*

| Particulars | Building | Land | Borewell | Comput-er | Electrifi-cation | Plant & Machinery | Water Tank | Vehicle | Others | Total | Capital W.I.P |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net carrying amount as at March 31, 2019 | 137.23 | 202.51 | - | 0.30 | 67.41 | 2,476.54 | - | - | - | 2,883.99 | 2.71 |
| Additions | - | - | - | - | - | 19.89 | - | - | - | 19.89 | - |
| Disposal/Adjustment | - | - | - | - | - | 0.02 | - | - | - | 0.02 | 2.71 |
| **Closing gross carrying amount as at March 31, 2020** | **137.23** | **202.51** | **-** | **0.30** | **67.41** | **2,496.41** | **-** | **-** | **-** | **2,903.87** | **-** |
| Accumulated amortization and impairment : | | | | | | | | | | | |
| Depreciation/Amortization charge during the year | 13.72 | - | - | 0.12 | 10.11 | 373.17 | - | - | - | 397.13 | - |
| Closing accumulated amortization | 13.72 | - | - | 0.12 | 10.11 | 373.17 | - | - | - | 397.13 | - |
| **Net carrying amount as at March 31, 2020** | **123.51** | **202.51** | **-** | **0.18** | **57.30** | **2,123.24** | **-** | **-** | **-** | **2,506.74** | **-** |
| Additions | - | - | - | 0.13 | - | 1.64 | - | - | - | 1.77 | 125.19 |
| Disposal/Adjustment | - | - | - | - | - | 337.97 | - | - | - | 337.97 | - |
| **Closing gross carrying amount as at March 31, 2021** | **123.51** | **202.51** | **-** | **0.31** | **57.30** | **1,786.92** | **-** | **-** | **-** | **2,170.55** | **125.19** |
| Accumulated amortization and impairment : | | | | | | | | | | | |
| Depreciation/Amortization charge during the year | 12.35 | - | - | 0.10 | 8.59 | 267.91 | - | - | - | 288.96 | - |
| **Closing accumulated amortization** | **12.35** | **-** | **-** | **0.10** | **8.59** | **267.91** | **-** | **-** | **-** | **288.96** | **-** |
| **Net carrying amount as at March 31, 2021** | **111.16** | **202.51** | **-** | **0.21** | **48.70** | **1,519.00** | **-** | **-** | **-** | **1,881.59** | **125.19** |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **6. Investments** | | |
| Financial instruments at FVTPL | | |
| Equity instruments [Note 6.1] | 124.57 | 98.84 |
| Investment in Partnership Firm | - | - |
| **Total** | **124.57** | **98.84** |
| **6.1 Details of investments in equity instruments (fully paid up) - classified as FVTPL** | | |
| The Cosmos Co-operative Bank Ltd. | 124.54 | 98.81 |
| [Number of shares held as at March 31, 2021 : 124,541 and March 31, 2020 : 98,811] | - | - |
| Sachin Udgyog Nagar Sahakari Mandali Ltd. | 0.03 | 0.03 |
| [Number of shares held as at March 31, 2021 : 50, March 31, 2020 : 50] | - | - |
| **Total** | **124.57** | **98.84** |
| **7. Other Assets** | | |
| **Non - Current** | | |
| Capital Advances | 711.30 | - |
| Security Deposits | 125.88 | 119.87 |
| Balance with Excise, Customs, Income Tax and other authorities | 0.34 | 0.34 |
| | 837.51 | 120.20 |
| **Current** | **-** | **-** |
| Prepaid Expenses | 30.05 | 38.63 |
| Advance to Suppliers | 95.82 | 113.93 |
| Balance with Excise, Customs, Income Tax and other authorities | 1,518.81 | 1,212.53 |
| | 1,644.67 | 1,365.09 |
| **Total** | **2,482.18** | **1,485.30** |
| **8. Inventories** | | |
| Raw Materials [including goods in transit - March 31, 2020: 20.41 lacs and March 31, 2019 : 35.35 lacs] | 1,000.75 | 1,001.94 |
| Work-in-progress | 312.79 | 378.11 |
| Finished goods | 392.84 | 1,288.81 |
| Stores and spares | 34.71 | 42.65 |
| **Total** | **1,741.09** | **2,711.51** |
| **Mode of Valuation of Inventories** | | |
| Raw material & W.I.P. : Valued at cost. | | |
| Finished Goods : Valued at lower of cost and net realizable value. | | |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **9. Trade Receivables** | | |
| Unsecured | | |
| Considered Good | 3,796.51 | 5,147.64 |
| Doubtful | - | - |
| | 3,796.51 | 5,147.64 |
| Less : Allowance for expected credit loss | - | - |
| **Total** | **3,796.51** | **5,147.64** |
| Non - current | 131.50 | 21.65 |
| Current | 3,665.01 | 5,125.99 |
| **10. Cash and cash equivalents** | | |
| Balances with Banks | | |
| Current accounts | 4.92 | 6.51 |
| Deposits with Banking institutions | 370.91 | 332.91 |
| Cash on hand | 6.50 | 4.16 |
| **Total** | **382.33** | **343.59** |
| * FDRs have been kept as Margin Money and against various bank guarntees extended on behalf of company. These deposits can be withdrawn by the Company at any time without prior notice and without any penalty on the principal. | | |
| **11. Borrowings** | | |
| **Non - current Borrowings** | | |
| Secured | | |
| Term Loans * | 2,461.15 | 1,220.56 |
| Car Loan | 2.68 | 5.34 |
| Unsecured | | |
| Loan from Other Companies | 1,127.78 | 434.18 |
| **Total** | **3,591.61** | **1,660.08** |
| Current Borrowings | | |
| Cash Credit | 2,353.87 | 4,207.51 |
| **Total** | **2,353.87** | **4,207.51** |

*** Term Loan(s) availed by the Company from Schedule Banks under Multiple Banking arrangements.**
**Term Loan(s) from The Cosmos Co-op Bank Ltd of Parent Entity are secured by way of :**

a) Hypothecation of existing plant and machineries.

b) Factory Land (lease hold), along with construction thereon made by the company, situated at Revenue Survey 446, Block No. 467, at Sachin-Palsana Highway Road, at Village Palsana, Dist. Surat, given as collateral security.

c) Personal gaurantee by the Directors - Mr. Amitkumar Dalmia, Mr. Deepakkumar Dalmia, Mr. Rajkumar Borana and Mr. Ankur Borana.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

**Term Loan(s) from The Cosmos Co-op Bank Ltd of Sabsidiary Entity are secured by way of :**

a) Plant and Machineries are imported or purchased.

b) Open Plot situated at plot No. B-16/11, The sachin udgyognagar Sahakari Mandali Ltd., known as Hojiwala Industrial Estate, R. S. No. 108/2, 108/1, 109, Block No. 116, 117, 118, Sachin-Palsana Highway Road, at Village Palsana, Dist. Surat, owned by guarantor Mr. Ankur Borana.

c) Open Plot situated at plot No. B-11/3, The sachin udgyognagar Sahakari Mandali Ltd., known as Hojiwala Industrial Estate, R. S. No. 100/2, Block No. 108, Sachin-Palsana Highway Road, at Village Palsana, Dist. Surat, owned by Plus Tech Engineering Pvt. Ltd. & proposed to be purchased by the Firm.

d) Open Plot & proposed construction (to be constructed by the Firm) thereon situated at plot No. B-11/12, The sachin udgyognagar Sahakari Mandali Ltd., known as Hojiwala Industrial Estate, R. S. No. 91,92 and 93, Block No. 99, 101, 102, Sachin-Palsana Highway Road, at Village Popada, Dist. Surat, owned by Plus Tech Engineering Pvt. Ltd. & proposed to be purchased by the Firm.

e) Personal gaurantee by the Directors - Mr. Amitkumar Dalmia, Mr. Deepakkumar Dalmia, Mr. Rajkumar Borana and Mr. Ankur Borana.

**Term Loan(s) from Kotak Mahindra Bank Ltd of Parent Entity are secured by way of :**

a) Offering Collateral Security in the form of registered mortage of Residential Plot in the name of Director and his Spouse & also personal guarantee of the Director namely Mr. Amitkumar Dalmia, Mr. Deepak Dalmia, Mr. Rajkumar Borana & Mr. Ankur Borana.

**** Cash Credit facility**

From The Cosmos Co-op Bank Ltd & Axis Bank Ltd are secured by,

a) charge on all Current Assets of the Company & Pari Passu charges on the Facory Land & Building, in the name of Director's of the Company namely Mr. Amitkumar Dalmia, Mr. Deepak Dalmia, Mr. Rajkumar Borana & Mr. Ankur Borana and also their respective Personal Guarantee.

From The Cosmos Co-op Bank Ltd of Subsidiary Entity are secured by,

a) charge on all the Current Assets of the Firm.

Current maturities of term loans amounting to Rs. 859.04 (March 31, 2020 and March 31, 2019 : Rs 1124.04 and Rs 1398.37respectively) is classified under "Other Current Financial Liabilities". (Other Current Financial Liabilities has not been computed for new term loans taken as moratorium is taken for the loans.)

*(Rs. In Lakhs*

| Particulars | Monthly Installment | Total Period of Loan |
|---|---|---|
| COSMOS - RB - TL 11080180693 | 54.94 | 72 Months + 12 months moratarium period |
| Term Loan - II | 24.33 | 72 Months + 12 months moratarium period |
| Term Loan - III | 4.41 | 76 Months + 6 months moratarium period |
| Kotak Mahindra - TL | 16.65 | 60 Months |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **12. Provisions** | | |
| **Non-current** | | |
| Provision for Gratuity | 13.25 | 25.23 |
| **Total** | **13.25** | **25.23** |
| **Current** | | |
| Provision for employee benefits | 2.89 | 3.23 |
| **Others** | | |
| Provision - Other Taxes | 1,071.01 | 853.40 |
| Auditor's Remuneration | 4.63 | 4.50 |
| Internal Audit fees | 1.16 | 1.13 |
| ROC Fees Payable | - | 0.45 |
| GST/ VAT Audit Fees | 1.25 | 1.25 |
| Electricity Expenses Payable | 67.92 | 24.87 |
| **Total** | **1,148.86** | **888.83** |
| Provision for employee benefits includes gratuity liability. Provision for other taxes includes liability related to Income tax and Indirect Taxes. The timing of cash outflows in respect of other provisions cannot be reasonably determined. | | |
| **13. Trade Payables** | | |
| **Non Current** | | |
| Trade Payables | 0.96 | 0.65 |
| **Current** | | |
| Trade Payables | 884.02 | 1,943.62 |
| **Total** | **884.98** | **1,944.27** |
| **14. Other Financial Liabilities** | | |
| Current maturities of long term debt | 859.04 | 1,124.04 |
| Interest Payable and Due (Term Loan) | 4.95 | 23.58 |
| **Total** | **864.00** | **1,147.62** |
| **15. Other current liabilities** | | |
| Unearned Revenue | 3.93 | 773.00 |
| Professional Tax Payable | 0.68 | 0.73 |
| TDS / TCS Payable | 18.99 | 8.78 |
| Other Payables | 297.66 | 283.27 |
| **Total** | **321.26** | **1,065.79** |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **16. Employee Benefit Expenses** | | |
| **(a) Employee costs include :** | | |
| **Salaries and wages** | | |
| Salary & Wages | 779.05 | 1,177.12 |
| Bonus | 146.32 | 97.28 |
| Leave Wages | 51.75 | 46.86 |
| Directors Sitting Fees | 7.94 | 0.63 |
| Parners Remuneration | 48.00 | 48.00 |
| **Total** | **1,033.05** | **1,369.89** |
| Contribution to provident and other funds | 25.19 | 29.24 |
| Staff Welfare expenses | 16.20 | 20.03 |
| **Total** | **1,074.44** | **1,419.16** |
| **(b) Defined benefit plan actuarial loss/(gains) recognised in other comprehensive income include :** | | |
| Re-measurement of net defined benefit liability/(asset) | | |
| Return on plan assets excluding interest income | - | - |
| Actuarial loss/ (gain) arising from financial assumptions | 0.69 | 4.17 |
| Actuarial loss/ (gain) arising from demographic assumptions | - | - |
| Actuarial loss/ (gain) arising from experience adjustments | (28.09) | (13.73) |
| **Total** | **-27.40** | **-9.55** |
| **(c) Defined benefit plans – Gratuity:** | | |
| The Company has a defined benefit gratuity plan in India (unfunded). The company's defined benefit gratuity plan is a final salary plan for employees. Gratuity is paid from company as and when it becomes due and is paid as per company scheme for Gratuity. The Company's obligation in respect of the gratuity plan is provided for based on actuarial valuation using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. Amount recognized in the statement of profit and loss in respect of gratuity cost (defined benefit plan) is as follows: " | | |
| Current service cost | 13.76 | 10.64 |
| Net interest on net defined benefit liability/(asset) | 1.66 | 1.71 |
| Net gratuity cost/(benefit) | 15.42 | 12.35 |
| "Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans. The principal assumptions used for the purpose of actuarial valuation are as follows:" | | |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Discount rate | 6.26%+6.26% | 6.59%+6.56% |
| Expected return on plan assets | N.A. | N.A. |
| Expected rate of salary increase | 0.05 | 0.05 |
| The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. Salary escalation and attrition rate are considered as advised by the the company; they appear to be line with the industry practice considering promotion and demand & supply of the employees. | | |
| **Change in present value of defined benefit obligation is summarized below:** | | |
| Defined benefit obligation at the beginning of the year | 25.23 | 22.44 |
| Current service cost | 13.76 | 10.64 |
| Past service cost | - | - |
| Interest on obligation | 1.66 | 1.71 |
| Benefits paid | - | - |
| Remeasurement loss/(gains) | - | - |
| Actuarial loss/(gain) arising from financial assumptions | 0.69 | 4.17 |
| Actuarial loss/(gain) arising from demographic assumptions | - | - |
| Actuarial loss/(gain) arising from experience assumptions | (28.09) | (13.73) |
| **Total** | **13.25** | **25.23** |
| **(d) Amount Recognized in the Balance Sheet** | | |
| (Present Value of Benefit Obligation at the end of the Period) | (13.25) | (25.23) |
| Fair Value of Plan Assets at the end of the Period | - | - |
| Funded Status (Surplus/ (Deficit)) | (13.25) | (25.23) |
| Net (Liability)/Asset Recognized in the Balance Sheet | (13.25) | (25.23) |
| **(e ) Maturity Analysis of the Benefit Payments: From the Employer** | | |
| Projected Benefits Payable in Future Years From the Date of Reporting | | |
| 1st Following Year | 0.08 | 0.11 |
| 2nd Following Year | 0.16 | 0.39 |
| 3rd Following Year | 0.24 | 0.53 |
| 4th Following Year | 0.31 | 0.71 |
| 5th Following Year | 0.43 | 0.86 |
| Sum of Years 6 To 10 | 3.37 | 4.98 |
| Sum of Years 11 and above | 41.99 | 100.90 |
| Maturity Analysis of Benefit Payments is undiscounted cashflows considering future salary, attrition & death in respective year for members as mentioned above. | | |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **(f) Sensitivity Analysis** | | |
| Projected Benefit Obligation on Current Assumptions | 11.72 | 18.37 |
| Delta Effect of +1% Change in Rate of Discounting | (1.98) | (4.12) |
| Delta Effect of -1% Change in Rate of Discounting | 2.48 | 5.27 |
| Delta Effect of +1% Change in Rate of Salary Increase | 2.49 | 5.30 |
| Delta Effect of -1% Change in Rate of Salary Increase | 1.46 | (4.21) |
| Delta Effect of +1% Change in Rate of Employee Turnover | 0.10 | 0.12 |
| Delta Effect of -1% Change in Rate of Employee Turnover | 0.13 | (0.32) |

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**"Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the Following Risks:"

- **Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- **Interest rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.
- **Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Company has to manage pay- out based on pay as you go basis from own funds.
- **Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **17. Revenue from operations** | | |
| Sale of products | 16,800.96 | 25,315.49 |
| Other operating revenue | 1,418.74 | 379.78 |
| **Total** | **18,219.70** | **25,695.27** |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **18. Other Income** | | |
| **Interest income** | | |
| Interest on FDR | 33.45 | 15.39 |
| Interest on deposit with DGVCL | 5.37 | 7.31 |
| Interest on IT refund | 0.44 | 0.00 |
| Interest on VAT refund | 29.57 | - |
| MARK TO MARKET GAIN/LOSS (NOTIONAL GAIN) | 37.28 | - |
| MARK TO MARKET GAIN/LOSS | 1.70 | - |
| Interest -Other | - | 0.07 |
| | 107.82 | 22.78 |
| Other non-operating income | | |
| Miscellaneous Income | - | 2.23 |
| | - | 2.23 |
| **Total** | **107.82** | **25.01** |
| **19. Cost of Materials Consumed** | | |
| Consumption of Yarn | 10,390.74 | 17,127.09 |
| Consumption of Grey | 80.72 | 264.30 |
| Consumption of Coal/ Lignite | 216.06 | 334.46 |
| Consumption of Colour/ Chemical | 1,042.51 | 2,198.45 |
| Consumption of Stores/ Packing Materials | 189.36 | 306.67 |
| **Total** | **11,919.38** | **20,230.97** |
| **20. Changes in inventories of finished goods, stock-in-trade and work-in-progress** | | |
| **Closing Stock** | | |
| Finished products | 392.84 | 1,288.81 |
| work-in-progress | 312.79 | 378.11 |
| | 705.63 | 1,666.92 |
| **Less : Opening stock** | | |
| Finished products | 1,288.81 | 709.72 |
| work-in-progress | 378.11 | 343.32 |
| | **1,666.92** | **1,053.04** |
| **Decrease/(Increase)** | **961.29** | **(613.88)** |
| **21. Finance costs** | | |
| Interest expense | | |
| Bank Interest on Cash Credit | 196.98 | 274.51 |
| Bank Interest on Term Loan | 202.39 | 201.24 |
| Interest to Party | 0.03 | - |
| Interest on Deposit | 40.43 | 8.25 |
| Interest on loans | 115.36 | 109.13 |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Interest on ECLGS | 2.24 | - |
| | 557.42 | 593.13 |
| Bank charges | 17.77 | 12.30 |
| **Total** | **575.19** | **605.43** |
| **22. Other Expenses** | | |
| **Manufacturing Expenses** | | |
| Boiler Expenses | - | 1.20 |
| Factory Expenses | 4.58 | 3.15 |
| Gas Expense | 0.22 | - |
| Insurance Expenses | 28.84 | 19.28 |
| Job work charges | 94.45 | 422.88 |
| Laboratory Expense | 0.08 | 0.25 |
| Lease Rent | 0.30 | - |
| Papertube expense | 0.54 | - |
| Power & Fuel Expense | 1,076.23 | 1,531.69 |
| Professional & Legal Fees | 8.95 | 3.52 |
| Repairs & Maintenance | 36.55 | 37.63 |
| **Administrative Expenses** | | |
| Audit Fees | 5.00 | 5.00 |
| Brokerage Charges- Sec. | 1.73 | 0.49 |
| Computer Expenses | 2.93 | 4.25 |
| Courier Expenses | 3.78 | 8.74 |
| Conveyance Exps | 0.04 | 1.65 |
| Corporate Social Responsibility | 11.10 | 8.50 |
| Donation | 1.21 | - |
| Foreign Exchange Fluctuation | (18.33) | (68.66) |
| GST Lapse A/c | - | 57.20 |
| GST Reversal Ac | 0.03 | - |
| GST Audit Fees | 0.75 | 0.50 |
| Internal Audit Fees | 1.25 | 1.25 |
| Insurance Expenses | 1.39 | 1.28 |
| Interest on late payment of GST and other charges | 0.20 | 5.86 |
| Interest on late payment of TDS | 0.23 | 0.25 |
| Lease Expense | 0.60 | - |
| Listing Fees (IPO EXP) | 3.00 | 3.94 |
| License Fees | 0.38 | 1.60 |
| Maintenance Expense | 0.59 | 0.59 |
| Membership & subscription | 1.67 | 1.87 |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Mark to Market Loss | - | 64.85 |
| Miscellaneous Exps | 0.73 | 0.88 |
| Other Charges-Sec. | - | 0.06 |
| Pollution Control Exp | 38.83 | 101.33 |
| Printing & Stationary | 3.73 | 5.90 |
| Professional & Legal Fees | 61.74 | 50.34 |
| Penalty | - | 0.15 |
| Rent Rate and Taxes | 3.18 | 4.08 |
| Repairs & Maintenance | 10.51 | 17.17 |
| Registration Fees | 0.16 | - |
| ROC Exps | 0.08 | 0.09 |
| RTA & Depository Expense | 0.42 | 0.52 |
| Service tax/GST Paid | - | 4.50 |
| Telephone Expenses | 0.56 | 0.76 |
| Travelling Exps | 4.28 | 4.37 |
| **Selling & Distribution Expenses** | | |
| Advertisement Expense | 0.42 | 0.41 |
| Brokerage and Commission | 239.34 | 252.54 |
| Exibition Expense | - | 3.15 |
| Foreign Tours | - | 0.56 |
| Sales Promotion Expenses | 3.20 | 16.60 |
| Sample Expense | - | 0.78 |
| Insurance (Marine) | 1.21 | 3.66 |
| Clearing and Forwarding Charges (Export) | 20.83 | 32.59 |
| Loading and unloading expenses | 20.47 | 3.57 |
| Freight and Transportation | 7.45 | 48.74 |
| Freight -Ocean (Export) | 34.78 | 17.15 |
| **Total** | **1,720.18** | **2,688.67** |
| **23. Earnings per share** | | |
| Profit for the year | 1,022.41 | 349.96 |
| Weighted average number of shares for Basic Earnings per share* | 139.95 | 139.95 |
| Weighted average number of shares for Diluted Earnings per share* | 139.95 | 139.95 |
| Nominal value per share | 10.00 | 10.00 |
| Basic earnings per share (Rs) | 7.31 | 2.50 |
| Diluted earnings per share (Rs) | 7.31 | 2.50 |

*** Weighted average number of shares, basic earnings per share and diluted earnings per share are represented in absolute amount**

**EPS calculated on the basis of Profit excluding OCI Income**

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **24. Fair Value** | | |
| The fair value of cash and cash equivalents, trade receivables, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long term debt and investment in fixed deposit have been contracted at market rates of interest. Accordingly, the carrying value of such instruments approximates their fair value. | | |
| The fair value of investment in shares of The Cosmos Co-operative Bank Ltd. has been valued using cost approach. | | |
| **25. Contingent Liabilities** | | |
| **Contingent Liabilities of Parent Entity** | | |
| **Guarantees in lieu of Deposit** | | |
| Dakshin Gujarat Vij Company Limited, Surat | 47.71 | 47.71 |
| Dakshin Gujarat Vij Company Limited, Surat | 35.69 | - |
| The Textile Commissioner - Ministry of Textile | 12.69 | - |
| **Performance Guarantees** | | |
| Director of Foreign Trade, New Delhi | 7.03 | 7.03 |
| Director of Foreign Trade, New Delhi | - | 0.63 |
| Commissioner of Customs, Nhava Seva, Mumbai | 133.50 | 133.50 |
| Director of Foreign Trade, New Delhi | 12.72 | 12.72 |
| Director of Foreign Trade, New Delhi | 2.80 | 2.80 |
| Commissioner of Customs, Nhava Seva, Mumbai | 3.00 | 3.00 |
| Director of Foreign Trade, New Delhi | 19.00 | 19.00 |
| Director of Foreign Trade, New Delhi | - | 1.07 |
| Director of Foreign Trade, New Delhi | 8.30 | 8.30 |
| Director of Foreign Trade, New Delhi | 0.20 | 0.20 |
| Director of Foreign Trade, New Delhi | 0.25 | 0.25 |
| Director of Foreign Trade, New Delhi | - | 7.68 |
| Commissioner of Customs, Nhava Seva, Mumbai | 0.50 | 0.50 |
| Director of Foreign Trade, New Delhi | 2.90 | 2.90 |
| **Contingent Liabilities of Subsidiary Entity** | | |
| Performance Guarantees | | |
| The Textile Commissioner - Ministry of Textile | 306.46 | - |
| Jawaharlal Nehru Custom House, Nhavasheva | 27.20 | 27.20 |
| Jawaharlal Nehru Custom House, Nhavasheva | 27.40 | 27.40 |
| Director of Foreign Trade, New Delhi | 3.30 | 3.30 |
| Director of Foreign Trade, New Delhi | 5.19 | 5.19 |
| Director of Foreign Trade, New Delhi | 1.17 | 1.17 |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

*(Rs. In Lakhs*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| Director of Foreign Trade, New Delhi | 0.31 | 0.31 |
| The case of the Company stands pending before Customs Excise & Servive Tax Appellate Tribunal (CESTAT) for payment of custom duty. The amount of custom duty involved is Rs. 1,93,179/- which is contigent in nature. | | |
| **26. Operating Segment** | | |
| The operations of the company are limited to one segment viz. Denims manufacturing. | | |
| Operating segments are defined as components of a company for which discrete financial information is available that is evaluated regularly by Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. | | |
| Geographical revenues is allocated based on the location of the customer. Information regarding geographical revenue is as follows : | | |
| India | 14,597.68 | 22,614.20 |
| Rest of the world | 2,203.28 | 2,701.29 |
| **Total** | **16,800.96** | **25,315.49** |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### 30. Share Capital

*(Rs. In Lakhs except share and per share data)*

| Particulars | 31st March, 2021 | 31st March, 2020 |
|---|---|---|
| **Authorised Capital** | | |
| 25,500,000 Equity shares of Rs. 10/- each. | 2,550.00 | 2,550.00 |
| (2020 : 25,500,000, 2019 : 25,500,000) | | |
| **Issued, Subscribed and paid up capital** | | |
| 13,994,688 Equity shares of Rs. 10/- each.fully paid | 1,399.47 | 1,399.47 |
| (2020 : 13994688, 2019 : 13994688) | | |

**(i) Reconciliation of number of shares and equity share capital**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | No. of Shares | Amt in lakhs | No. of Shares | Amt in lakhs |
| **Authorised Capital** | | | | |
| Number of shares at the beginning | 2,55,00,000 | 2,550 | 2,55,00,000 | 2,550 |
| Add : Increased during the year | - | - | - | - |
| **Number of shares at the end** | **2,55,00,000** | **2,550** | **2,55,00,000** | **2,550** |
| **Issued, Subscribed and Paid up** | | | | |
| Number of shares at the beginning | 1,39,94,688 | 1399.47 | 1,39,94,688 | 1399.47 |
| Add : Issued during the year | - | - | - | - |
| **Number of shares at the end** | **1,39,94,688** | **1399.47** | **1,39,94,688** | **1399.47** |

**(ii) Terms and rights attached to equity shares.**

The company has only one class of equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

**(iii) Shares held by Shareholder holding more than 5% shares and number of shares held is as follows.**

| | 31st March, 2021 | % | 31st March, 2020 | % |
|---|---|---|---|---|
| Amit Kumar Dalmia | 17,99,171.00 | 12.86 | 17,99,171.00 | 12.86 |
| Deepak Dalmia | 18,19,168.00 | 13.00 | 18,19,168.00 | 13.00 |
| Rajkumar Mangilal Borana | 20,52,921.00 | 14.67 | 20,52,921.00 | 14.67 |
| Ankur Mangilal Borana | 16,32,918.00 | 11.67 | 16,32,918.00 | 11.67 |
| Rawat Khedia Silk Mills Pvt Ltd | 15,00,000.00 | 10.72 | 15,00,000.00 | 10.72 |
| Lalita Nareshkumar Borana | 7,23,000.00 | 5.17 | 7,23,000.00 | 5.17 |

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

**(iv) Other details of Equity Shares for a period of five years immediately preceding March 31, 2021:**

| | 31st March, 2021 | 31st March, 2020 | 31st March, 2019 | 31st March, 2018 | 31st March, 2017 |
|---|---|---|---|---|---|
| Aggregate number of share allotted as fully paid up pursuant to contract(s) without payment being received in cash | - | - | - | - | - |
| Aggregate number of shares allotted as fully paid bonus shares | - | - | - | - | - |
| Aggregate number of shares bought back | - | - | - | - | - |

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat**
**Date : 08/06/2021**
**UDIN: 21024612AAAACY2473**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Jyoti Agarwal**
Company Secretary

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### 28. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31, 2021

*Amount in Lacks*

| | |
|---|---|
| A. Equity Share Capital | |
| As on April 01, 2019 | 1,399.47 |
| Changes in Equity share capital | - |
| **As at March 31, 2019** | **1,399.47** |
| Charges in Equity share capital | |
| **As at March 31, 2021** | **1,399.47** |

B. Other Equity *(Rs. In Lakhs except share and per share data)*

| | Reserves and surplus | | | |
|---|---|---|---|---|
| | **Securities premium reserve** | **Retained earnings** | **Other Comprehensive Income** | **Total other equity** |
| **As at April 01, 2020** | **1,442.44** | **613.52** | **10.16** | **2,066.12** |
| Total Comprehensive income | - | 832.67 | 13.67 | 846.34 |
| Provision for Vivad se Vishwas Tax | | - | | - |
| **Total Comprehensive income for the year** | **-** | **832.67** | **13.67** | **846.34** |
| Reserves on common control transactions | - | (0.52) | - | (0.52) |
| **Total** | **-** | **832.15** | **13.67** | **845.82** |
| **Balance as at 31st March, 2021** | **1,442.44** | **1,445.67** | **23.83** | **2,911.94** |

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat**
**Date : 08/06/2021**
**UDIN: 21024612AAAACZ5179**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Jyoti Agarwal**
Company Secretary

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

### 29. Deferred Taxes (R&B Denims Ltd)

| | CALCULATION OF TEMPORARY DIFFERENCES AND DEFERRED TAX - As at March, 2021 | | | | |
|---|---|---|---|---|---|
| **ITEMS** | **Carrying Amount - Asset/ (Liability) = (A)** | **Tax Base - Asset/ (Liability) = (B)** | **Temporary Difference C = (B-A)** | **(Taxable)/ Deductible (D)** | **DTA/(DTL) E = C*25.1680% (Being future tax rate)** |
| Property, plant & equipment | 1,737.61 | 2,136.09 | 398.48 | Deductible | 100.29 |
| Expenses u/s. 35D | - | 113.40 | 113.40 | Deductible | 28.54 |
| Expenses u/s. 43B | - | 41.76 | 41.76 | Deductible | 10.51 |
| **TOTAL** | **1,737.61** | **2,291.25** | **553.64** | | **139.34** |
| NET DTA/(DTL) AS ON 31/03/2021 | | | | | 139.34 |
| NET DTA/(DTL) AS ON 01/04/2020 | | | | | 134.14 |
| **DIFFERENCE - CHARGED TO P/L** | | | | | **5.20** |

### 29. Deferred Taxes (RB Industries)

| | CALCULATION OF TEMPORARY DIFFERENCES AND DEFERRED TAX - As at March, 2021 | | | | |
|---|---|---|---|---|---|
| **ITEMS** | **Carrying Amount - Asset/ (Liability) = (A)** | **Tax Base - Asset/ (Liability) = (B)** | **Temporary Difference C = (B-A)** | **(Taxable)/ Deductible (D)** | **DTA/(DTL) E = C*34.944% (Being future tax rate)** |
| Property, plant & equipment | 1,881.59 | 1,881.59 | - | Deductible | - |
| Expenses u/s. 35D | - | - | - | Deductible | - |
| Expenses u/s. 43B | - | 11.51 | 11.51 | Deductible | 4.02 |
| **TOTAL** | **1,881.59** | **1,893.10** | **11.51** | | **4.02** |
| NET DTA/(DTL) AS ON 31/03/2021 | | | | | 4.02 |
| NET DTA/(DTL) AS ON 01/04/2020 | | | | | 2.40 |
| **DIFFERENCE - CHARGED TO P/L** | | | | | **1.62** |

**For Pradeep K. Singhi & Associates**
Chartered Accountants
**FRN : 126027W**

Sd/-
**Pradeep Kumar Singhi**
(Partner)
**M. No. : 200/24612**
**Place : Surat**
**Date : 08/06/2021**
**UDIN: 21024612AAAACZ5179**

Sd/-
**Rajkumar M. Borana**
Managing Director
**(DIN : 01091166)**

Sd/-
**Amit A. Dalmia**
Whole time Director
**(DIN : 00034642)**

Sd/-
**Parkin Jariwala**
CFO

Sd/-
**Jyoti Agarwal**
Company Secretary

# ATTENDANCE SLIP

| Name of the Members |
|---|
| |

| Registered Address: |
|---|
| |
| |

| Folio No. | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| No. of Shares | | | | | | | | |

| *DP ID | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| * Client ID | | | | | | | | |

* Applicable to holders holding shares in demat/electronic form

I hereby record my attendance at the 11th Annual General Meeting of the Company held on Friday, the 17th day of September, 2021 at the registered office of the company situated at Block No. 467, Sachin Palsana Road, Palsana, Surat-394315 at 03:00 P.M.

_____

Shareholders Signature

**Note:**

1. Please fill this attendance slip and hand it over at the entrance of the Meeting Hall.
2. Members signature should be in accordance with the specimen signature in the Register of Members of the Company.
3. Members are requested to bring their copy of the Annual Report and this Attendance Slip at the Annual General Meeting of the Company.

**R & B DENIMS LIMITED**
CIN: L17120GJ2010PLC062949
Regd. Off: Block No. 467, Sachin Palsana Road, Palsana, Surat-394315
Website: www.rnbdenims.com, E mail: info@rnbdenims.com, Ph: +91-9601281648

# FORM MGT-11 PROXY FORM

***[Pursuant to section 105(6) if the Companies Act, 2013 and rule 19(3) if the Companies (Management and Administration Rules, 2014]***

| | |
|---|---|
| Name of the Member (s) | |
| Registered Address | |
| | |
| Folio No./*Client ID | |
| *DP ID | |

*Applicable for holders holding shares in demat/ electronic mode

I/We, being the member(s) of …….. Shares of the above named company, hereby appoint

1. Name:…… Address: ……
   E-mail ID: ……. Signature: …… Or failing him
2. Name:…… Address: ……
   E-mail ID: ……. Signature: …… Or failing him
3. Name:…… Address: ……
   E-mail ID: ……. Signature: ……

As my/our proxy to attend and vote (on a poll) for me/ us and my/our behalf at the 11th Annual General Meeting of the Company, to be held on Friday, the 17th day of September, 2021 at 03:00 p.m. at the registered office of the company situated at Block No. 467, Sachin Palsana Road, Palsana, Surat-394315 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr.No. | Ordinary Resolution | For | Against |
|---|---|---|---|
| 1 | Adoption of Annual Accounts, Auditor's & Director's Report. | | |
| 2 | Re-appointment of Mr. Deepak Dalmia (DIN: 00050547), Whole Time Director. Who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 3 | Appointment of Cost Auditor of the company | | |
| 4 | To approve Material Related Party Transactions | | |

Signed this_____ day of _____ 2021.

Affix Re. 1
Revenue Stamp

_____

Signature of Shareholder

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**R & B DENIMS LIMITED**
CIN: L17120GJ2010PLC062949
Regd. Off: Block No. 467, Sachin Palsana Road, Palsana, Surat-394315
Website: www.rnbdenims.com, E mail: info@rnbdenims.com, Ph: +91-9601281648

# BALLOT FORM

1. Name(s) of Member(s) : (Including joint holders, if any)

2. Registered address of the : Sole/first named Member

3. Registered folio No./ : DP ID No./Client ID No.* (*Applicable to investors holding Shares in dematerialized form)

4. Number of Shares held :

5. I/We hereby exercise my/our vote in respect of the Resolution to be passed through Ballot for the Business stated in the Notice and Explanatory Statement annexed thereto by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick (√) mark at the appropriate box below:

| Item No. | Item | Nature of Resolution | No. of shares | I/We Assent to the Resolution (For) | I/We dissent to the Resolution (AGAINST) | (ABSTAIN) |
|---|---|---|---|---|---|---|
| 1 | Adoption of Annual Accounts, Auditor's & Director's Report. | Ordinary | | | | |
| 2 | Re-appointment of Mr. Deepak Dalmia (DIN: 00050547), Whole Time Director. Who retires by rotation and being eligible, offers himself for re-appointment. | Ordinary | | | | |
| 3 | Appointment of Cost Auditor of the company. | Ordinary | | | | |
| 4 | To approve Material Related Party Transactions. | Ordinary | | | | |

Place:

Date:

ELECTRONIC VOTING PARTICULAR

| EVEN (E VOTING EVENT NUMBER) |
|---|
| 101456 |

.....

Member

E-Voting shall remain start on Tuesday, 14th Day of September, 2021 (9.00 a.m.) and will be open till Thursday, 16th day of September, 2021 till the close of working hours (i.e. 5.00 p.m.).

Note: Please read the instructions printed overleaf carefully before exercising your vote.

# NOTES:

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**THE MINISTRY OF CORPORATE AFFAIRS HAS TAKEN A "GREEN INITIATIVE IN THE CORPORATE GOVERNANCE" BY ALLOWING PAPERLESS COMPLIANCES BY THE COMPANIES AND HAS ISSUED CIRCULAR STATING THAT SERVICE OF NOTICE/DOCUMENTS INCLUDING ANNUAL REPORT CAN BE SENT BY E-MAIL TO ITS MEMBERS. TO SUPPORT THIS GREEN INITIATIVE OF THE GOVERNMENT, MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESS, SO FAR, ARE REQUESTED TO GET THEIR E-MAIL ADDRESSES, IN RESPECT OF ELECTRONIC HOLDING WITH DEPOSITORY THROUGH THEIR CONCERNED DEPOSITORY PARTICIPANTS. MEMBERS, WHO HOLD SHARES IN PHYSICAL FORM, ARE REQUESTED TO GET THEIR SHARES DEMATERIALIZED.**




**R & B DENIMS LIMITED**
Regd. Off: Block No. 467, Sachin Palsana Road,
Palsana, Surat-394315
**W** : www.rnbdenims.com
**E** : info@rnbdenims.com
**P** : +91-9601281648