February 14, 2023

To,
The Department of Corporate Service
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

BSE Code – 538119

Respected Sir/Madam,

Re: Revised Media Release

With reference to the cited subject, please find enclosed revised media release for explaining financial performance of our company and focus on exports.

Kindly take the above on your records and oblige.

Yours faithfully,

For, **R & B Denims Limited**

AMIT DALMIA
(Whole-time Director)
DIN: 00034642

MEDIA RELEASE

R & B Denims Ltd To Focus on Exports

BSE listed company, R & B Denims Ltd (BSE: 538119) was able to maintain Sales turnover of Rs. 185.98 Cr in the 9 months ended Dec' 22 against Rs. 187.49 Cr in the 9 months ended Dec'21. Sales for the quarter was at Rs. 42.41 Cr. One of the primary reason for decrease in company's topline in Q3FY23 was the replacement of some of the old machineries of company with the new machineries of advanced Technology to meet the latest trend in the Denim market. This replacement process had started since the month of March'22 & continued till Oct'22. New machineries which started commercial production from Nov'22, has now reached to optimum utilization level of 100%. These new machineries are having high width of 85 inches and having valuable demand in market as comparatively less wastage is generated, which is pretty cost efficient in Manufacturing of Garments. We are quite confident that with start of this commercial production, we will be able to post strong turnover from Q1FY24 onwards.

Secondly, the financial performance in Q3FY23 is in the backdrop of downfall of demand in Denim Market, fluctuation in cotton pricing & inflation. Also exports were impacted due to Ukraine Russia war as Europe being the major export market. With exports contributing almost 25-30 % of company's annual turnover, in Q3FY23 it stood almost Nil while if we see total exports from pan India at the same time, it was Severely affected.

It is quite noteworthy that in such a scenario where our topline was affected as against what was projected earlier for Q3FY23, we were able to maintain double digits margins with our operating margins stood at decent 12% in Q3FY23. Also, we were able to achieve PAT of Rs. 14.34 Cr at end of Dec'22 in such a tough situation. Although, we were able to sustain margins but now with this commencement of production from new machineries, we are expecting our turnover & margin to improve significantly as compared to previous quarters.

Also, with cotton prices started recovering after making lows in month of Oct-Nov'22, company has started receiving export enquiries from foreign clients. We are expecting that cotton prices have now bottomed out as supplies from Pakistan & China are lower & India being 2nd largest producer of cotton worldwide is in sweet spot to take benefit of this supply crunch. General trend in Denim Market in revenue terms in current quarter is far better than the last three quarters. Our manufacturing facility is fully booked till month of Mar'23.

Further Company has a vision to move into forward integration i.e. Garmenting Segment by creating its own brand name. At present Company is into Fabric Weaving, Dyeing & Processing along with the backward integration of cotton spinning. By entering into Garmenting segment, R&B will be a fully integrated company right from the stage of manufacturing denim from fibre to fabric with finally creating designer brands in the value segment for the young Indian generation. This will help Company in generating decent growth of at least 10% initially in Garmenting business.

In the latest development in Turkey, where a massive earthquake has hit the country, though we stood with the people of Turkey in this tough situation but we can see that a significant opportunity is emerging for India's readymade garment exporters to EU as Turkish textile industry is the world's 5th largest textile producer and exporter.

For further information, please contact:
Mr. Parkin Jariwala, CFO
R & B Denims Limited
Email: accounts@rnbdenims.com

R&B DENIMS LIMITED