

The logo for Rainbow Denim Ltd. features a stylized, blue, cursive letter 'R' on the left. To its right, the word 'RAINBOW' is written in a bold, black, serif font. A horizontal blue line extends from the bottom of the 'R' under the word 'RAINBOW'. Below this line, the words 'DENIM LTD.' are written in a bold, black, serif font.

**RAINBOW**  
**DENIM LTD.**

**Sixteenth Annual Report 2014-2015**



## **BOARD OF DIRECTORS**

### **CHAIRMAN & MANAGING DIRECTOR**

H. D. RAMSINGHANI

### **REGISTERED OFFICE & WORKS**

VILLAGE CHAUNDHERI,  
P O DAPPAR, TEHSIL DERABASSI,  
DIST MOHALI, PUNJAB 140506  
CIN: L18101PB1999PLC022452  
Email: rainbow@rainbowdenim.com  
Website : www.rainbowdenim.com  
Tel: 01762- 248810/11/12;  
Fax : 01762-248761/248809

### **DIRECTORS**

D. N. SINGH

S. S. ARORA

MAHENDRA LODHA

DEEPAK GUPTA – Nominee Director –IDBI Bank Ltd.  
(Upto 20/10/2014)

SONAM BODH - Nominee Director –IDBI Bank Ltd.  
(From 20/10/2014 to 25/11/2014)

R.G. KULKARNI - Additional Director

MRS. N.H. RAMSINGHANI - Additional Director

### **CORPORATE OFFICE**

51/52, FREE PRESS HOUSE,  
FREE PRESS JOURNAL MARG,  
NARIMAN POINT,  
MUMBAI 400021,  
Email : cs@rainbowdenim.com  
Tel.No. (91-22) 2283 3355 / 2283 4182  
Fax : (91-22) 2204 9946

### **COMPANY SECRETARY**

R.D. JOG

### **REGISTRARS & TRANSFER AGENT**

LINK INTIME INDIA PVT.LTD.  
C-13, PANNALAL SILK MILLS  
COMPOUND,  
L.B.S MARG, BHANDUP (WEST),  
MUMBAI 400 078  
TEL : 25946969 /25946970  
FAX : 25946969  
EMAIL: rnt.helpdesk@linktime.co.in  
Website : www.linkintime.com

### **AUDITORS**

DAYAL & LOHIA

CHARTERED ACCOUNTANTS

MUMBAI

### **BANKERS**

AB BANK LTD.

IDBI BANK LTD.

## NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of RAINBOW DENIM LIMITED will be held on Wednesday the 23rd day of September 2015, at 10.00 a. m. at the Registered Office of the Company at Village Chaundheri, P O Dappar, Tehsil Derabassi, District Mohali, Punjab 140506 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. S. Arora (DIN 00033825) who retires by rotation and being eligible, offers himself for reappointment.
3. To consider, and if thought fit, to pass with or without modification, the following Resolution, as an Ordinary Resolution :  
“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under including any statutory modification or re enactment thereof for the time being in force the retiring Statutory Auditors M/s Dayal and Lohia (Registration No 102200W), Chartered Accountants be and they are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors.”

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification, as an Ordinary Resolution the following :  
“RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re enactments thereof for the time being in force) M/S J Verma and Associates (Registration No. 100769) appointed by the Board of Directors as Cost Auditor for audit of cost records for the financial year 2015-16 be paid a remuneration of Rs 30,000/- plus applicable taxes and reimbursement of out of pocket expenses.”  
‘FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to the above resolution.”
5. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution :  
“RESOLVED THAT Mrs. N H Ramsinghani (DIN 01327609) be and she is hereby appointed as a Director of the Company whose office shall be liable to determination by retirement of Directors by rotation.”
6. To consider and if thought fit, to pass with or without modification(s) if any, the following as an Ordinary Resolution :  
“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Clause 49 of the Listing Agreement, Mr. R. G. Kulkarni (DIN 03028670) in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company who shall not be liable to retire by rotation and shall hold office for five consecutive years for a term up to the conclusion of the 21<sup>st</sup> Annual General Meeting of the Company in the calendar year 2020.”

7. To consider and if thought fit, to pass, with or without modification, as a Special Resolution the following :
- “RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment thereto or enactment thereof for the time being in force) and subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents and sanctions, the consent of the Members be and it is hereby accorded for the reappointment of Mr. H D Ramsinghani as the Managing Director of the Company for a further period of Three Years from June 01, 2015 on the terms and conditions as set out in the draft agreement between the Company and Mr. H D Ramsinghani placed before the meeting and for the purpose of identification initialed by the Chairman hereof.”
- “FURTHER RESOLVED THAT the Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft with such alterations, changes and/or variations as may be agreed between the Directors and Mr. H. D. Ramsinghani.”
- “FURTHER RESOLVED THAT the Board of Directors be and it is hereby authorised to take such steps as may be necessary to give effect to the above Resolutions.”

#### NOTES

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
- 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.**
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday the 16th day of September, 2015 to Wednesday the 23rd day of September, 2015 (both days inclusive).
3. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public Holidays from 11.00 am to 1.00 pm up to the date of the meeting.
4. Members desirous of seeking any information concerning the Accounts are requested to address their queries, in writing, to the Company at the Corporate Office at least seven days before the date of the Meeting so that the requested information can be made available at the time of the meeting.
5. Members/Proxies should bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
6. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a ‘Green Initiative in Corporate Governance’ and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Link Intime India Private Limited.
7. The Company is pleased to provide e-voting facility through Central Depository Services (India) Limited (CDSL) to enable all the Members to cast their votes electronically on the resolutions mentioned in the Notice dated August 4, 2015 for the 16<sup>th</sup> Annual General Meeting of the Company.

**e-Voting instructions**

The instructions for members for voting electronically are as under ;

(I) The voting period begins on 19/09/2015 at 9.00 am and ends on 22/09/2015 at 5.00 pm. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 16, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(II) Procedure :

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (i) Click on Shareholders.
- (ii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iii) Next enter the Image Verification as displayed and Click on Login.
- (iv) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (v) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders), Members who have not updated their PAN are requested to use sequence number printed on the address sticker.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Note for Non – Individual Shareholders and Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (III) The Company has appointed Mr Ajay K Arora, Practicing Company Secretary (Membership Number FCS 2191) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (IV) The results shall be declared after the Annual General Meeting. The results along with the Scrutinizer’s report shall be placed on the website of the Company and also communicated to the stock Exchange.
- (V) In case you have any queries or issues regarding e-voting, you may refer the “Frequently Asked Questions” (FAQs) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board  
**For RAINBOW DENIM LTD.**

Place : Mumbai  
Dated : August 4, 2015

**R. D JOG**  
**COMPANY SECRETARY**

Regd Office : Village Chaundheri  
PO Dappar, Tehsil Derabassi,  
District Mohali Punjab 140506  
Tel : 91-1762-248810  
Fax : 91-1762-248809  
CIN : L18101PB1999PLC022452  
Email: [rainbow@rainbowdenim.com](mailto:rainbow@rainbowdenim.com)  
Website: [www.rainbowdenim.com](http://www.rainbowdenim.com)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE SPECIAL BUSINESS SPECIFIED IN THE NOTICE CONVENING THE SIXTEENTH ANNUAL GENERAL MEETING OF THE COMPANY.**

**ITEM NO 4**

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/S J Verma and Associates (Registration No. 100769) as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key managerial Personnel of the Company / their relatives are, in any way, concerned or interested financially or otherwise, in this resolution.

**ITEM NO 5**

Mrs. N. H. Ramsinghani (DIN 01327609) was appointed as an Additional Director by the Board of Directors on March 31, 2015 pursuant to the Memorandum and Articles of Association of the Company and provisions of Section 161 and other applicable provisions of the Companies Act, 2013. Mrs. N. H. Ramsinghani will hold office of Additional Director up to the date of the forthcoming Annual General Meeting. The Company has received a Notice from a Member along with deposit of the requisite amount pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying the intention to propose the name of Mrs. N. H. Ramsinghani as a Director of the Company. Mrs. N. H. Ramsinghani has filed with the Company her consent to act as a Director.

Mrs. N. H. Ramsinghani may be deemed to be concerned or interested in the Resolution as it relates to her own appointment. Mr. H. D. Ramsinghani may also be deemed to be concerned or interested in the Resolution being related to Mrs. N. H. Ramsinghani.

None of the other Directors / Key managerial Personnel of the Company / their relatives are, in any way, concerned or interested financially or otherwise, in this resolution.

**ITEM NO 6**

Mr R. G. Kulkarni was appointed as an Additional Director by the Board of Directors on May 29, 2015 and holds office as a Director up to the date of the forthcoming Annual General Meeting.

It is proposed to appoint Mr R. G. Kulkarni as an Independent Director not liable to retire by rotation for a term of five years. The Company has received a notice in writing from a member along with deposit of the requisite amount under the provisions of Section 160 of the Act, proposing the candidature of Mr. R. G. Kulkarni for the office of Director.

Mr. R. G. Kulkarni is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. R. G. Kulkarni fulfils the conditions specified in Section 152 of the Act and rules made there under for his appointment as Independent Director of the Company.

The Company has also received declaration from Mr R. G. Kulkarni that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The draft letter of appointment of Mr. R. G. Kulkarni as an Independent Director setting out terms and conditions is open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General meeting or any adjournment thereof Mr R. G. Kulkarni does not hold by himself or for any other person on a beneficial basis, any shares in the Company.



Except Mr. R. G. Kulkarni being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

**ITEM NO 7**

Resolution under Item No. 7 of the Notice relates to the reappointment of Mr. H. D. Ramsinghani as the Managing Director of the Company for a further period of three years from June 01, 2015. The reappointment as aforesaid has been approved by the Board of Directors and the Remuneration Committee at their meetings held on May 29, 2015.

The terms of reappointment including remuneration are as follows :

Effective Date of Reappointment : June 01, 2015  
Period of Reappointment : Three years from June 01, 2015

**REMUNERATION:**

Mr. H. D. Ramsinghani shall not be entitled to any remuneration as the Managing Director of the Company. He shall, however, be entitled to reimbursement of all expenses incurred for the business of the Company.

**Other Terms**

- a) The appointee shall not be entitled to sitting fees for attending the meetings of the Board and/or committees thereof.
- b) The appointee shall not as long as he continues to be the Managing Director of the Company become interested or otherwise concerned directly or indirectly in any selling agency without the approval of the Central Government.

The draft agreement between the Company and Mr. H. D. Ramsinghani is open for inspection of the Members at the Registered Office on all working days between 10.00 a.m and 1.00 p.m.

Mr. H. D. Ramsinghani may be deemed to be concerned or interested in the Resolution as it relates to his own appointment and Mrs. N. H. Ramsinghani may be deemed to be concerned or interested in the Resolution being related to Mr. H. D. Ramsinghani. None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

By Order of the Board  
**For RAINBOW DENIM LTD.**

Place : Mumbai  
Dated : August 4, 2015  
Regd Office : Village Chaundheri  
PO Dappar, Tehsil Derabassi,  
District Mohali, Punjab 140506  
Tel : 91-1762-248810  
Fax : 91-1762-248809  
CIN : L18101PB1999PLC022452  
Email:rainbow@rainbowdenim.com  
Website:www.rainbowdenim.com

**R. D JOG**  
**COMPANY SECRETARY**

**INFORMATION PURSUANT TO CLAUSE 49 (VIII) OF THE LISTING AGREEMENT**

As required under the Listing Agreement the particulars of Directors who are proposed to be appointed/reappointed at the forthcoming Annual General Meeting are as follows ;

**Appointment**

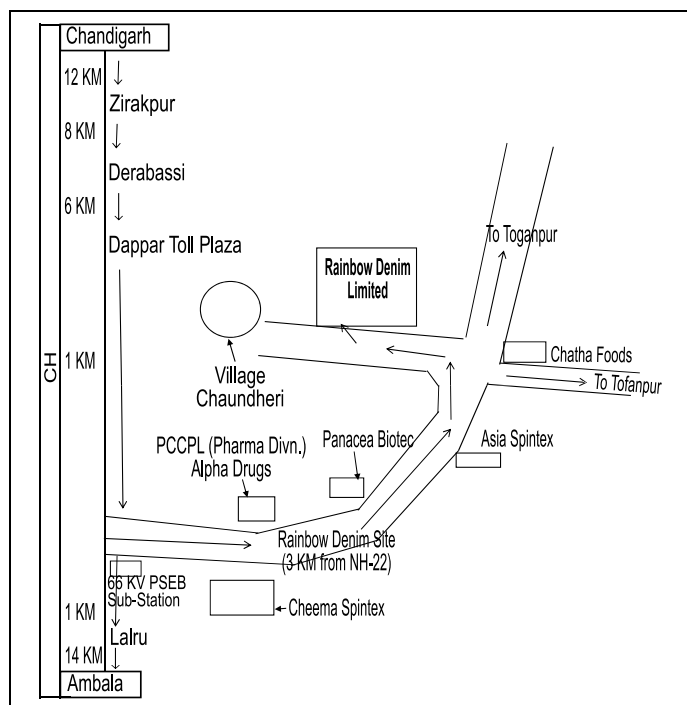
1. Mrs. N. H. Ramsinghani has over thirty years of rich and varied experience in the field of Business Administration and international trade. Mrs. N. H. Ramsinghani does not hold any Shares of the Company. Mrs. N. H. Ramsinghani is a Director of Jupiter Corporate Services Pvt Ltd, Rama Petrochemicals Limited and Rama Phosphates Limited. She is neither a Chairman nor a member of any Committees of the Board of any Company.
2. Mr. R. G. Kulkarni is B Tech, DBM and has done a Middle Management Course from IIM (Ahmedabad). He has more than 32 years of rich and varied experience in the oil seeds processing and poultry feed business. He is a Whole Time Director of Rainbow Agri Industries Ltd. and also a Director of Rama Petrochemicals Limited, Integrated Port Services India Ltd., Rama Capital and Fiscal services Pvt. Ltd. and Replica Investments and Estates Ltd. He does not hold any shares in the Company. He is a member of the Audit Committee and Stakeholders Relationship Committees of Rama Petrochemicals Limited.

**Reappointment**

Mr. S. S. Arora retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. S. S. Arora is a Commerce Graduate and has over 31 years of rich and varied experience in the field of Textiles, Fertilizers and Petrochemicals. Mr. S.S. Arora has been a Director of the Company since March 2001 and holds 65349 Equity Shares of the Company.

**The route map of the venue of the AGM is given herein below.**



## DIRECTOR'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2015.

### FINANCIAL RESULTS

	YEAR ENDED <b>31.03.2015</b>	YEAR ENDED 31.03.2014
Profit/(Loss) before Depreciation	<b>(840.17)</b>	(1922.23)
Depreciation	<b>1112.06</b>	915.33
Profit/(Loss) after Depreciation	<b>(1952.23)</b>	(2837.56)
Profit/(Loss) before Tax	<b>(1952.23)</b>	(2837.56)
Tax expenses	<b>Nil</b>	Nil
Net Profit/(Loss) for the year	<b>(1952.23)</b>	(2837.56)

(Rs. in lacs)

### DIVIDEND

In view of the loss, your Directors regret their inability to recommend any Dividend for the year under review.

### REVIEW OF OPERATIONS

The total production of Denim fabric during the year under review was 11.55 million meters as compared to 9.48 million meters during the previous year. The Company has achieved a sales turnover of Rs. 16726.54 lacs during the year under review as compared to a turnover of Rs. 11859.96 lacs during the previous year. The Company is a sick company as defined under Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and the Draft Rehabilitation Scheme is under implementation. The segment wise details as required by Accounting Standard – 17 are given in the notes forming part of the Accounts.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Denim capacity was around 600 million meters about five years ago which has increased to more than 1000 million meters. In the past two years, the Indian Denim industry has seen an increase in capacity of about 200-250 million meters due to capacity addition by existing players as well as entry of new players in the field.

### FUTURE PROSPECTS

The Denim industry has been growing at a steady pace but over capacity is a serious threat due to entry of several medium/large players and the increasing competition from the un organized sector. Fluctuation in the prices of Cotton and other key raw materials are some of the challenges being faced by the denim Industry. The Company is making efforts at value addition to improve its performance.

### CORPORATE GOVERNANCE

A Report on Corporate Governance along with the Auditor's Certificate regarding Compliance of the conditions of Corporate Governance pursuant to clause 49 of the Listing Agreement are annexed hereto.

The Directors refer to the observations of the Auditor and wish to state that as on the date of this Report, the Composition of the Board of Directors, is in compliance of clause 49 (II)(A)(2) of the Listing Agreement and Company is taking steps to appoint a Chief Financial Officer.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. Appropriate policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and the loss of the Company for the year ended March 31, 2015;

3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis; and
5. Internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively;
6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

#### **AUDIT COMMITTEE**

In accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee which presently comprises of the following Directors viz. Mr. Mahendra Lodha – Chairman, Mr. Deonath Singh, Mr. H. D. Ramsinghani and Mr. R. G. Kulkarni. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board. There were no instances when the recommendations of the Audit Committee were not accepted by the Board during the year under review.

#### **OTHER COMMITTEES**

The Company has constituted the Stakeholders Relationship Committee which presently consists of Mr. D. N. Singh (Chairman), Mr. H. D. Ramsinghani and Mr. S. S. Arora.

The Company has also constituted the Risk Management Committee which presently consists of Mr. D. N. Singh (Chairman), Mr. H. D. Ramsinghani, Mr. Mahendra Lodha and Mr. R. G. Kulkarni. The Board has formulated a Risk Management Policy covering various risks associated with the business of the Company.

The Company has also constituted the Nomination and Remuneration Committee which presently consists of Mr. Mahendra Lodha (Chairman), Mr. D. N. Singh, Mr. S. S. Arora and Mr. R. G. Kulkarni.

The Company has not constituted a Corporate Social Responsibility Committee as the Company does not fulfill the prescribed criteria.

#### **DISCLOSURES**

Information as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to the Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo is annexed hereto as Annexure A and forms a part of this Report.

No remuneration was paid to the Managing Director during the year under review and no remuneration was paid to non executive Directors other than sitting fees for attending meetings of the Board or committees thereof. There were no employees drawing remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the year under review or part thereof. The Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as Annexure B and forms a part of the Report.

Details of loans, guarantees and investments, if any, are given under the Notes to Financial Statements.

All transactions entered in to with Related Parties during the year under review were at an arms length at prevailing market rates and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. There were no material related party transactions with the Promoters, Directors or the Key Managerial Personnel or their relatives during the year under review.

There were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

The Company has formulated a Whistle Blower Policy under which all personnel have access to the Audit Committee to report genuine concerns or grievances relating to the business activities of the Company in general.

The Business Responsibility Reporting as required by Clause 55 of the Listing Agreement is not applicable to the Company as on March 31, 2015.

The Company has an adequate system of internal controls that ensures that all assets are protected against loss from unauthorized use or disposition and all transactions are recorded and reported in conformity with generally accepted accounting principles.

There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013 during the year under review.

### **DIRECTORS**

During the year under review, four Board Meetings were held on May 28, 2014, July 31, 2014, November 11, 2014 and February 11, 2015.

Mr. S. S. Arora retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

The Board of Directors of the Company have appointed Mrs. N. H. Ramsinghani as an Additional Director. In accordance with the provisions of sections 161 of the Companies Act, 2013. Mrs. Ramsinghani will hold office of the Director up to the date of the forthcoming Annual General Meeting. The Company has received a Notice from a Member pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying the intention to propose the name of Mrs. N. H. Ramsinghani as a Director of the Company.

The Board of Directors of the Company have appointed Mr. R. G. Kulkarni as an Additional Director. In accordance with the provisions of sections 161 of the Companies Act, 2013, Mr. R. G. Kulkarni will hold office of the Director up to the date of the forthcoming Annual General Meeting. The Company has received a Notice from a Member pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying the intention to propose the name of Mr. R. G. Kulkarni as a Director of the Company. In accordance with the provisions of sections 149 and 152 of the Companies Act, 2013 and the rules made there under, it is proposed to appoint Mr. R. G. Kulkarni as non executive Independent Director for a period of five years from the date of the forthcoming Annual General Meeting.

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

The Board of Directors have framed a policy in relation to remuneration of directors, Key Managerial Personnel and senior Management and it lays down criteria for selection and appointment of Board Members.

The performance evaluation of the Chairman and the non executive Directors was carried out by the Independent Directors of the Company in their meeting held on February 11, 2015.

### **STATUTORY AUDITORS REPORT**

There is no qualification in the Statutory Auditors Report for the year under review.

### **AUDITORS**

M/s. Dayal & Lohia, Chartered Accountants, (Membership No 102200W) the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a certificate from them certifying that their appointment, if made, would be in compliance with all the applicable provisions of the Companies Act, 2013.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made there under, the Company has appointed Ajay A arora & Co to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed hereto as Annexure C and forms a part of this Report. The Directors refer to the observations of the Secretarial Auditor and wish to state on the date of this Report that the composition of the Board of Directors is in Compliance of Clause 49(II)(A)(2) of the Listing Agreement and the Company is taking steps to appoint a Chief Financial Officer.

### **COST AUDIT**

The Company has appointed M/s. J. Verma & Associates, qualified Cost Auditors for conducting the Audit of cost records for the financial year 2015-16. The Company has received a Certificate from Cost Auditors certifying their independence and arm's length relationship with the Company.

The Cost Audit Compliance Report for the financial year ended 31<sup>st</sup> March, 2014 was filed on September 20, 2014 with Ministry of Corporate Affairs, New Delhi. The Cost Audit Report for the financial year ended 31<sup>st</sup> March, 2015 will be filed within the stipulated time.

### **EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in Form MGT 9 pursuant to the provisions of Section 92 of the Companies Act, 2013 is annexed hereto as Annexure D and forms a part of this Report.

### **FIXED DEPOSITS**

The Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

### **SAFETY, ENVIRONMENTAL CONTROL & PROTECTION**

The Company has taken all the necessary steps for Safety and Environmental Control and Protection at its plant at Lalru.

### **INDUSTRIAL RELATIONS**

The Industrial Relations remained cordial during the year under review.

### **ACKNOWLEDGEMENT**

Your Directors sincerely record their appreciation with gratitude for the continued support and assistance extended to the Company by the Financial Institutions, Banks and various Government Departments and Agencies.

### **CAUTIONARY STATEMENT**

Statements in this Report describing the Company's objectives, projections, estimates, expectations or predictions are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include domestic and global prices of Methanol/Naphtha, changes in Government regulations, future availability of gas, litigation and industrial relations. The Company assumes no responsibility to amend, modify or revise any of the statements on the basis of subsequent developments, information or events.

For and on behalf of the Board

Place : Mumbai  
Date : August 4, 2015

**H. D. RAMSINGHANI**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00035416**

**ANNEXURE A TO DIRECTOR'S REPORT**

**PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND ADAPTATION AND FOREIGN EXCHANGE EARNING AND OUTGO**

**A) CONSERVATION OF ENERGY :**

**a) Energy conservation measures taken :**

The conservation of energy resources is an ongoing process at the Plant and the Company is constantly striving to improve the production process so as to reduce energy consumption. Some of the energy conservation measures taken are :

1. Replacement of Halogens on Lighting poles with New LED/small tube, which reduces the Energy consumption.
2. Replacement of old conventional tube light with new electronic blast, which reduces the unit consumption.
3. Replaced aluminum fans with energy efficient FRP fans in Humidification Plants.
4. Roof Extractors are installed in production hall where processing machines are working.
5. The Conversion of heating system from electricity to steam of Yarn conditioning machine is carried out.
6. Energy efficient pump is installed at cooling tower for same flow to save energy.

**b) Additional investment proposals, if any, being implemented for reduction of consumption of energy :**

1. Humidification plant need changes with high forced pump with less power consumption.
2. Need to plan the supply and return fans to be run with VFD.
3. Over all power factor of plant is increased up to 0.98 to save energy.
4. Air end of IR compressor has to be changed to save electricity.

**c) Impact of measures at (a) and (b) above for reduction of Energy Consumption and consequent impact on the cost of production of goods :**

As a result of the continuous efforts, the Company has been able to achieve substantial saving in energy costs.

**d) Particulars with respect to conservation of energy :**

**A. POWER AND FUEL CONSUMPTION :**

**1. ELECTRICITY :**

	2014-15	2013-14
<b>a. Purchased (PSEB) :</b>		
Units (in thousand)	23247	19220
Total cost (Rs. in Lacs)	1642.49	1380.99
Rate per Unit (Rs.)	7.07	7.19

**b. Own Generation :**

**Through Diesel Generation :**

Units (in thousand)	11	11
Units per Litre of Diesel	3.08	3.16
Cost per Unit (Rs.)	17.53	16.01

**Through Steam Turbine/Generator :**

Units (in thousand)	Nil	Nil
Units per Litre of Fuel, Oil, Gas	Nil	Nil
Cost per unit	NA	NA

<b>2. FURNACE OIL :</b>		
Quantity (in Kltrs)	Nil	Nil
Total Amount (Rs in Lacs)	Nil	Nil
Average Rate	Nil	Nil
<b>3. OTHER INTERNAL GENERATION</b>	<b>Nil</b>	<b>Nil</b>
<b>B. CONSUMPTION PER UNIT OF PRODUCTION :</b>		
Production of Denim Fabric (in Lacs Mtrs.)	<b>115.52</b>	94.84
Electricity (kwh per Meter)	<b>2.03</b>	1.76
Furnace Oil	<b>Nil</b>	Nil
Coal	<b>Nil</b>	Nil

**B) PARTICULARS WITH RESPECT TO ABSORPTION, ADAPTATION AND INNOVATION:**

**I. RESEARCH AND DEVELOPMENT (R & D) :**

**a) Specific areas in which R & D is carried out by the Company :**

The Specific areas in which R & D activities are carried out by the Company are relating to improvement in quality of the existing products and development of new products to meet market demands.

**b) Benefits derived as a result of R & D :**

As a result of the R & D activities, the Company has been able to develop several new products to meet the ever changing demands of the domestic and international markets.

**c) Future Plan of Action :**

The Company lays a great emphasis on R & D activities and proposes to carry out R & D work in various areas so as to achieve cost reduction and increased productivity.

**d) Expenditure on R & D :**

Expenditure on R & D has been shown under the respective heads of expenditure in the Statement of Profit and Loss as no separate Account is maintained.

**II. TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION :**

**A) Efforts in brief made towards technology absorption, adaptation and innovation :**

Plant and Machinery of latest technology have been installed and the Company is making continuous efforts to carry out innovation wherever possible.

**B) Benefits derived as a result of above efforts :**

As a result of the above efforts the Company has been able to achieve cost reduction and production levels have improved.

**C) Information of Imported Technology :**

Not Applicable

<b>C) FOREIGN EXCHANGE EARNINGS AND OUTGO :</b>	<b>(Rs. in Lacs)</b>
Foreign Exchange used	576.76
Foreign Exchange earned	351.16

For and on behalf of the Board

Place: Mumbai  
Date: August 4, 2015

**H. D. RAMSINGHANI**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00035416**



## Annual Report 2014-2015

### ANNEXURE 'B' TO DIRECTOR'S REPORT

#### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Not applicable as no remuneration was paid to Directors other than sitting fees for attending meetings of the Board or Committees thereof.
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Not applicable as no remuneration was paid to Directors, Chief Financial Officer, Chief Executive Officer, or Manager, if any, in the financial year. The percentage increase in the remuneration of the Company Secretary was 5.43%
(iii)	The percentage increase in the median remuneration of employees in the financial year.	The percentage increase in the median remuneration of other employees in the financial year was 9.88%.
(iv)	The number of permanent employees on the rolls of company;	558
(v)	The explanation on the relationship between average increase in remuneration and company performance ;	The percentage increase in the median remuneration of other employees in the financial year was 9.88% as compared to an increase of 41% in the turnover.
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration of the KMP was less than 0.10% of the turnover of Company.
(vii)	a) Variations in the market capitalization of the company, b) price earnings ratio as at the closing date of the current financial year and previous financial year and c) percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	The market cap on March 31 ,2015 was Rs 352.02 lakh as compared to a market capitalization of Rs 282.94 lakh as on March 31,2014 Not applicable in view of loss. Not applicable as the Shares were allotted on demerger of the Denim Division of Rama Petrochemicals Limited without any consideration.
(viii)	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year was in line with the increase in the Managerial remuneration.
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The KMP was paid a remuneration of 16.11 lakh as compared to a total turnover of Rs 16726.54 lakh
(x)	The key parameters for any variable component of remuneration availed by the directors.	Not Applicable
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year ;	Not Applicable
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

**ANNEXURE C TO DIRECTOR'S REPORT**

**Form No. MR-3**

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

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Rainbow Denim Limited  
Village: Chaundheri  
P.O. Dappar, Tehsil: Derabassi  
Dist. : Mohali, Punjab

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RAINBOW DENIM LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the RAINBOW DENIM LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by RAINBOW DENIM LIMITED ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable as the company has not issued any securities during the financial year under review.
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable as the company has not granted any options to its employees during the financial year under review.
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the company has not issued any debt securities during the financial year under review.
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.

- (vi) The major provisions and requirements have also been generally complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, Equal Remuneration Act, 1976, The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air(Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India- Not notified hence not applicable for the audit period.
- b) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited;  
During the period under review the Company has generally complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

- 1. The Board of Directors of the Company, except for the fourth quarter ended on March 31, 2015, 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.
- 2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
- 3. All decision is carried through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- 4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers and taken on record by the board of directors in their meeting(s), I am of an opinion that:

- 1. 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.
- 2. On examination of the relevant documents and records, on test check basis, the company has complied with the following laws specifically applicable to the company:
  - a) The Indian Electricity Act, 2003 and Indian Electricity Rules, 2005.
  - b) The Boilers Act, 1923
  - c) The Explosives Act, 1884 and Explosives Rules, 2008
  - d) The Perform Achieve Trade Scheme.

I further report that:

- 1. ***For the quarter ended on March 31, 2015 the composition of the Board of Directors was not in compliance of Clause 49(II)(A)(2) that requires 50% of the board to be Independent Directors.***
- 2. ***The Company has not appointed the Chief Financial Officer during the Audit period under review as required under Section 2013 of Companies Act, 2013.***

I further report that during the audit period:

- 1. The company passed a special resolution under Section 180(1)(c) of Companies Act, 2013 to authorise the directors to exercise borrowing powers upto a limit of Rs. 300.00 Crores over and above the aggregate of the paid-up share capital and free reserves of the company.

2. The company passed a Special Resolution under Section 180(1)(a) of Companies Act, 2013 to authorise the directors to create a charge or mortgage on the property of the company.
3. The company passed a Special Resolution under Section 14(1) of Companies Act, 2013 amending its Articles of Association in compliance with the provisions of Companies Act, 2013.

Apart from the business stated above, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Chandigarh  
Date : August 4, 2015

For A. ARORA & COMPANY

AJAY K. ARORA  
(Proprietor)  
FCS No. 2191  
C P No.: 993

This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

**“Annexure-A”**

To,  
The Members,  
Rainbow Denim Limited  
Village: Chaundheri  
P.O. Dappar, Tehsil: Derabassi  
Dist.: Mohali, Punjab

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chandigarh  
Date : August 4, 2015

For A. ARORA & COMPANY

AJAY K. ARORA  
(Proprietor)  
FCS No. 2191  
C P No.: 993

## Annual Report 2014-2015

### ANNEXURE D TO DIRECTOR'S REPORT FORM MGT – 9

#### EXTRACT OF ANNUAL RETURN AS ON MARCH 31,2015

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L18101PB1999PLC022452
ii)	Registration Date [DDMMYY]	8/04/1999
iii)	Name of the Company	Rainbow Denim Limited
iv)	Category/ Sub Category of the Company	Public Company limited by shares
v)	Address of Registered office and contact details	Village Chaundheri, PO Dappar, Tehsil Derabassi, District Mohali, Punjab 140506 Tel: 1762 – 248810, Fax: 1762 - 248761
vi)	Whether shares listed on recognized Stock Exchange(s)	Yes
vii)	Name, Address and contact details of Registrar & Transfer Agent, if any	Link Intime India Private Limited C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup West, Mumbai 400078 Tel: 022-25963838, Fax: 022 - 25946969

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Denim Fabric	13121	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
N A	N A	N A	N A

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
a) Individual/ HUF	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
b) Central Govt	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
c) State Govt(s)	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
d) Bodies Corp.	6886622	Nil	6886622	51.84	6888336	Nil	6888336	51.86	0.02
e) Banks / FI	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
f) Any other (Directors & Relatives)	8	Nil	8	0	8	Nil	8	0	Nil
<b>Sub-total (A)(1):-</b>	<b>6886630</b>	<b>Nil</b>	<b>6886630</b>	<b>51.84</b>	<b>6888344</b>	<b>Nil</b>	<b>6888344</b>	<b>51.86</b>	<b>0.02</b>

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI-Individuals	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
b) Other-Individuals	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
c) Bodies Corp.	2517435	Nil	2517435	18.95	2517435	Nil	2517435	18.95	Nil
d) Banks/FI	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
e) Any Other (Directors & relatives)	8014	Nil	8014	0.06	8014	Nil	8014	0.06	Nil
<b>Sub-total (A) (2):-</b>	<b>2525449</b>	<b>Nil</b>	<b>2525449</b>	<b>19.01</b>	<b>2525449</b>	<b>Nil</b>	<b>2525449</b>	<b>19.01</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>9412079</b>	<b>Nil</b>	<b>9412079</b>	<b>70.85</b>	<b>9413793</b>	<b>Nil</b>	<b>9413793</b>	<b>70.87</b>	<b>0.02</b>
<b>B. Public Shareholding</b>									
1. Institutions	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
a) Mutual Funds	280	Nil	280	0	280	Nil	280	0	Nil
b) Banks / FI	982475	1800	984275	7.41	622360	1800	624160	4.70	(2.71)
c) Central Govt	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
d) State Govt(s)	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
e) Venture Capital Funds	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
f) Insurance Companies	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
g) FIIs	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
h) Foreign Venture Capital Funds	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
i) Others (specify)	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
<b>Sub-total (B)(1):-</b>	<b>982755</b>	<b>1800</b>	<b>984555</b>	<b>7.41</b>	<b>622640</b>	<b>1800</b>	<b>624440</b>	<b>4.70</b>	<b>(2.71)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	206765	14960	221725	1.67	370293	13366	383659	2.89	1.22
i) Indian	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
ii) Overseas	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
b) Individuals	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1086386	642354	1728740	13.01	1101030	636430	1737460	13.08	0.07
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	903976	Nil	903976	6.81	1091982	Nil	1091982	8.22	1.41
c) Others (specify)	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
Non Resident Indians	12767	9760	22527	0.17	12807	9760	22567	0.17	Nil
Overseas Corporate Bodies	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A

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Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
Clearing Members	10021	Nil	10021	0.08	9722	Nil	9722	0.07	(0.01)
Trusts	120	Nil	120	0	120	Nil	120	0	Nil
Foreign Bodies- D R	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
<b>Sub-total (B)(2):-</b>	<b>2220035</b>	<b>667074</b>	<b>2887109</b>	<b>21.74</b>	<b>2585954</b>	<b>659556</b>	<b>3245510</b>	<b>24.43</b>	<b>2.69</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3202790</b>	<b>668874</b>	<b>3871664</b>	<b>29.15</b>	<b>3208594</b>	<b>661356</b>	<b>3869950</b>	<b>29.13</b>	<b>(0.02)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	N A	Nil	Nil	Nil	N A	N A
<b>Grand Total (A+B+C)</b>	<b>12614869</b>	<b>668874</b>	<b>13283743</b>	<b>100</b>	<b>12622387</b>	<b>661356</b>	<b>13283743</b>	<b>100</b>	<b>Nil</b>

ii) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Blue Lagoon Investments Pvt Ltd	282068	2.12	1.30	283808	2.14	1.30	0.02
2	H D Ramsinghani	8	0	0	8	0	0	Nil
3	Indo Us Investments Inc	2517435	18.95	11.36	2517435	18.95	11.36	Nil
4	Jupiter Corporate Services Pvt Ltd	88858	0.67	0	88858	0.67	0	Nil
5	Libra Mercantile Pvt Ltd	231576	1.74	1.74	231550	1.74	1.74	(26) shares
6	Lajwanti D Ramsinghani	4364	0.03	0.03	8014	0.06	0.03	0.03
7	N H Ramsinghani	3650	0.03	0	Nil	Nil	Nil	(0.03)
8	Rama Capital & Fiscal Services Pvt Ltd	40	0	0	40	0	0	Nil
9	Rainbow Agri Inds Ltd	6000000	45.17	0	6000000	45.17	0	Nil
10	Rama Phosphates Ltd	40	0	0	40	0	0	Nil
11	Trishul Mercantile Pvt Ltd	284040	2.14	2.14	284040	2.14	2.14	Nil
	<b>Total</b>	<b>9412079</b>	<b>70.85</b>	<b>16.57</b>	<b>9413793</b>	<b>70.87</b>	<b>16.57</b>	<b>0.02</b>

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

S N		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	9412079	70.85	9413793	70.87
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1740 shares purchased on 20.11.2014 26 shares sold on 30.08.2014			
	At the end of the year	9413793	70.87	9413793	70.87

iv) **Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding		Date of trans- -action	Increase/ Decrease in share- -holding	Reason	Cumulative shareholding during the year (01/04/2014 to 31/03/2015)						
		No. of shares at the beginning (01/04/2014)/ end of the year 31/03/2015	% of total shares of the Company				No. of shares	% of total shares of the company					
1	Bank of India	6,20,000	4.67			No Change	6,20,000	4.67					
		6,20,000	4.67										
2	IDBI Bank Ltd	3,60,115	2.71	4/04/2014	Decrease	Sell	3,54,695	2.67					
				11/04/2014	Decrease	Sell	3,50,295	2.64					
				25/04/2014	Decrease	Sell	3,35,295	2.52					
				2/05/2014	Decrease	Sell	3,30,295	2.49					
				9/05/2014	Decrease	Sell	2,49,210	1.88					
				16/05/2014	Decrease	Sell	2,46,514	1.86					
				23/05/2014	Decrease	Sell	2,21,514	1.67					
				6/06/2014	Decrease	Sell	1,00,000	0.75					
		0	0	13/06/2014	Decrease	Sell	0	0					
3	Samta Goenka	1,70,000	1.28	23/01/2015	Decrease	Sell	62,000	0.47					
		62,000	0.47										
4	Madhavi Arora	1,50,679	1.13			No Change	1,48,402	1.13					
		1,50,679	1.13										
5	Hemendra Chunilal Parikh	1,26,000	0.95			No Change	1,26,000	0.95					
		1,26,000	0.95										
6	Namita Malhotra	67,520	0.51			No Change	67,520	0.51					
		67,520	0.51										
7	Sangeetha S	61,500	0.46			No Change	61,500	0.46					
		61,500	0.46										
8	Globe Capital Market Ltd	53,619	0.40	30/01/2015	Decrease	Sell	43,619	0.33					
		43,619	0.33										
9	S Sathya	47,116	0.35			No Change	47,116	0.35					
		47,116	0.35										
10	Gagan Kumar Khemka	44,328	0.33			No Change	44,328	0.00					
		44,328	0.33										
11	G R G Cosmetics	0	0	23/01/2015	Increase	Purchase	1,08,000	0.81					
		1,08,000	0.81										
12	Manilal Hirji Shah HUF	0	0	25/04/2014	Increase	Purchase	7,400	0.06					
		59,579	0.45										
									2/05/2014	Increase	Purchase	22,579	0.17
									9/05/2014	Increase	Purchase	59,579	0.45
13	Swastika Investmart Ltd	2490	0.02	13/06/2014	Increase	Purchase	52,490	0.40					
				15/08/2014	Increase	Purchase	57,490	0.43					
				9/01/2015	Increase	Purchase	58,190	0.44					
				23/01/2015	Decrease	Sell	53,230	0.40					
				30/01/2015	Decrease	Sell	51,700	0.40					



**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding					Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-2014)/ end of the year (31-03-2015)	% of total shares of the company	Date	Increase/ Decrease in share-holding	Reason	No. of shares	% of total shares of the company
1.	Deonath Singh – Whole Time Director	1324	0.01	N A	N A	N A	1324	0.01
		1324	0.01					
2.	Nilanjana H. Ramsinhani Director	3650	0.03		(30135)	Gift	Nil	N A
		Nil	N A	9/09/2014				
3.	H. D. Ramsinghani Chairman	8	0	N A	N A	N A	8	0.00
		8	0					
4.	S. S. Arora Director	65349	0.49	N A	N A	N A	65349	0.49
		65349	0.49					
5.	R. D. Jog Company Secretary	820	0.01	N A	N A	N A	820	0.01
		820	0.01					

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01.04.2014</b>				
i) Principal Amount	141,59,36,773/-	1,56,00,000/-	Nil	143,15,36,773/-
ii) Interest due but not paid	10,26,96,198/-	Nil	Nil	10,26,96,198/-
iii) Interest accrued but not due	16,81,062/-	Nil	Nil	16,81,062/-
<b>Total (i+ii+iii)</b>	<b>152,03,14,033/-</b>	<b>1,56,00,000/-</b>	<b>Nil</b>	<b>153,59,14,033/-</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	9,99,92,522/-	3,50,00,000/-	Nil	13,49,92,522/-
* Reduction	2,31,70,913/-	1,56,00,000/-	Nil	3,87,70,913/-
<b>Net Change</b>	<b>7,68,21,609/-</b>	<b>1,94,00,000/-</b>	<b>Nil</b>	<b>9,62,21,609/-</b>
<b>Indebtedness at the end of the financial year (31.03.2015)</b>			Nil	
i) Principal Amount	147,60,02,931/-	3,50,00,000/-	Nil	151,10,02,931/-
ii) Interest due but not paid	11,94,42,794/-	Nil	Nil	11,94,42,794/-
iii) Interest accrued but not due	9,90,877/-	6,99,040/-	Nil	16,89,917/-
<b>Total (i+ii+iii)</b>	<b>159,64,36,602/-</b>	<b>3,56,99,040/-</b>	<b>Nil</b>	<b>163,21,35,642/-</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		MD		
		Mr H D Ramsinghani		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil		Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil		Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil		Nil
2	Stock Option	Nil		Nil
3	Sweat Equity	Nil		Nil
4	Commission - as % of profit - others, specify...	Nil		Nil
5	Others, please specify	Nil		Nil
	Total (A)	Nil		Nil
	Ceiling as per the Act	N A		N A

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		D. N. Singh	Mahendra Lodha	S. S. Arora	N. H. Ramsinghani	
1	Independent Directors					
	Fee for attending board/committee meetings	18,000/-	14,000/-	Nil	Nil	32,000/-
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	18,000/-	14,000/-	Nil	Nil	32,000/-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	Nil	Nil	4,000/-	Nil	4,000/-
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	4,000/-	Nil	4,000/-
	Total Managerial Remuneration	18,000/-	14,000/-	4,000/-		36,000/-
	<b>Total (B)=(1+2)</b>					

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### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary		Nil	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,29,050/-	Nil	15,29,050/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	82,033/-	Nil	82,033/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	16,11,083/-	Nil	Nil

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**REPORT ON CORPORATE GOVERNANCE**

**1. Company's Philosophy on Corporate Governance**

As required by the Listing Agreement with Bombay Stock Exchange Limited, the Company has implemented the Code of Corporate Governance and it is committed to the philosophy of good Corporate Governance in letter and in spirit.

**2. Board of Directors**

- a. As on the date of this Report, the Board consists of six Directors (One Executive Director and five Non executive Directors out of whom one is a Woman Director and three are Independent Directors).
- b. The attendance at Board Meetings and last Annual General Meeting of each of the Directors during the year was as under :

Name of Director	Category Executive, Non-executive/ Independent	Attendance at		Membership of other Board (excluding alternate Directorships and Private Companies)	Membership/ Chairmanship of other Board Committees		Share-holding (No. of Shares)
		Board Meetings	Last Annual General Meeting		Chairman	Member	
Mr. H. D. Ramsinghani Chairman & Managing Director	Promoter Executive	Four	Yes	Five	Four	One	8
Mr. S. S. Arora Director	Non Executive	Two	Yes	Nil	Nil	One	65349
Mr. Deonath Singh Director	Non Executive Independent	Four	No	Three	Three	Four	1324
Mr. Mahendra Lodha Director	Non Executive Independent	Three	Yes	Seventeen	Four	Three	Nil
Mr. Deepak Gupta Nominee Director of IDBI Bank Ltd. (Up to 20/10/2014)	Non Executive	Two	No	Two	Nil	Two	Nil
Mr. Sonam Both Nominee Director of IDBI Bank Ltd. (From 20/10/2014 Up to 25/11/2014)	Non Executive	Nil	NA	Two	Nil	Two	Nil
Mrs. N. H. Ramsinghani W e f 31.03.2015	Promoter Non Executive	Nil	N A	Three	Nil	Nil	Nil
Mr R. G. Kulkarni W e f 29.05.2015	Non Executive Independent	N A	N A	Three	Nil	Two	Nil

Except for Mr H D Ramsinghani and Mrs. N. H. Ramsinghani, none of the other Directors are related to each other.

- c. During the year four Board Meetings were held on the following dates :  
 May 28, 2014, July 31, 2014, November 11, 2014 and February 11, 2015.
- d. During the year one meeting of the Independent Directors was held on February 11, 2015.

### **3. Code of Conduct**

The Company has formulated a Code of Conduct for the members of the Board of Directors and Senior Management personnel of the company. The declaration by the Chairman regarding compliance by the members of the Board and the Senior Management personnel with the said code of conduct is annexed hereto.

As required under the Listing Agreement and the various provisions of the Companies Act, 2013, the Company has also formulated the Risk Management Policy, Whistle Blower Policy, Policy on Related Party Transactions, Nomination and Remuneration Policy and the Code of practices and procedures for fair disclosure of unpublished price sensitive information and the code of conduct to regulate, monitor and report trading by employees and other connected persons.

### **4. Committees of the Board**

#### **a) Audit Committee**

Role of the Audit Committee and its terms of reference include reviewing the financial statements, overseeing the Company's Annual Report process and discussions with Auditors.

The Committee presently comprises of Mr. Mahendra Lodha – Chairman, Mr. Deonath Singh, Mr H. D. Ramsinghani and Mr. R. G. Kulkarni.

During the year four meetings of the Audit Committee were held on May 28, 2014, July 31, 2014, November 11, 2014 and February 11, 2015. The attendance at Audit committee meetings of each of the Directors is as under :

<b>Name of the Director</b>	<b>Attendance at Audit Committee meetings</b>
Mr. Mahendra Lodha	Three
Mr. Deonath Singh	Four
Mr. H. D. Ramsinghani	One
Mr. Deepak Gupta Up to 20/10/2014	One
Mr Sonam Bodh From 20/10/2014 Up to 25/11/2014	Nil
Mr. R. G. Kulkarni	N A

#### **b) Share Transfer Committee**

The Board has delegated the power of share transfers to a Committee of Directors comprising of Mr. H. D. Ramsinghani (Chairman), Mr. S. S. Arora and Mr. Deonath Singh as also to the Registrars and Transfer Agents of the Company who attend to the Share Transfer formalities, transmission of shares, issue of duplicate certificates and issue of certificates on split/ consolidation/ renewal etc. at least once in a fortnight. The transfers etc. approved by the Registrars and Transfer Agents and the Share Transfer Committee are also noted at every meeting of the Board of Directors. The Board has designated Mr. R. D. Jog – Company Secretary as the Compliance Officer.

Barring certain cases pending in Courts relating to disputes over the title of shares in which the Company has been made a party, no investor complaint is pending for a period exceeding fifteen days.

**c) Nomination and Remuneration Committee**

The Nomination & Remuneration Committee determines the managerial remuneration and other employment conditions of the Managing/ Whole Time Directors and Senior Management personnel (one level below the Board) and makes recommendations to the Board of Directors.

The Committee presently comprises of Mr. Mahendra Lodha – Chairman, Mr. Deonath Singh, Mr. S. S. Arora and R G Kulkarni.

**d) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee specifically looks into the redressing of Shareholders and Investors complaints relating to Share transfers, non-receipt of Balance Sheet etc. In terms of Clause 47 of the Listing Agreement the Company has appointed Mr R. D. Jog – Company Secretary as the Compliance Officer and the investors are requested to register their complaints, if any, on the exclusive email ID: rdjog@ramagroup.co.in

The committee presently comprises of Mr. Deonath Singh (Chairman), Mr. H. D. Ramsinghani and Mr. S. S. Arora.

A summary of complaints received and resolved by the Company during the year is given below:

	<b>Received</b>	<b>Resolved</b>
Non - Receipt of Share Certificates	3	3
Non - Receipt of Dividend Warrants	5	5
Non - Receipt of Bonus Cert	1	1
Miscellaneous	Nil	Nil
Letters from Stock Exchanges, SEBI and Ministry of Corporate Affairs	1	1

**5. Remuneration of Directors**

**(a) Managing Director**

No remuneration was paid to the Managing Director during the year under review.

**(b) Non-Executive Directors:**

The Non-Executive Directors are not paid any remuneration except fees for attending meetings of the Board or committees thereof.

Details of Sitting Fees paid to the Non-Executive Directors for attending meetings of the Board and Committees thereof during the year are as follows:

<b><u>Name of the Director</u></b>	<b><u>Sitting Fees (Rs.)</u></b>
Mr. S. S. Arora	4,000/-
Mr. Mahendra Lodha	14,000/-
Mr. Deonath Singh	18,000/-
Mr. Deepak Gupta * (upto 20/10/2014)	8,000/-
Mr Sonam Bodh	NIL
Mrs. N H Ramsinghani	NIL
<b>TOTAL</b>	<b>44,000/-</b>

\* Sitting fees paid to IDBI Bank Ltd. for the meetings attended by its Nominee Director Mr. Deepak Gupta.

**6. General Body Meetings**

Financial Year	Date	Time	Location
2011-2012	29/09/2012	10.00 A.M	Village Chaundheri, P.O Dappar, Dist. Mohali, Punjab 140506
2012-2013	13/09/2013	10.00 A.M	Village Chaundheri, P.O Dappar, Dist. Mohali, Punjab 140506
2013-2014	19/09/2014	10.00 A.M	Village Chaundheri, P.O Dappar, Dist. Mohali, Punjab 140506

**7. Postal Ballot/Special Resolutions**

No Resolutions were required to be approved through Postal Ballot at the last Annual General Meeting or during the year under review nor is any resolution proposed for passing through Postal Ballot at the ensuing Annual General Meeting.

Special Resolutions passed in the previous Three Annual General Meetings.

Date	Particulars
29.09.2012	Reappointment of Mr. H. D. Ramsinghani as the Managing Director of the Company.
	Appointment of Mr. S. S. Arora as Advisor – Raw Material Purchase of the Company.
13.09.2013	No Special Resolutions were passed.
19.09.2014	Resolution pursuant to the provisions of Section 180(1)(c) Resolution pursuant to the provisions of Section 180(1)(a) Resolution pursuant to the provisions of Section 14

**8. Disclosures**

- a) The Company is in compliance with all mandatory requirements of Clause 49 of the Listing Agreement as on the date of this Report
- b) All transactions entered in to with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arms length basis.
- c) There were no transactions of material nature with the Directors or the Key Managerial Personnel or their relatives during the financial year which could have potential conflict with the interests of the Company at large. Transactions with related parties as per requirements of Accounting Standard – 18 are disclosed elsewhere in the Annual Report. None of these transactions have potential conflict with interest of the Company at large.
- d) No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to the capital markets during the last three years.
- e) The Company has formulated a Whistle Blower Policy under which all personnel have access to the Audit Committee and no personnel has been denied access to the audit Committee during the year under review.
- f) In the preparation of the financial statements, the Company has followed Accounting Standards referred to in Section 133 of the Companies Act,2013. The significant Accounting policies which are consistently applied are set out in the Notes to the financial statements.
- g) Adoption of non mandatory requirements of Clause 49 of the Listing Agreement is reviewed by the Board from time to time.

**9. Means of communication**

The Company has not made any presentation to the institutional investors or analysts.

The unaudited quarterly results are announced within forty five days from the close of the quarter and the Audited results are announced within sixty days from the close of the financial year. The financial results are immediately sent to the Stock Exchanges and published in an English language newspaper and a local language newspaper and also uploaded on the website of the Company.

**10. General Shareholder Information:**

Financial Year	: 31st March, 2015
Annual General Meeting	: September 23, 2015 at 10.00 a.m. At Village Chaundheri, P O Dappar, Tehsil Derabassi, Dist Mohali, Punjab 140 506.
Dates of Book Closure	: September 16, 2015 to September 23, 2015 (both days inclusive)
Dividend payment date	: Not Applicable
Listing on Stock Exchange	: Bombay Stock Exchange Ltd.
Stock Code	: 532441 (BSE)
International Securities	: INE820D01025
Identification Number allotted By NSDL	

The Company has paid listing fees to the Bombay Stock Exchange for the period up to March 31, 2016.

**11. Market Price Data (High/Low in Rs. during each month) :**

<b>Month</b>	<b>High</b>	<b>Low</b>
April 2014	2.21	1.82
May 2014	2.48	1.73
June 2014	4.20	1.93
July 2014	4.10	3.09
August 2014	3.84	3.07
September 2014	4.70	3.32
October 2014	4.07	3.42
November 2014	5.48	3.73
December 2014	4.62	3.54
January 2015	6.05	4.39
February 2015	5.57	3.75
March 2015	3.90	2.65

As the equity shares are not frequently traded on the Bombay Stock Exchange, the stock performance viz a viz the Index has not been given.



## 12. Registrars & Transfer Agent

Link Intime India Private Limited  
 C - 13, Pannalal Silk Mills Compound,  
 L. B. S. Marg, Bhandup (West)  
 Mumbai 400078.  
 Tel : 25963838; Fax : 25946969  
 Email : rmt.helpdesk@linkintime.co.in

## 13. Share Transfer System

The Share Transfers which are received in the Physical Form are processed well within prescribed statutory period from time to time, subject to the documents being valid and complete. The Transfers etc. approved by the Share Transfer Committee are also noted at every meeting of the Board of Directors.

## 14. Distribution of Equity Shareholding as of March 31, 2015:

Number of Equity Share Holdings	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 500	14522	96.84	1081519	8.14
501 – 1000	221	1.47	165118	1.24
1001 – 2000	105	0.70	155157	1.17
2001 – 3000	30	0.20	73387	0.55
3001 – 4000	25	0.17	88588	0.67
4001 – 5000	27	0.18	131007	0.99
5001 – 10000	23	0.15	161092	1.21
10001 & above	44	0.29	11427875	86.03
<b>Total</b>	<b>14997</b>	<b>100</b>	<b>13283743</b>	<b>100</b>

## 15. Shareholders' Profile as on March 31, 2015:

Category of Shareholders	No. of Shares held	% to Total Capital
Promoters	94,13,793	70.87
Directors	66,673	0.50
<b>Non Promoter Shareholding</b>		
Foreign Collaborators	NIL	NIL
Banks	6,23,920	4.70
Financial Institutions	240	0.00
Foreign Institutional Investors	NIL	NIL
Mutual Funds	280	0.00
Domestic Companies	3,93,381	2.96
Non-Domestic Companies	NIL	NIL
Non-Resident Indians	22,567	0.17
General Public	27,62,889	20.80
<b>Total</b>	<b>13283743</b>	<b>100.00</b>

**16. Dematerialization of shares as on March 31, 2015:**

95.02% of the Company's total share capital representing 1,26,22,387 Equity shares are held in dematerialized form.

**17. Plant Location :**

Village Chaundheri, P.O. Dappar,  
Chandigarh Ambala National Highway,  
Tehsil Derabassi, Dist. Mohali, Punjab 140506

**18. Address for Correspondence :**

Shareholders should address all correspondence to the Corporate office of the Company at 51/52, Free Press House, Nariman Point, Mumbai 400 021 or to the Registrar and Transfer Agent – Link Intime India Private Limited at C – 13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078.

**19. Other matters :**

Since the Financial results are published in leading news papers as well as displayed on Company's website, half yearly financial results including summary of significant events in the past six months are presently not being sent to the Shareholders.

There is no formal policy at present for training of the Board members as all the Board members are eminent and experienced professionals.

**20. Appointment / Reappointment of Directors:**

Mr. S S Arora is proposed to be reappointed at the forthcoming Annual General Meeting and Mrs N. H. Ramsinghani and Mr R G Kulkarni are proposed to be appointed as Directors at the forthcoming Annual General Meeting. The relevant information about the said Directors is given in the Notice convening the Annual General Meeting.

For and on behalf of the Board

**H. D. RAMSINGHANI**

**CHAIRMAN & MANAGING DIRECTOR**

**DIN: 00035416**

Place : Mumbai

Dated : August 4, 2015

**DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT**

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement.

The Company has, in respect of the financial year ended March 31, 2015, received from the members of the Board of Directors and the Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Place : Mumbai  
Dated : August 4, 2015

**H. D. RAMSINGHANI**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00035416**

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**CERTIFICATE**

To the Members of  
**RAINBOW DENIM LIMITED**

We have examined the compliance of conditions of corporate governance by **RAINBOW DENIM LIMITED**, for the year ended on 31<sup>st</sup> March 2015, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations received from the Directors and the management we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement *except that:*

*(i) Clause 49(II)(A)(2) which requires 50% of the directors on the board to be independent directors, has not been complied with only on 31<sup>st</sup> March 2015, the company having appointed a non independent woman director on that date. The said condition of 50% independent Directors has since been complied with.*

*(ii) in the absence of the Chief Financial Officer (CFO), the financial statements submitted to the Board are signed by the Managing Director only.*

Based on the representation received from the Company's Share Transfer Agents, we state that complaint letters received from shareholders during the period 01/04/2014 to 31/03/2015 have been attended.

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

Yours faithfully,  
For **Dayal and Lohia**  
Chartered Accountants  
(Firm Registration No.102200W)

Place: Mumbai.  
Date : August 4, 2015

**(S.V. Thomas)**  
Partner  
Membership No.125944

**INDEPENDENT AUDITOR'S REPORT**

To,

**The Members of Rainbow Denim Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Rainbow Denim Ltd which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provision of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statement.

**Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Statement of Profit & Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of matter**

We draw attention to Note 33 of the accompanying financial statements in respect of Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of section 143 (11) of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in the said order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. To our best of information and according to the explanations given to us:
    - i) The Company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses.
    - ii) The Company did not have any pending litigations which would have impact its financial position in its financial statements.
    - iii) There were no amounts which were required to be transferred to Investor Education & Protection Fund by the Company.

**For Dayal and Lohia**  
Chartered Accountants  
(Firm Registration No.102200W)

**(S.V. Thomas)**  
Partner  
Membership No.125944

Place : Mumbai.  
Date : 29<sup>th</sup> May, 2015

**ANNEXURE TO THE INDEPENDENT AUDITORS REPORT**

The annexure referred to our Report of even date to the members of **Rainbow Denim Ltd** on the financial statements for the year ended 31<sup>st</sup> March 2015. We report that:

1. In respect of its Fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets on the basis of available information;
  - b) Management has certified that they have carried out physical verification of fixed assets and no material discrepancy was noticed on such verification.
2. In respect of its inventories:
  - a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records in so far as it appears from our examination of the books.
3. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly sub clause (a) and (b) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. According to the information and explanation given to us, the company has not accepted any deposits u/s 73 to 76 or any other relevant provisions of the Companies Act, 2013 during the year.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of the Company's Products to which the said rules are made applicable, and are of the opinion that prima facie, the prescribed accounts have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate.
7.
  - a) According to the records of the Company, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, value added tax, Cess and any other statutory dues with appropriate authorities outstanding as on 31st March, 2015, for a period of more than six months from the date they became payable.
  - b) According to the records of the Company and information and explanations given to us there are no dues of sales tax, income tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess on account of any disputes.
  - c) There was no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. During the year company has incurred cash loss of Rs. 84,016,930/- and in the immediately preceding financial year it has incurred cash loss of Rs. 192,223,318/-.

9. *On the basis of our examination of the books and according to the information and explanation given to us, we are of the opinion that the company has defaulted in repayment of dues including interest & LC devolvement, amounting to Rs. 24,47,86,116/- (P.Y. Rs.22,39,29,953/-), to financial institutions and banks as below :*

Name of lender	Principal		Interest	
	Amount	Due Since	Amount	Due Since
IDBI Bank Limited	7,59,62,178	October, 2012	7,83,22,234	January, 2013
Dena Bank	2,10,20,472	April, 2013	2,98,56,741	February, 2013
Dena Bank - Devolved LCs	3,96,24,491	January, 2013		
<b>Total</b>	<b>13,66,07,141</b>		<b>10,81,78,975</b>	

10. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
11. In our opinion and on the basis of information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company for the purpose for which the loans were obtained.
12. According to the information and explanations given to us, and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

For **Dayal and Lohia**  
Chartered Accountants  
(Firm Registration No.102200W)

**(S.V. Thomas)**  
Partner  
Membership No.125944

Place : Mumbai.  
Date : 29<sup>th</sup> May, 2015

**BALANCE SHEET AS AT MARCH 31, 2015**

Particulars	Note No.	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>EQUITY AND LIABILITIES :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	2	132,837,430	132,837,430
Reserves and Surplus	3	<b>(1,166,823,472)</b>	<b>(542,448,545)</b>
		<b>(1,033,986,042)</b>	<b>(409,611,115)</b>
<b>Non-current Liabilities :</b>			
Long Term Borrowings	4	1,102,076,086	881,865,459
Other Long Term Liabilities	5	401,355	485,219
		<b>1,102,477,441</b>	<b>882,350,678</b>
<b>Current Liabilities :</b>			
Short Term Borrowings	6	224,411,577	341,853,266
Trade Payables	7	297,123,758	204,248,890
Other Current Liabilities	8	336,346,485	341,845,635
Short Term Provisions	9	1,410,413	1,972,446
		<b>859,292,233</b>	<b>889,920,237</b>
<b>TOTAL</b>		<b>927,783,632</b>	<b>1,362,659,800</b>
<b>ASSETS :</b>			
<b>Non-current Assets :</b>			
<b>Fixed Assets :</b>			
	10		
Tangible Assets		385,709,503	925,238,482
Intangible Assets		21,932	88,473
Capital Work-in-Progress		-	-
		<b>385,731,435</b>	<b>925,326,955</b>
<b>Non-current Investments</b>	11	437,554	437,554
<b>Long-term Loans and Advances</b>	12	23,628,584	23,648,741
<b>Other Non-current Assets</b>	13	1,744,455	1,146,335
<b>Current Assets :</b>			
Inventories	14	170,594,145	159,675,401
Trade Receivables	15	309,552,602	225,893,681
Cash and Cash Equivalents	16	6,662,341	14,871,082
Short Term Loans and Advances	17	29,432,516	11,660,051
		<b>516,241,604</b>	<b>412,100,215</b>
<b>TOTAL</b>		<b>927,783,632</b>	<b>1,362,659,800</b>
<b>Significant Accounting Policies</b>	1		

The accompanying notes 1 to 36 are an integral part of the Financial Statements.

As per our attached report of even date,  
for Dayal and Lohia,  
Chartered Accountants  
Firm Registration Number : 102200W

For and on behalf of the Board of Directors,

(S. V. Thomas)  
Partner  
Membership Number : 125944

R. D. Jog  
Company Secretary

D. N. Singh  
Director  
DIN - 00021741

H. D. Ramsinghani  
Chairman &  
Managing Director  
DIN - 00035416

PLACE : Mumbai  
DATE : May 29, 2015

PLACE : Mumbai  
DATE : May 29, 2015



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	Note No.	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>REVENUE :</b>			
<b>Revenue from Operations :</b>			
Sale of Products	18	1,672,654,017	1,185,996,150
Less : Excise Duty		-	-
<b>Net Sale of Products</b>		<b>1,672,654,017</b>	<b>1,185,996,150</b>
Other Operating Revenues	19	13,424,421	18,700,018
<b>Net Revenue from Operations</b>		<b>1,686,078,438</b>	<b>1,204,696,168</b>
Other Income	20	6,029,127	3,576,696
<b>TOTAL REVENUE</b>		<b>1,692,107,565</b>	<b>1,208,272,864</b>
<b>EXPENSES :</b>			
Cost of Material Consumed	21	1,011,161,811	737,982,294
Changes in Inventories of Finished Goods and Work-in-progress - Decrease / (Increase)	22	9,583,703	73,734,986
Employee Benefits Expense	23	131,550,727	125,654,121
Finance Costs	24	106,404,959	97,929,913
Depreciation	10 & 3	111,205,730	91,532,633
Other Expenses	25	517,423,295	365,194,868
<b>TOTAL EXPENSES</b>		<b>1,887,330,225</b>	<b>1,492,028,815</b>
<b>Profit / (Loss) Before Tax</b>		<b>(195,222,660)</b>	<b>(283,755,951)</b>
Tax Expense		-	-
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>(195,222,660)</b>	<b>(283,755,951)</b>
<b>Earning per Equity Share of Face Value of Rs. 10.00 each</b>	26		
<b>Before Extraordinary items :</b>			
- Basic		(14.70)	(21.36)
- Diluted		(14.70)	(21.36)
<b>After Extraordinary items :</b>			
- Basic		(14.70)	(21.36)
- Diluted		(14.70)	(21.36)
<b>Significant Accounting Policies</b>	1		

The accompanying notes 1 to 36 are an integral part of the Financial Statements.

As per our attached report of even date,  
for Dayal and Lohia,  
Chartered Accountants  
Firm Registration Number : 102200W

For and on behalf of the Board of Directors,

(S. V. Thomas)  
Partner  
Membership Number : 125944  
PLACE : Mumbai  
DATE : May 29, 2015

R. D. Jog  
Company Secretary  
PLACE : Mumbai  
DATE : May 29, 2015

D. N. Singh  
Director  
DIN - 00021741

H. D. Ramsinghani  
Chairman & Managing Director  
DIN - 00035416

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit / (Loss) Before Tax		(195,222,660)		(283,755,951)
<b>Adjustments for :</b>				
Depreciation	111,205,730		91,532,633	
Interest Accrued	106,404,959		97,929,913	
Interest Income	(4,568,959)		(2,653,532)	
Dividend Income	(6,327)		(6,327)	
Wealth Tax	4,020		3,970	
Loss/(Gain) on Foreign Exchange Fluctuations	(874,460)		3,881,958	
		<u>212,164,963</u>		<u>190,688,615</u>
<b>Operating Profit Before Working Capital Changes</b>		<b>16,942,303</b>		<b>(93,067,336)</b>
<b>Adjustments for :</b>				
(Increase) / Decrease in Inventories	(10,918,744)		72,309,376	
(Increase) / Decrease in Trade and Other Receivables	(100,536,769)		37,634,463	
Increase / (Decrease) in Trade and Other Payables	93,273,130		(14,060,968)	
		<u>(18,182,383)</u>		<u>95,882,871</u>
<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES</b>		<b>(1,240,080)</b>		<b>2,815,535</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets (Including Capital Advances)		(762,477)		(1,192,987)
Interest Income		4,568,959		2,653,532
(Increase) / Decrease in Non Current Assets		(598,120)		24,358,209
Dividend Income		6,327		6,327
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>3,214,689</b>		<b>25,825,081</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Increase / (Decrease) in Share Capital		-		60,000,000
Increase / (Decrease) in Share Application Money		-		(60,000,000)
Increase / (Decrease) in Long Term Borrowings (Net)		220,210,627		(32,296,771)
Increase / (Decrease) in Short Term Borrowings (Net)		(117,441,689)		(20,982,144)
Increase / (Decrease) in Current Maturities of Long Term Debts (Net)		(23,302,780)		47,835,542
Interest Paid		(89,649,508)		(22,027,598)
<b>NET CASH FROM / (USED IN) FINANCING ACTIVITIES</b>		<b>(10,183,350)</b>		<b>(27,470,971)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>		<b>(8,208,741)</b>		<b>1,169,645</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>		<b>14,871,082</b>		<b>13,701,437</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>		<b>6,662,341</b>		<b>14,871,082</b>

Note :

- All figures in bracket are outflow.
- The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in the Accounting Standard (AS) 3 on 'Cash Flow Statement' notified by Companies (Accounting Standards) Rules, 2006.

As per our attached report of even date,  
for Dayal and Lohia,  
Chartered Accountants  
Firm Registration Number : 102200W

For and on behalf of the Board of Directors,

(S. V. Thomas)  
Partner  
Membership Number : 125944

R. D. Jog  
Company Secretary

D. N. Singh  
Director  
DIN - 00021741

H. D. Ramsinghani  
Chairman & Managing Director  
DIN - 00035416

PLACE : Mumbai  
DATE : May 29, 2015

PLACE : Mumbai  
DATE : May 29, 2015

## Notes to Financial Statements for the year ended March 31, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES :

#### A. General :

Accounts are maintained on accrual basis and on the basis of historical cost convention and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

#### B. Revenue Recognition :

- a. The company follows practice of accounting for all Income and Expenditure on accrual basis.
- b. Export incentives have been recognized in the year of export.
- c. Claims and damages are accounted for to the extent they are reasonably certain and determinable.

#### C. Fixed Assets :

- a. Fixed Assets are stated at cost of acquisition, inclusive of freight, duties, taxes and incidental expenses related to acquisition. Cenvat Credit availed on capital goods and Interest Subsidy under TUF Scheme pertaining to pre-operative period has been credited to respective Capital Reserve Accounts. Depreciation attributable to these reserves has been adjusted there from.
- b. Pre-operative Expenditure comprising of revenue expenditure incurred in connection with project implementation during the period upto commencement of commercial production are treated as part of project cost and are capitalized.
- c. Adjustments arising from foreign exchange variation, attributable to Fixed Assets, are capitalized.

#### D. Depreciation :

Depreciation is provided on the Straight Line Method in the manner prescribed in Schedule II to the Companies Act, 2013 as applicable to the continuous process plant. Depreciation on additions/deletions is provided on pro-rata basis with the reference to the date of addition/deletion as the case may be.

#### E. Excise and Custom Duty :

- a. Excise duty, if applicable, is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.
- b. Liability on account of customs duty on imported materials is accounted in the year in which the goods are cleared from the customs.

#### F. Foreign Exchange Transactions :

- a. Foreign currency transactions which are not covered by forward contracts are accounted for at the exchange rates prevailing on the date of such transactions.
- b. Balances in the form of Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year are converted into Indian currency at appropriate rate of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.
- c. Exchange difference in the carrying amount of the Fixed Assets due to change in the rate of exchange of Fixed Assets linked liability denominated in foreign exchange has been adjusted to the book value of the relevant asset.

#### G. Investments :

Long Term Investments are stated at cost after deducting provision, if any, made for permanent diminution in the value of investment.

#### H. Employee Benefits :

##### a. Short Term Employee Benefits :

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, short term compensated absences etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

##### b. Post Employment Benefits :

Defined Benefit Plans : The Employee Gratuity Fund Scheme and Government Provident Fund Scheme are funded defined benefit schemes. Employee Gratuity Fund Scheme is covered by Group Insurance Scheme of Life Insurance Corporation of India and Provident Fund Scheme is provided on accrual basis.

**c. Long Term Employee Benefits :**

The obligation for long term employee benefit such as long term compensated absence is funded benefit which is covered by Group Insurance Scheme of Life Insurance Corporation of India.

**I. Valuation of Inventories :**

- a. Work-in-progress are valued at the lower of cost or net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.
- b. Finished Goods are valued at the lower of cost or net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.
- c. Raw Materials and other inventories of Colours, Dyes, Chemicals, Stores, Spares and Packing Materials etc. are valued at the lower of cost or net realizable value. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. The cost of Raw Materials is computed on specific identification basis and other inventories of Colours, Dyes, Chemicals, Stores, Spares and Packing Materials etc. is computed on FIFO basis.
- d. Stock of Waste and Scrap is valued at estimated net realizable value.

**J. Borrowing Cost :**

Borrowing cost that is attributable to the acquisition or construction of the qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of the time to get ready for intended use. All other borrowing costs are charged to revenue.

**K. Provision for current and deferred tax :**

- a. Provision for the current tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.
- b. Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets are reviewed at each Balance Sheet date and is written-down or written up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realized.

**L. Impairment of Assets :**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**M. Provisions and Contingent Liabilities :**

The company creates a provision when there is a present obligation as a result of past events that probably requires an outflow of resources and reliable estimates can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may require an outflow of resources. Contingent assets are neither recognized nor disclosed.

## Notes to Financial Statements for the year ended March 31, 2015

### 2. SHARE CAPITAL :

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Rupees	Number of Shares	Rupees
<b>AUTHORISED :</b>				
Equity Shares of Rs. 10.00 each	<u>27,000,000</u>	<u>270,000,000</u>	<u>27,000,000</u>	<u>270,000,000</u>
	<u>27,000,000</u>	<u>270,000,000</u>	<u>27,000,000</u>	<u>270,000,000</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP :</b>				
Equity Shares of Rs. 10.00 each fully paid-up	<u>13,283,743</u>	<u>132,837,430</u>	<u>13,283,743</u>	<u>132,837,430</u>
<b>TOTAL</b>	<u>13,283,743</u>	<u>132,837,430</u>	<u>13,283,743</u>	<u>132,837,430</u>

#### 2.1 Details of Shareholders holding more than 5% Shares :

	Number of Shares	% of holding	Number of Shares	% of holding
a. Rainbow Agri Industries Limited	6,000,000	45.17	6,000,000	45.17
b. Indo-US Investments INC.	2,517,435	18.95	2,517,435	18.95

#### 2.2 Reconciliation of number of shares outstanding is set out below :

Equity Shares outstanding at the beginning of the year		13,283,743	7,283,743
Add : Shares issued during the year		-	6,000,000
Less : Shares cancelled during the year		-	-
Equity Shares outstanding at the end of the year		13,283,743	13,283,743

### 3. RESERVES AND SURPLUS :

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Capital Reserve :</b>		
Balance as per last financial statements	115,257,780	119,329,672
Adjustment for Depreciation [Refer Note 31]	<u>(24,071,156)</u>	<u>(4,071,892)</u>
Balance at the end of the year	91,186,624	115,257,780
<b>Share Premium Account :</b>		
Balance as per last financial statements	49,364,092	49,364,092
<b>Interest Subsidy :</b>		
Balance as per last financial statements	4,491,341	5,162,960
Adjustment for Depreciation [Refer Note 31]	<u>(3,855,338)</u>	<u>(671,619)</u>
Balance at the end of the year	636,003	4,491,341
<b>Surplus / (Deficit) in Statement of Profit and Loss :</b>		
Balance as per last financial statements	(711,561,758)	(427,805,807)
Adjustment for Depreciation [Refer Note 31]	<u>(401,225,773)</u>	<u>-</u>
Net Profit/(Net Loss) for the year	<u>(195,222,660)</u>	<u>(283,755,951)</u>
Balance at the end of the year	<u>(1,308,010,191)</u>	<u>(711,561,758)</u>
<b>TOTAL RESERVES AND SURPLUS</b>	<u>(1,166,823,472)</u>	<u>(542,448,545)</u>

**Notes to Financial Statements for the year ended March 31, 2015**

**4. LONG TERM BORROWINGS :**

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Secured :</b>		
Term Loans from Financial Institutions and Banks	523,288,622	779,871,215
Other Loans	578,787,464	101,677,940
Against Hire Purchase of Vehicles	-	316,304
<b>Total Secured Long Term Borrowings</b>	<b>1,102,076,086</b>	<b>881,865,459</b>
<b>TOTAL LONG TERM BORROWINGS</b>	<b>1,102,076,086</b>	<b>881,865,459</b>

- 4.1** *Term Loans from Financial Institutions and Banks are secured by First Charge ranking parri-passu on all movable and immovable assets, present and future (Subject to charge on specified movables created/to be created in favour of Company's Bankers to secure Working Capital) and personal guarantee of Managing Director and erstwhile Director of the Company. Further, Term Loans are also secured by Corporate guarantee and First Charge on immovable properties of Rama Petrochemicals Limited. Maturity profile and Rate of interest of Term Loans are as set out below :*

Year / Rate of Interest per annum	0.00%	4.00%	11.00%
2016-17	-	-	83,884,682
2017-18	-	23,949,814	58,252,848
2018-19	-	71,300,916	-
2019-20	-	69,472,652	-
2020-21	41,757,062	18,100,202	-
2021-22	53,399,395	-	-
2022-23	49,518,616	-	-
2023-24	43,697,461	-	-
2024-25	9,954,974	-	-

*The Company has defaulted in payment of Principal and Interest of Rs. 20,51,61,625 (Previous Year - Rs. 11,10,91,716)*

- 4.2** *Loans taken from Export Import Bank of India assigned to Edelweiss Asset Reconstruction Company Limited (EARC) and Loans taken from Bank of India assigned to Assets Care & Reconstruction Enterperise Limited (ACRE) are secured by First Charge ranking parri-passu on all movable and immovable assets, present and future (Subject to charge on specified movables created/to be created in favour of Company's Bankers to secure Working Capital) and personal guarantee of Managing Director and erstwhile Director of the Company. Further, the loan is also secured by Corporate guarantee and First Charge on immovable properties of Rama Petrochemicals Limited. Maturity profile and Rate of interest of Term Loan are as set out below :*

Year / Rate of Interest per annum	0.00%
2016-17	54,082,000
2017-18	69,666,000
2018-19	60,175,000
2019-20	307,025,000
2020-21	10,000,000
2021-22	14,839,464

*The Company has defaulted in payment of Principal and Interest of Rs. Nil (Previous Year - Rs. 8,38,53,118)*

## Notes to Financial Statements for the year ended March 31, 2015

- 4.3** *Loan taken from Industrial Investment Bank of India assigned to Assets Care & Reconstruction Enterprise Limited (ACRE) is secured by First Charge ranking parri-passu on all movable and immovable assets, present and future (Subject to charge on specified movables created/to be created in favour of Company's Bankers to secure Working Capital) and personal guarantee of Managing Director and erstwhile Director of the Company. Further, the loan is also secured by Corporate guarantee and First Charge on immovable properties of Rama Petrochemicals Limited. The loan carries interest @ 20% p.a.*

*The Company has defaulted in payment of Principal and Interest of Rs. Nil (Previous Year - Rs. 15,43,547) with reference to Current Maturities referred in Note 8.*

- 4.4** *Loans taken from Financial Institutions, Banks and liabilities assigned to Edelweiss Asset Reconstruction Company Limited (EARC) and Assets Care & Reconstruction Enterprises Limited (ACRE), are further secured by pledge of investments by other companies.*
- 4.5** *Loan from Dhawalgiri Properties Private Limited is repayable in single installment on September 30, 2016 and carries interest @ 9% p.a. (Previous Year @ 9% p.a.). The loan is secured by equitable mortgage over Office Premises of the Company and personal guarantees of erstwhile Directors of the Company.*
- 4.6** *Loans from HDFC Bank Limited are payable in the year 2015-16 and carry interest @ 11.50% p.a. The loans are secured by hypothecation of motor vehicles purchased there against.*

**5. OTHER LONG TERM LIABILITIES :**

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Security Deposits	401,355	485,219
<b>TOTAL OTHER LONG TERM LIABILITIES</b>	<b>401,355</b>	<b>485,219</b>

**6. SHORT TERM BORROWINGS :**

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Secured :</b>		
<b>Working Capital Loans from Banks</b>	<b>189,411,577</b>	326,253,266
<i>(Secured by hypothecation of Raw Materials, Semi Finished Goods, Finished Goods, Stores and Spares and Book Debts and second parri-passu charge on movable Plant and Machinery and immovable properties of the Company. Further, Working Capital Loans are secured by personal guarantee of Managing Director and erstwhile Director of the Company and Corporate guarantee of Rama Petrochemicals Limited)</i>		
<b>Total Secured Short Term Borrowings</b>	<b>189,411,577</b>	<b>326,253,266</b>
<b>Unsecured :</b>		
Loans and Advances from Related Parties [Refer Note 27.1]	-	15,600,000
Loans and Advances from Others	<b>35,000,000</b>	-
<b>Total Unsecured Short Term Borrowings</b>	<b>35,000,000</b>	<b>15,600,000</b>
<b>TOTAL SHORT TERM BORROWINGS</b>	<b>224,411,577</b>	<b>341,853,266</b>

- 6.1** *Working Capital Loans from Banks include Devolved Letters of Credits issued by them. Interest is accounted as per banking norms.*
- |  |                   |            |
|--|-------------------|------------|
|  | <b>39,624,491</b> | 39,624,491 |
|--|-------------------|------------|

**Notes to Financial Statements for the year ended March 31, 2015**

**6.2 Rate of interest on Working Capital Loans from Banks, except Devolved Letters of Credits, are set out below :**

- Rate of Interest per annum	9.00%	9.50%
- Amount Outstanding	147,992,297	1,794,789

**7. TRADE PAYABLES :**

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Trade Payables	<u>297,123,758</u>	<u>204,248,890</u>

**7.1** *On the basis of information available with the Company of vendors' status being Micro, Small and Medium Enterprises, as defined under The Micro, Small and Medium Enterprises Development Act, 2006, no amount of principal and interest is overdue.*

**8. OTHER CURRENT LIABILITIES :**

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Current Maturities of Long Term Debts [Refer Note 4]	184,515,268	207,818,048
Interest Accrued But Not Due on Borrowings	1,689,917	1,681,062
Interest Accrued and Due on Borrowings	119,442,794	102,696,198
Advances from Customers	251,933	120,644
Accrued Salary and Employee Benefits Payable	10,414,756	9,282,739
Statutory Dues	3,152,810	2,342,545
Other Liabilities	<u>16,879,007</u>	<u>17,904,399</u>
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<u><b>336,346,485</b></u>	<u><b>341,845,635</b></u>

**9. SHORT TERM PROVISIONS :**

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Provision for Employee Benefits [Refer Note 23]	<u>1,410,413</u>	<u>1,972,446</u>
<b>TOTAL SHORT TERM PROVISIONS</b>	<u><b>1,410,413</b></u>	<u><b>1,972,446</b></u>



Notes to Financial Statements for the year ended March 31, 2015

10. FIXED ASSETS [Refer Note 31] :

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at April 01, 2014	Additions during the year	(Deductions)/ Adjustments during the year	As at March 31, 2015	As at April 01, 2014	For the year	Adjusted from retained earnings	As at March 31, 2015	As at March 31, 2014
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>a. Tangible Assets :</b>									
Freehold Land [including site development]	30,755,142	-	-	30,755,142	-	-	-	30,755,142	30,755,142
Buildings	351,410,536	-	-	351,410,536	127,571,249	9,904,839	17,400,825	196,533,623	223,839,287
Plant and Machinery	1,591,832,272	671,879	-	1,592,504,151	931,561,427	98,226,312	410,221,639	1,440,009,378	660,270,845
Furniture and Fixtures	9,991,141	26,598	-	10,017,739	6,297,941	1,304,474	267,608	7,870,023	3,693,200
Vehicles	8,265,343	-	-	8,265,343	4,932,487	678,359	213,883	5,824,729	3,332,856
Computers and Office Equipments	9,157,852	64,000	-	9,221,852	6,938,534	704,629	576,139	8,219,302	2,219,318
Other Equipments	1,814,839	-	-	1,814,839	687,005	380,212	412,537	1,479,754	1,127,834
<b>TOTAL</b>	<b>2,003,227,125</b>	<b>762,477</b>	<b>-</b>	<b>2,003,989,602</b>	<b>1,077,988,643</b>	<b>111,198,825</b>	<b>429,092,631</b>	<b>1,618,280,099</b>	<b>925,238,482</b>
<b>b. Intangible Assets :</b>									
Computer Software	442,589	-	-	442,589	354,116	12,079	54,462	21,932	88,473
<b>TOTAL</b>	<b>442,589</b>	<b>-</b>	<b>-</b>	<b>442,589</b>	<b>354,116</b>	<b>12,079</b>	<b>54,462</b>	<b>420,657</b>	<b>88,473</b>
<b>Current Year</b>	<b>2,003,669,714</b>	<b>762,477</b>	<b>-</b>	<b>2,004,432,191</b>	<b>1,078,342,759</b>	<b>111,210,904</b>	<b>429,147,093</b>	<b>1,618,700,756</b>	<b>925,326,955</b>
<b>Previous Year</b>	<b>2,002,476,727</b>	<b>1,192,987</b>	<b>-</b>	<b>2,003,669,714</b>	<b>982,066,615</b>	<b>96,276,144</b>	<b>-</b>	<b>1,078,342,759</b>	<b>1,020,410,112</b>
<b>Capital Work-in-progress</b>									
<b>10.1</b> Gross Block of Vehicles include cost of vehicle acquired on Hire Purchase basis.								<b>1,772,050</b>	<b>1,772,050</b>

**Notes to Financial Statements for the year ended March 31, 2015**

**11. NON-CURRENT INVESTMENTS (At Cost) :**

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Rupees	Number of Shares	Rupees
<b>Investments in Equity Shares (Trade) :</b>				
<b>Unquoted :</b>				
Equity Shares of Rs. 10.00 each in Nimbua Greenfield (Punjab) Limited fully paid up.	28,125	<u>281,250</u>	28,125	<u>281,250</u>
<b>Sub-total</b>		<u>281,250</u>		<u>281,250</u>
<b>Investments in Equity Shares (other than trade) :</b>				
<b>Quoted :</b>				
Equity Shares of Rs. 10.00 each in Dena Bank fully paid up.	5,752	155,304	5,752	155,304
<b>Unquoted (Related Party) :</b>				
Equity Shares of Rs. 10.00 each in Rama Industries Limited fully paid up.	43,440	434,400	43,440	434,400
Less : Provision for diminution in value of Investments		<u>433,400</u>		<u>433,400</u>
		1,000		1,000
<b>Sub-total</b>		<u>156,304</u>		<u>156,304</u>
<b>TOTAL NON-CURRENT INVESTMENTS</b>		<u>437,554</u>		<u>437,554</u>
<b>Aggregate value of quoted Investments :</b>				
At Cost price		155,304		155,304
At Market price		292,202		348,284
<b>Aggregate value of unquoted Investments :</b>				
At Cost price		715,650		715,650

**12. LONG TERM LOANS AND ADVANCES :**

[Unsecured, considered good unless otherwise stated]

Particulars	As at	As at
	March 31, 2015	March 31, 2014
	Rupees	Rupees
Prepaid Expenses	24,121	81,406
Security Deposits	22,895,386	22,894,466
Taxes Paid and Refund Receivable	<u>709,077</u>	<u>672,869</u>
<b>TOTAL LONG TERM LOANS AND ADVANCES</b>	<u>23,628,584</u>	<u>23,648,741</u>

**13. OTHER NON-CURRENT ASSETS :**

Particulars	As at	As at
	March 31, 2015	March 31, 2014
	Rupees	Rupees
<b>Balances with Banks :</b>		
in Deposit Accounts against Margin Money with more than 12 months maturity. [Refer Note 16]	1,600,000	1,100,000
Interest Receivable	<u>144,455</u>	<u>46,335</u>
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<u>1,744,455</u>	<u>1,146,335</u>

## Notes to Financial Statements for the year ended March 31, 2015

### 14. INVENTORIES :

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Raw Materials	49,013,854	17,523,269
Work-in-progress	75,755,813	48,434,553
Finished Goods	22,364,317	59,207,537
Colours, Dyes and Chemicals	8,007,292	13,211,287
Stores, Packing Materials and Consumables	15,375,054	21,159,197
Waste and Scrap	77,815	139,558
<b>TOTAL INVENTORIES</b>	<b>170,594,145</b>	<b>159,675,401</b>

14.1 *Work-in-progress are valued at the lower of cost or net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.*

14.2 *Finished Goods are valued at the lower of cost or net realizable value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.*

14.3 *Raw Materials and other inventories of Colours, Dyes, Chemicals, Stores, Spares and Packing Materials etc. are valued at the lower of cost or net realizable value. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. The cost of Raw Materials is computed on specific identification basis and other inventories of Colours, Dyes, Chemicals, Stores, Spares and Packing Materials etc. is computed on FIFO basis.*

14.4 *Stock of Waste and Scrap is valued at estimated net realizable value.*

### 15. TRADE RECEIVABLES :

[Unsecured]

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Considered good :</b>		
Outstanding for a period less than six months	306,307,309	223,246,528
Outstanding for a period exceeding six months	3,245,293	2,647,153
<b>Considered doubtful :</b>		
Outstanding for a period exceeding six months	3,770,724	3,770,724
	<b>313,323,326</b>	229,664,405
Less : Provision for Doubtful Debts	<u>(3,770,724)</u>	<u>(3,770,724)</u>
<b>TOTAL TRADE RECEIVABLES</b>	<b>309,552,602</b>	<b>225,893,681</b>

**Notes to Financial Statements for the year ended March 31, 2015**

**16. CASH AND CASH EQUIVALENTS :**

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Balances with Banks :</b>		
in Current Accounts	4,148,879	9,041,444
in Deposit Accounts against Margin Money		
- Maturity upto 12 months	100,000	3,480,000
- Maturity above 12 months	<u>1,600,000</u>	<u>1,100,000</u>
	1,700,000	4,580,000
Less : Amount disclosed under other Non-current Assets [Refer Note 13]	<u>(1,600,000)</u>	<u>(1,100,000)</u>
	100,000	3,480,000
<b>Cash Balance on Hand</b>	<u>2,413,462</u>	<u>2,349,638</u>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u><u>6,662,341</u></u>	<u><u>14,871,082</u></u>

**17. SHORT TERM LOANS AND ADVANCES :**

[Unsecured, considered good]

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
Advances recoverable in cash or in kind or for value to be received :		
Advances for Supply of Goods and Services	13,606,036	561,276
Export Incentives Receivables	4,489,038	8,749,051
Prepaid Expenses	815,514	1,096,309
Balance with Government Authorities	68,235	2,365
Other Loans and Advances	<u>10,453,693</u>	<u>1,251,050</u>
<b>TOTAL SHORT TERM LOANS AND ADVANCES</b>	<u><u>29,432,516</u></u>	<u><u>11,660,051</u></u>

17.1 *Advances recoverable in cash or in kind includes given to related party.* 10,257,105 -

**18. SALE OF PRODUCTS :**

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
Sale of Denim Fabric	1,672,654,017	1,185,996,150
<b>TOTAL SALE OF PRODUCTS</b>	<u><u>1,672,654,017</u></u>	<u><u>1,185,996,150</u></u>

**18.1 EARNING IN FOREIGN CURRENCY :**

FOB Value of Exports 35,116,286 87,262,840

**19. OTHER OPERATING REVENUES :**

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
Sale of Waste and Other Materials	10,364,162	11,417,709
Export Incentives	<u>3,060,259</u>	<u>7,282,309</u>
<b>TOTAL OTHER OPERATING REVENUES</b>	<u><u>13,424,421</u></u>	<u><u>18,700,018</u></u>

**Notes to Financial Statements for the year ended March 31, 2015**

**20. OTHER INCOME :**

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
Gain on Foreign Exchange Fluctuations (Net)	874,460	-
Interest Income	4,568,959	2,653,532
Dividend Income	6,327	6,327
Miscellaneous Income	579,381	916,837
<b>TOTAL OTHER INCOME</b>	<b>6,029,127</b>	<b>3,576,696</b>

20.1 Miscellaneous Income includes reversal of Provision for diminution in value of Investment no more required. - 651,600

**21. COST OF MATERIAL CONSUMED :**

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	% of Consumption	Rupees	% of Consumption	Rupees
<b>Raw Materials :</b>				
Imported	Nil	Nil	Nil	Nil
Indigenous	100.00	1,011,161,811	100.00	737,982,294
<b>TOTAL MATERIALS CONSUMED</b>	<b>100.00</b>	<b>1,011,161,811</b>	<b>100.00</b>	<b>737,982,294</b>

**21.1 Particulars of Raw Materials Consumed :**

Cotton	519,289,295	486,742,407
Yarn	491,872,516	251,239,887
<b>Total</b>	<b>1,011,161,811</b>	<b>737,982,294</b>

**21.2 Value of Imports on CIF basis in respect of :**

Raw Materials	Nil	Nil
---------------	-----	-----

**22. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS - DECREASE / (INCREASE) :**

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>Finished Goods :</b>		
Closing Stocks	22,364,317	59,207,537
Opening Stocks	59,207,537	136,240,362
<b>Decrease / (Increase) in Finished Goods</b>	<b>36,843,220</b>	<b>77,032,825</b>
<b>Work-in-progress :</b>		
Closing Stocks	75,755,813	48,434,553
Opening Stocks	48,434,553	45,088,782
<b>Decrease / (Increase) in Work-in-progress</b>	<b>(27,321,260)</b>	<b>(3,345,771)</b>
<b>Waste :</b>		
Closing Stocks	77,815	139,558
Opening Stocks	139,558	187,490
<b>Decrease / (Increase) in Waste</b>	<b>61,743</b>	<b>47,932</b>
<b>DECREASE / (INCREASE) IN INVENTORIES</b>	<b>9,583,703</b>	<b>73,734,986</b>

**Notes to Financial Statements for the year ended March 31, 2015**

**23. EMPLOYEE BENEFITS EXPENSE :**

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
Salary and Wages (Including Contractual Workmen)	116,727,449	110,953,529
Contribution to Provident Fund and Other Funds	13,836,141	13,894,339
Staff Welfare Expenses	987,137	806,253
<b>TOTAL EMPLOYEE BENEFITS EXPENSE</b>	<b>131,550,727</b>	<b>125,654,121</b>

**23.1** Due to inadequacy of profits, no commission is payable to Directors. Hence computation of Net Profit U/S 198 of The Companies Act, 2013 is not required.

**23.2** Consequent to the adoption of Accounting Standard 15 on Employee Benefits issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by the standards :

**a. Short Term Employee Benefits :**

All employee benefits falling due wholly within twelve months of rendering the service like salaries, wages, short term compensated absences etc. and the expected cost of bonus are recognized on accrual basis.

**b. Post-Employment Benefits :**

**Defined Contribution Plans :**

The Company has recognized the following amounts in the Statement of Profit and Loss for Defined Contribution Plans :

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
- Provident Fund	8,829,416	8,981,361
- Employees' State Insurance	3,530,496	2,907,752

The Company's Provident Fund and Employee's State Insurance Plan are administered under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and The Employees' State Insurance Act, 1948 respectively.

The details of Company's Gratuity Fund and Long Term Leave Encashment/Compensated Absences Fund are given below, which are managed by Life Insurance Corporation of India :

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Gratuity Rupees	Leave Encashment Rupees	Gratuity Rupees	Leave Encashment Rupees
<b>Principal Actuarial Assumptions :</b>				
Discount rate	8.00%	8.00%	8.00%	8.00%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%
<b>Change in present value of the obligation :</b>				
Present value of the Obligation at the beginning of the year	13,790,768	2,673,770	14,388,650	4,414,881
Interest Cost	1,103,261	213,902	1,149,790	353,190
Current Service Cost	2,889,544	1,476,495	2,658,872	1,477,734
Benefits Paid	(2,466,757)	(1,181,612)	(3,673,424)	(1,966,040)

**Notes to Financial Statements for the year ended March 31, 2015**

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Rupees	Rupees	Rupees	Rupees
Actuarial (Gain) / Loss on Obligation	(1,539,730)	(240,086)	(733,120)	(1,605,995)
Present value of Obligation at year end	13,777,086	2,942,469	13,790,768	2,673,770
<b>Actuarial Gain / (Loss) recognized :</b>				
Actuarial Gain / (Loss) for the year				
- Obligation	1,539,730	240,086	733,120	1,605,995
- Plan Assets	-	-	-	-
Total Gain / (Loss) for the year	1,539,730	240,086	733,120	1,605,995
Actual Gain / (Loss) recognized in the year	1,539,730	240,086	733,120	1,605,995
<b>Amount to be recognized in the Balance Sheet :</b>				
Present value of Obligation at year end	13,777,086	2,942,469	13,790,768	2,673,770
Fair value of Plan Assets at year end	12,366,673	4,035,185	11,818,322	4,806,514
Funded status	(1,410,413)	1,092,716	(1,972,446)	2,132,744
Net Asset / (Liability) recognized in the Balance Sheet	(1,410,413)	-	(1,972,446)	-
<b>Expenses recognized in the Statement of Profit and Loss :</b>				
Current Service Cost	2,889,544	1,476,495	2,658,872	1,477,734
Interest Cost	1,103,261	213,902	1,149,790	353,190
Expected return on Plan Assets	(1,042,662)	(357,595)	(1,103,096)	(224,929)
Actuarial (Gain) / Loss recognized in the year	(1,539,730)	(240,086)	(733,120)	(1,605,995)
Expenses recognized in the Statement of Profit and Loss	1,410,413	105,329	1,972,446	443,735

**24. FINANCE COSTS :**

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
Interest Expenses	106,404,959	97,929,913
<b>TOTAL FINANCE COSTS</b>	<b>106,404,959</b>	<b>97,929,913</b>

**25. OTHER EXPENSES :**

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>Manufacturing Expenses :</b>		
Colours, Dyes and Chemicals Consumed	187,403,346	106,812,598
Stores, Spares, Packing and Consumables Consumed	40,895,208	36,134,492
Power and Fuel Expenses	203,785,622	156,650,877
Job Work Charges	1,179,808	-
Insurance Expenses	1,943,366	2,214,652
Repairs and Maintenance :		
- Buildings	435,916	695,956
- Plant and Machinery	6,124,001	4,697,677
<b>Total Manufacturing Expenses</b>	<b>441,767,267</b>	<b>307,206,252</b>

**Notes to Financial Statements for the year ended March 31, 2015**

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>Administrative Expenses :</b>		
Travelling and Conveyance Expenses	3,305,535	3,759,247
Rental and Hiring Charges	4,141,398	3,835,165
Postage and Courier Expenses	524,571	244,979
Printing and Stationery	578,705	579,017
Rates, Fee and Taxes	1,136,382	1,183,533
Professional and Legal Expenses	20,884,947	2,618,441
Telecommunication Expenses	710,085	1,187,768
Directors' Sitting Fee	44,000	56,000
Auditors' Remuneration :		
- for Audit Fee	376,406	376,406
- for Taxation Matters	84,270	84,270
- for Company Law Matters	-	11,236
- for Other Services	124,890	155,057
- for Re-imbusement of Expenses	9,863	20,810
Advertisement and Publicity Expenses	193,678	223,388
Repairs and Maintenance to Others	1,304,290	1,170,680
Running and Maintenance to Vehicles	1,083,849	1,644,646
Wealth Tax	4,020	3,970
Loss on Foreign Exchange Fluctuations	-	3,881,958
Financial Charges	893,223	2,281,574
Other Expenses	3,616,991	4,003,532
<b>Total Administrative Expenses</b>	<b>39,017,103</b>	<b>27,321,677</b>
<b>Selling and Distribution Expenses :</b>		
Freight and Forwarding Expenses	6,639,493	10,289,632
Sales Commission	786,934	3,627,125
Rebate, Discounts and Claims	25,007,201	11,424,908
Other Selling and Distribution Expenses	4,205,297	5,325,274
<b>Total Selling and Distribution Expenses</b>	<b>36,638,925</b>	<b>30,666,939</b>
<b>TOTAL OTHER EXPENSES</b>	<b>517,423,295</b>	<b>365,194,868</b>

**25.1 Value of Colours, Dyes and Chemicals Consumed :**

Particulars	For the year ended March 31, 2015 Rupees		For the year ended March 31, 2014 Rupees	
	% of Consumption	Rupees	% of Consumption	Rupees
Imported	36.53	68,457,212	29.02	45,000,214
Indigenous	63.47	118,946,134	70.98	61,812,384
<b>TOTAL</b>	<b>100.00</b>	<b>187,403,346</b>	<b>100.00</b>	<b>106,812,598</b>



## Notes to Financial Statements for the year ended March 31, 2015

### 25.2 Value of Stores, Spares, Packing and Consumables Consumed :

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	% of Consumption	Rupees	% of Consumption	Rupees
Imported	20.34	8,319,403	28.86	11,455,823
Indigenous	79.66	32,575,805	71.14	24,678,669
<b>TOTAL</b>	<b>100.00</b>	<b>40,895,208</b>	<b>100.00</b>	<b>36,134,492</b>

### 25.3 Value of Imports on CIF basis in respect of :

Colours, Dyes and Chemicals	54,520,705	32,128,897
Stores, Spares, Packing and Consumables	2,619,970	6,866,006

### 25.4 Expenditure in Foreign Currency :

Commission	230,066	1,053,049
Travelling and Business Promotion	304,900	254,430

### 25.5 Other Expenses includes Diminution in value of Investment.

- 651,600

### 26. EARNING PER EQUITY SHARE :

Particulars	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
a. Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Before Extraordinary items)	(195,222,660)	(283,755,951)
b. Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (After Extraordinary items)	(195,222,660)	(283,755,951)
c. Number of Equity Shares outstanding	13,283,743	13,283,743
d. Weighted Average Number of Equity Shares outstanding during the year	13,283,743	13,283,743
e. Weighted Average Number of Equity Shares considered for diluted earning	13,283,743	13,283,743
f. Face Value per Equity Share	10.00	10.00
g. Basic Earning per Equity Share (Before Extraordinary items)	(14.70)	(21.36)
h. Diluted Earning per Equity Share (Before Extraordinary items)	(14.70)	(21.36)
i. Basic Earning per Equity Share (After Extraordinary items)	(14.70)	(21.36)
j. Diluted Earning per Equity Share (After Extraordinary items)	(14.70)	(21.36)

**Notes to Financial Statements for the year ended March 31, 2015**

**27. RELATED PARTIES DISCLOSURE :**

As per the Accounting Standard on “Related Party Disclosures” (AS 18) issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows :

**a. Names of Related Parties and Related Party Relationship :**

<b>Sr. No.</b>	<b>Relationship</b>	<b>Related Parties</b>
<b>i)</b>	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise. (Holding, Subsidiaries and Fellow subsidiaries).	None
<b>ii)</b>	Associate and joint ventures of reporting enterprise and the investing party or venturer in respect of which the reporting enterprise is an associate or a joint venture.	None
<b>iii)</b>	Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual.	Indo-US Investment Inc.
<b>iv)</b>	Key management personnel and relative of such personnel.	Mr. H. D. Ramsinghani - Chairman and Managing Director
<b>v)</b>	Enterprises over which any person described in (iii) or (iv) is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the reporting enterprise.	Rama Phosphate Limited Rama Petrochemicals Limited Rama Industries Limited Rainbow Agri Industries Limited Rama Capital & Fiscal Services Private Limited Blue Lagoon Investments Private Limited Nova Gelicon Private Limited

**Related party relationship is as identified by the Company and relied upon by the Auditors.**

**b. Transactions with Related Parties :**

<b>Nature of Transactions (Excluding reimbursements)</b>	<b>For the year ended March 31, 2015 Rupees</b>	<b>For the year ended March 31, 2014 Rupees</b>
<b>Purchases :</b>		
Goods and Material	<b>22,942,895</b>	20,796,342
<b>Expenses :</b>		
Lease Rent	<b>112,680</b>	111,565
<b>Finance :</b>		
Loan Taken / Returned	<b>50,500,000</b>	40,680,752
Loan Given / Returned	<b>66,100,000</b>	60,900,000
Issue of Equity Share	-	60,000,000
<b>Outstandings on account of :</b>		
Loans and Advances	<b>10,257,105</b>	-
Unsecured Loans	-	15,600,000
Investments (Net of provisions)	<b>1,000</b>	1,000

## Notes to Financial Statements for the year ended March 31, 2015

### 27.1 Disclosure in respect of Related Party transactions :

	For the year ended March 31, 2015 Rupees	For the year ended March 31, 2014 Rupees
<b>Purchases :</b>		
<b>Goods and Material :</b>		
Rainbow Agri Industries Limited	22,942,895	20,796,342
<b>Expenses :</b>		
<b>Lease Rent :</b>		
Rama Industries Limited	112,680	111,565
<b>Finance :</b>		
<b>Loan Taken / Returned :</b>		
Rama Industries Limited	30,000,000	40,680,752
Blue Lagoon Investments Private Limited	20,500,000	-
<b>Loan Given / Returned :</b>		
Rama Industries Limited	45,600,000	22,800,000
Blue Lagoon Investments Private Limited	20,500,000	38,100,000
<b>Issue of Equity Shares :</b>		
Rainbow Agri Industries Limited	-	60,000,000
<b>Outstandings on account of :</b>		
<b>Loans and Advances :</b>		
Rainbow Agri Industries Limited	10,257,105	-
<b>Unsecured Loans :</b>		
Rama Industries Limited	-	15,600,000
<b>Investments (Net of provisions) :</b>		
Rama Industries Limited	1,000	1,000

### 28. DEFERRED TAXATION :

The Major components of Deferred Tax Assets / (Liability), based upon tax returns filed and assessment orders received, arising on account of timing difference are as under :

Particulars	As at March 31, 2015 Rupees	As at March 31, 2014 Rupees
<b>Deferred Tax Liability :</b>		
Depreciation / Fixed Assets	23,320,476	176,828,934
<b>Deferred Tax Assets :</b>		
Disallowance u/s 43B of Income-tax Act	128,935,514	105,544,767
Unabsorbed Depreciation and Business Loss	393,170,928	377,202,093
Provision for Doubtful Debts	1,165,154	1,165,154
<b>Net Deferred Tax Assets</b>	<b>499,951,120</b>	<b>307,083,080</b>

Net Deferred Tax Assets are not recognized in absence of virtual certainty that sufficient future taxable income will be available to realize the same, as per Accounting Standard 22 issued by The Institute of Chartered Accountants of India.

## Notes to Financial Statements for the year ended March 31, 2015

29. Bond for Rs. 27,00,00,000 was issued against export obligation of US\$ 7,75,98,359 which is to be fulfilled by January 12, 2019 or such further extension as may be granted. The company has fulfilled export obligation of US\$ 7,33,49,464 upto March 31, 2015.
30. No Debts or Loans and Advances are due from Directors or Officers of the Company or from Firms or Private Companies in which any Director is a Partner, Director or Member.
31. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing after April 01, 2014, the Company has re-worked depreciation with reference to the estimated economic lives of fixed assets prescribed by Schedule II to the Act or actual useful life of assets, whichever is lower. In case of any asset, whose life has been completed as above, the carrying value, net of residual value, as at April 01, 2014 has been adjusted to the opening balance of retained earnings/brought forward loss and in other cases, the carrying value has been depreciated over the remaining of the revised life of the assets and recognized in the Statement of Profit and Loss. If there had not been any change in the useful life of the assets, depreciation for the year would have been Rs. 9,14,40,218 consequently loss would have been lower by Rs. 1,97,65,512.
32. The Company is a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. BIFR has approved Rehabilitation Scheme vide order dated December 27, 2012.
33. The management is taking various steps to reduce costs, improve efficiencies to make its operations profitable and to arrange sufficient funds for its operations. In view of these, financial statements have been prepared on the basis that the Company will continue as a “going concern”.
34. Segment wise details, as required by AS 17 Segment Reporting, are not furnished as the management is of the opinion that it does not have any geographical/business segment that is subject to different kind of risk, return or opportunities.
35. Figures have been rounded off to the nearest rupee.
36. Previous Year figures have been re-grouped/re-arranged, wherever necessary, to make them comparable.

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**As per our attached report of even date,  
for Dayal and Lohia,  
Chartered Accountants  
Firm Registration Number : 102200W**

**For and on behalf of the Board of Directors,**

**(S. V. Thomas)  
Partner  
Membership Number : 125944**

**R. D. Jog  
Company Secretary**

**D. N. Singh  
Director  
DIN - 00021741**

**H. D. Ramsinghani  
Chairman &  
Managing Director  
DIN - 00035416**

**PLACE : Mumbai  
DATE : May 29, 2015**

**PLACE : Mumbai  
DATE : May 29, 2015**

## RAINBOW DENIM LIMITED

Corporate Identification Number (CIN). : L18101PB1999PLC022452

Regd. Office : Village Chaundheri, Post Office Dappar, Ambala-Chandigarh Highway, Dist. Mohali, Punjab 140 506.

Tel: 01762 248810/11/12; Fax : 01762-248761/248809 Email : rainbow@rainbowdenim.com ; Website : www.rainbowdenim.com

### ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional slip at the Venue of the meeting

For Demat Shares

DP ID	
-------	--

CLIENT ID	
-----------	--

For Physical Shares

REGD. FOLIO NO.	
-----------------	--

NO. OF SHARES HELD	
--------------------	--

I certify that I am a Member/Proxy for the Member of the Company I hereby record my presence at the Sixteenth Annual General Meeting of the Company held on Wednesday September 23, 2015 at 10.00 a.m. at Village Chaundheri, P.O. Dappar, Ambala-Chandigarh Highway, Dist. Mohali, Punjab 140506.

\_\_\_\_\_  
Name of the Member / Proxy  
(in BLOCK letters)

\_\_\_\_\_  
Signature of the Member/Proxy

---

## RAINBOW DENIM LIMITED

Corporate Identification Number (CIN). : L18101PB1999PLC022452

Regd. Office : Village Chaundheri, Post Office Dappar, Ambala-Chandigarh Highway, Dist. Mohali, Punjab 140 506.

Tel: 01762 248810/11/12; Fax : 01762-248761/248809 Email : rainbow@rainbowdenim.com ; Website : www.rainbowdenim.com

### PROXY FORM

[pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) : \_\_\_\_\_

Folio No/Client Id\* \_\_\_\_\_ Registered address : \_\_\_\_\_

DP ID\* \_\_\_\_\_ E-mail Id : \_\_\_\_\_

• Applicable for Members holding shares in electronic form

I/We, being the Member(s) of \_\_\_\_\_ shares of Rainbow Denim Limited, hereby appoint :

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the Sixteenth Annual General Meeting of the Company, to be held on Wednesday , September 23, 2015 at 10.00 a.m. at Village Chaundheri P.O. Dappar, Ambala-Chandigarh Highway, Dist. Mohali, Punjab 140506 and at any adjournment thereof in respect of such resolutions as indicated overleaf .

Resolution No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	Adoption of Audited Statement of Profit & Loss, Balance Sheet, Report of Directors and Auditors for the year ended March 31, 2015		
2.	Reappointment of Mr. S S Arora (DIN 00033825) Director who retires by rotation.		
3.	Appointment of Statutory Auditors M/s. Dayal & Lohia		
<b>Special Business</b>			
4	Approval of remuneration of Cost Auditors		
5.	Appointment of Mrs N H Ramsinghani ( DIN 01327609) as a Director.		
6.	Appointment of Mr R G Kulkarni (DIN 03028670) as an Independent Director.		
7.	Reappointment of Mr H D Ramsinghani as Managing Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Affix 0.15 paise Revenue Stamp
---

Signature of Member

Signature of Proxy Holder(s)

**Notes :**

1. 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.
2. A Proxy need not be a member of the Company
3. A person can act as a Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% 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.
4. Appointing a Proxy does not prevent a Member from attending the meeting in person, if he/she so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient but names of all joint holders should be stated.



*If undelivered please return to :*

**Link Intime India Private Limited**

**Unit : Rainbow Denim Limited**

C-13, Pannalal Silk Mills Compound,

L.B. S. Marg, Bhandup (W),

Mumbai 400 078.