

RAINBOW
DENIM LTD.

EIGHTEENTH ANNUAL REPORT 2016-2017

BOARD OF DIRECTORS

CHAIRMAN

MR. H. D. RAMSINGHANI
(Managing Director upto 31.05.2017)

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

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

WHOLE TIME DIRECTOR

MR S. S. ARORA (w.e.f 01.06.2017)

DIRECTORS

MR. D. N. SINGH
MR. R. G. KULKARNI
MRS. N. H. RAMSINGHANI
MR. N. R. JOSHI

COMPANY SECRETARY

MR. R. D. JOG

AUDITORS

DAYAL & LOHIA
CHARTERED ACCOUNTANTS

REGISTRARS & TRANSFER AGENT

LINK INTIME INDIA PVT.LTD.
C-101, 247 PARK, L. B. S MARG,
VIKHROLI (WEST), MUMBAI 400 078
TEL : 91-22-49186000
FAX : 91-22-49186060
EMAIL: rnt.helpdesk@linktime.co.in
Website : www.linkintime.com

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of RAINBOW DENIM LIMITED will be held on Thursday the 21st day of September 2017, 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 Financial Statements for the year ended March 31, 2017 together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. H. D. Ramsinghani (DIN 00035416) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s Khandelwal & Mehta LLP, Chartered Accountants (Registration Number W100084) in place of the retiring Auditors as the Statutory Auditors and 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 (2) and 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 M/s Khandelwal & Mehta LLP, Chartered Accountants, Mumbai (Registration Number W100084) be and are hereby appointed as the Statutory Auditors of the Company, in place of the retiring Statutory Auditors M/s Dayal and Lohia, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting on such remuneration as may be finalized by the Board of Directors of the Company on the recommendations of the Audit Committee.”

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 2017-18 be paid a remuneration of Rs 35,000/- 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 a Special Resolution :

“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 re 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 appointment of Mr. S S Arora (DIN 00033825) as the Whole Time Director of the Company for a period of Three Years from June 01, 2017 on the terms and conditions as set out in the draft agreement between the Company and Mr. S S Arora 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. S S Arora.”

“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. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business specified in the Notice is annexed thereto.
2. **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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday the 14th day of September, 2017 to Thursday the 21st day of September, 2017 (both days inclusive).
4. 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.
5. 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.
6. 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.
7. 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.
8. 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, 2017 for the 18th 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 18/09/2017 at 9.00 am and ends on 20/09/2017 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 14, 2017, 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.

- (i) Click on Shareholders.
- (ii) Now Enter your User ID
 - a. For CDSL: 16 digit beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digit 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.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (iv) 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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) 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.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) 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.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xiv) 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.

(xv) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(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 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.
- 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 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 under help section or send an email to helpdesk.evoting@cdslindia.com.

By Order of the Board
For RAINBOW DENIM LTD.

Place : Mumbai
Dated : August 4, 2017

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
Website: 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 EIGHTEENTH 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, 2018.

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, 2018.

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

Resolution under Item No. 5 of the Notice relates to the appointment of Mr. S S Arora (DIN 00033825) as the Whole Time Director of the Company for a period of three years from June 01, 2017. The appointment as aforesaid has been approved by the Board of Directors and the Remuneration Committee at their meetings held on May 26, 2017.

The terms of appointment including remuneration are as follows:

Designation	:	Whole Time Director
Date of appointment	:	May 26, 2017
Effective date of Appointment	:	June 1, 2017
Period of appointment	:	Three years from June 1, 2017

Remuneration

- (a) Salary : Consolidated Salary of Rs 2,00,000/- per month
- (b) Perquisites and Allowances :

In addition to salary, the following perquisites / allowances shall be allowed to the Whole Time Director.

CATEGORY – A

- (i) The Company shall contribute towards Provident Fund/ Superannuation Fund / Annuity Fund etc. or pay allowance in lieu thereof as per rules of the Company.
- (ii) The Company shall pay Gratuity as per rules of the Company.
- (iii) Privilege Leave on full pay and allowances, as per rules of the Company but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed will be allowed to be encashed at the end of the term.
- (iv) Benefit of Sick Leave in accordance with the rules of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites for the purpose of Schedule V of the Companies Act, 2013.

CATEGORY – B

- (i) The Company shall provide a car at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.
- (ii) The Company shall provide telephone(s) and other communication facilities at the residence of the Whole Time Director at the entire cost of the Company for use on Company's business and the same shall not be considered as perquisites.

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 Whole Time Director of the Company become interested or otherwise concerned directly or indirectly in any selling agency without the approval of the members, if required.

The remuneration as above including perquisites shall nevertheless be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the prior approval of the Central Government, if required, exceed the limits specified in Section II of Part II of Schedule V of the Companies Act, 2013 computed on the basis of the Effective Capital of the Company as defined in the explanation I under Para 2 of Section IV of Part II to Schedule V of the Companies Act, 2013 as in force for the time being or as may be amended from time to time.”

By Order of the Board
For RAINBOW DENIM LTD.

Place : Mumbai
Dated : August 4, 2017

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
Website:www.rainbowdenim.com

INFORMATION PURSUANT TO SEBI (LODR) REGULATIONS, 2015

As required under the SEBI (LODR) Regulations, 2015, the particulars of Directors who are proposed to be appointed/reappointed at the forthcoming Annual General Meeting are as follows ;

Reappointment

Mr. H. D. Ramsinghani retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. H. D. Ramsinghani has done his Post Graduation in Management from USA and has over 33 years of rich and varied experience in the field of Textiles, Petrochemicals and Fertilizers.

Mr. H. D. Ramsinghani has been associated with the Company from its incorporation and was the Managing Director of the Company up to May 31, 2017 and holds eight shares of the Company.

He is the Chairman and Managing Director of Rainbow Agri Industries Limited and the Joint Managing Director of Rama Phosphates Limited. He is also a Director of Rama Industries Ltd and Nova Gelicon Pvt. Ltd. He is a Committee Member / Chairman in the following Companies:

Name of the Company	Name of the Committee	Designation
Rainbow Denim Ltd	Stakeholders Committee Audit Committee	Member
Rama Phosphates Ltd	Stakeholders Committee Audit Committee	Member Member
Rama Industries Ltd	Audit Committee	Member
Rama Petrochemicals Ltd	Stakeholders Committee	Member

Appointment

Mr. S. S. Arora has been appointed as the Whole Time Director of the Company w e f June 1, 2017 by the Board of Directors on the recommendations of the Nomination and Remuneration Committee.

Mr. S. S. Arora is a Commerce Graduate and has over 32 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 was the Whole Time Director upto May 31, 2012. He holds 65349 Equity Shares of the Company. He is not a Director nor a member of any committee in any other Company.

DIRECTOR'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2017.

FINANCIAL RESULTS**(₹ in lacs)**

	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
Profit/(Loss) before Depreciation	(691.77)	(521.74)
Depreciation	305.44	450.91
Profit/(Loss) after Depreciation	(997.21)	(972.65)
Profit/(Loss) before Tax	(997.21)	(972.65)
Tax expenses	Nil	Nil
Net Profit/(Loss) for the year	(997.21)	(972.65)

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 117.18 million meters as compared to 137.11 million meters during the previous year. The Company has achieved a sales turnover of ₹ 18013.52 lakh during the year under review as compared to a turnover of ₹ 22080.40 lakh during the previous year.

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is a major denim producing country in the Asia and Pacific region and the Indian Denim market is growing rapidly at about 10% to 15% per annum. The domestic capacity is expected to increase to about 2000 million meters and about 25% of the current production is being presently exported. The favorable market conditions have led to increase in denim capacity by several manufacturing units with state of the art technology and entry of leading global brands.

FUTURE PROSPECTS

India has a lot of potential for the Denim industry due to rising income levels, growth of retail sector and growing westernization trend in the country. Denim is a staple product not only in major cities but also in the smaller towns and villages across the country. The industry will benefit from the various initiatives being taken by the Government of India ensuring its steady growth in the coming years.

CORPORATE GOVERNANCE

A Report on Corporate Governance along with the Auditor's Certificate regarding Compliance of the conditions of Corporate Governance pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015 is annexed hereto.

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, 2017 and the loss of the Company for the year ended March 31, 2017;

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

The Company has constituted an Audit Committee which presently comprises of the following Directors viz. Mr N. R. Joshi – Chairman (w.e.f. 11/08/2016), Mr. D. N. 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 Stakeholders Relationship Committee which presently consists of Mr. D. N. Singh (Chairman), Mr. H. D. Ramsinghani and Mr. S. S. Arora.

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

The Nomination and Remuneration Committee which presently consists of Mr. R. G. Kulkarni (Chairman), Mr. D. N. Singh and Mr N. R. Joshi.

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. 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. The details pertaining to remuneration as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto as Annexure C 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 in the ordinary course of business and at an arm's length at prevailing market rates. 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 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, five Board Meetings were held on May 30, 2016, August 11, 2016, November 3, 2016, December 19, 2016 and February 13, 2017.

Mr H. D. Ramsinghani has ceased to be the Managing Director w.e.f May 31, 2017 and retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. S. S. Arora has been appointed as the Whole Time Director of the Company w.e.f June 01, 2017.

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 Regulation 16 of SEBI (LODR) Regulations, 2015.

The Board of Directors has 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 details of the policy are available on the website of the Company www.rainbowdenim.com.

The independent Directors of the Company are informed about their roles , rights and responsibilities in the Company and also about the nature of the industry in which company operates and other related matters. The details of the familiarization program are available on the website of the Company www.rainbowdenim.com.

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 13, 2017. The criterion for evaluation are available on the website of the Company www.rainbowdenim.com.

STATUTORY AUDITORS REPORT

The Report submitted by the Statutory Auditors does not contain any Audit qualification for the year under review.

STATUTORY AUDITORS

M/s. Dayal & Lohia, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting. However as per provisions of Section 139(2) of the Companies Act, 2013 read with the Rules framed there under, M/s. Dayal & Lohia are ineligible for re appointment having completed the maximum tenure prescribed under the Rules and hence it is proposed to appoint M/s Khandelwal & Mehta LLP, Chartered Accountants, Mumbai (Registration Number W100084) as the Auditors of the Company. The Audit Committee has recommended the appointment of M/s Khandelwal & Mehta LLP as the Auditors of the Company. The Company has received a certificate from M/s Khandelwal & Mehta LLP 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 A. Arora & Co to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed hereto as Annexure D and forms a part of this Report.

Your Directors refer to the observations made by the Auditors in their Report and wish to state that the resolution under section 180(1)(a) of the Companies Act, 2013 was not passed by following the procedure laid down under

Section 110 of the Companies Act, 2013 since the said resolution was included in the Notice calling the 17th Annual General Meeting of which adequate notice and e voting facility was provided to all the members of the Company as per the Provisions of Section 108 of the Companies Act, 2013.

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 2017-18. 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 31st March, 2016 was filed on September 9, 2016 with Ministry of Corporate Affairs, New Delhi. The Cost Audit Report for the financial year ended 31st March, 2017 will be filed within the stipulated time.

INTERNAL AUDIT

The Company has appointed M/s S. S. Kothari Mehta & Co. as the Internal Auditors and their scope of work includes review of processes, operational efficiency and effectiveness of systems and processes and assessment of adequacy of internal controls and safeguards apart from specific operational areas as per the directions of the Audit Committee. The findings of the Internal Auditor are reviewed by the Audit Committee at each meeting and corrective measures are taken from time to time as per the directions of the Audit Committee.

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 E 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.

For and on behalf of the Board

H.D. RAMSINGHANI

CHAIRMAN

DIN 00035416

Place : Mumbai

Date : August 4, 2017

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:

	<u>2016-17</u>	<u>2015-16</u>
A. POWER AND FUEL CONSUMPTION:		
1. ELECTRICITY:		
a. Purchased (PSEB) :		
Units (in thousand)	24073	25537
Total cost (₹ in Lacs)	1682.28	1797.97
Rate per Unit (₹)	6.99	7.04
b. Own Generation:		
Through Diesel Generation:		
Units (in thousand)	8	11
Units per Liter of Diesel	3.2	3.17
Cost per Unit (₹)	16.7	15.32
Through Steam Turbine/Generator:		
Units (in thousand)	Nil	Nil
Units per Liter of Fuel, Oil, Gas	NA	NA
Cost per unit	NA	NA

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	<u>2016-17</u>	<u>2015-16</u>
2 FURNACE OIL :		
Quantity (in Kiloliters)	42	Nil
Total Amount (₹ in Lacs)	10.83	NA
Average Rate	25.92	NA
3 OTHER INTERNAL GENERATION	Nil	Nil
B. CONSUMPTION PER UNIT OF PRODUCTION :		
Production of Denim Fabric (in Lacs Meters)	117.18	137.11
Electricity (kwh per Meter)	2.06	1.86
Furnace Oil	Nil	Nil
Coal	Nil	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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

	(₹ in Lacs)
Foreign Exchange used	750.01
Foreign Exchange earned	639.00

For and on behalf of the Board

H.D. RAMSINGHANI

CHAIRMAN

DIN 00035416

Place : Mumbai

Date : August 4, 2017

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.	No remuneration was paid to Directors other than sitting fees in the financial year. There was no increase in the remuneration of the KMP.
(iii) The percentage increase in the median remuneration of employees in the financial year.	There was no increase in the median remuneration during the year.
(iv) The number of permanent employees on the rolls of company;	692
(v) 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 industry standards.
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration is as per the remuneration policy of the company.

ANNEXURE 'C' TO DIRECTOR'S REPORT**PARTICULARS OF REMUNERATION AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- A. Employed for the entire year under review and were in receipt of Remuneration of not less than ₹ 1,02,00,000/-
NIL
- B. Employed for a part of the year under review and were in receipt of Remuneration of not less than ₹ 8,50,000/- p m.
NIL
- C. Details of Top 10 employees in terms of remuneration drawn as on 31.03.2017 will be provided on request.

ANNEXURE D TO DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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, 2017 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, 2017 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, 2015;
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 - Not Applicable as the company has not provided any share based benefits to the employees during the year.
 - d) 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.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 01, 2015 - 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 - and the amendments thereof - 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 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.
- (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.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on BSE Limited; During the period under review the Company has 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 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 decisions are 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. Based on the 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

I further report that in the 17th Annual General Meeting of the company, a special resolution was passed under section 180(1)(a) read with Section 188 of Companies Act, 2013 for selling/ disposing off an office premises owned by the company for which e voting facility was provided to all the Members. However, being a listed entity, the special resolution was required to be passed by following the procedure laid down under section 110 of the Act.

I further report that, 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.

For A. ARORA & COMPANY

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

Place: Chandigarh
Date : August 4, 2017

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.

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

“Annexure-A”

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. 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.
5. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For A. ARORA & COMPANY

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

Place: Chandigarh
Date : August 4, 2017

ANNEXURE E TO DIRECTOR'S REPORT

FORM MGT – 9

EXTRACT OF ANNUAL RETURN AS ON MARCH 31,2017

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-101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai 400083 Tel: 022-49186000, Fax: 022 - 49186060

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-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(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.	6907800	Nil	6907800	52.00	6909087	Nil	6909087	52.01	0.01
e) Banks / FI	Nil	Nil	Nil	N. A.	Nil	Nil	Nil	N. A.	N. A.
f) Any other (Directors & Relatives)	4	Nil	4	0	4	Nil	4	0	Nil
Sub-total (A)(1):-	6907804	Nil	6907804	52.00	6909091	Nil	6909091	52.01	0.01

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Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% 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)	8022	Nil	8022	0.06	8022	Nil	8022	0.06	Nil
Sub-total (A) (2):-	2525457	Nil	2525457	19.01	2525457	Nil	2525457	19.01	Nil
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	9433261	Nil	9433261	71.01	9434548	Nil	9434548	71.02	0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	280	Nil	280	0.00	280	Nil	280	0.00	Nil
b) Banks / FI	622360	1800	624160	4.70	622360	1800	624160	4.70	Nil
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.
Sub-total (B)(1):-	622640	1800	624440	4.70	622640	1800	624440	4.70	Nil
2. Non-Institutions									
a) Bodies Corp.	274645	13366	288011	2.17	275835	13360	289195	2.18	0.01
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 ₹ 1 lakh	1088679	632470	1721149	12.96	1127654	628470	1756124	13.22	0.26
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1177340	Nil	1177340	8.86	1137023	Nil	1137023	8.56	(0.30)
c) Others - (specify)									
Non Resident Indians	17347	9760	27107	0.20	23528	9760	33288	0.25	0.05
Overseas Corporate Bodies	Nil	Nil	Nil	N. A.	Nil	Nil	Nil	N. A.	N. A.

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	12279	Nil	12279	0.09	8965	Nil	8965	0.06	(0.03)
Trusts	160	Nil	160	0	160	Nil	160	0	Nil
Foreign Bodies - D R	Nil	Nil	Nil	N. A.	Nil	Nil	Nil	N. A.	N. A.
Sub-total (B)(2):-	2570450	655596	3226046	24.29	2573165	651590	3224755	24.28	(0.01)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3193090	657396	3850486	28.99	3195805	653390	3849195	28.98	(0.01)
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	N. A.	Nil	Nil	Nil	N. A.	N. A.
Grand Total (A+B+C)	12626347	657396	13283743	100	12630353	653390	13283743	100	Nil

ii) Shareholding of Promoter-

SN	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	283808	2.14	1.30	172808	1.30	1.30	(0.84)
2	H D Ramsinghani	8	0	Nil	8	0.00	Nil	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	Nil	212858	1.60	Nil	0.93
5	Libra Mercantile Pvt Ltd	231550	1.74	1.74	238877	1.80	1.74	0.06
6	Lajwanti D Ramsinghani	8014	0.06	0.03	8014	0.06	0.03	Nil
7	Prarabdha Trading Co Pvt Ltd	19464	0.14	Nil	464	0.00	Nil	(0.14)
8	Rama Capital & Fiscal Services Pvt Ltd	40	0	0	0	0	Nil	Nil
9	Rainbow Agri Inds Ltd	6000000	45.17	0	6000000	45.17	Nil	Nil
10	Rama Phosphates Ltd	40	0	0	40	0	Nil	Nil
11	Trishul Mercantile Pvt Ltd	284040	2.14	2.14	284040	2.14	2.14	Nil
12	D J Ramsinghani	4	0	Nil	4	0	Nil	Nil
	Total	9433261	71.01	16.57	9434548	71.02	16.57	0.01

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

SN		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	9433261	71.01	9434548	71.02
	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):	1287 shares representing 0.01% were purchased on various dates during the year.			
	At the end of the year	9433261	71.01	9434548	71.02

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 (01/04/2016 to 31/03/2017)	
		No. of shares at the beginning (01/04/2016)/ end of the year 31/03/2017	% 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	Madhavi Arora	1,50,679	1.13			No Change	1,50,679	1.13
		1,50,679	1.13					
3	Subramanian P.	0	0.00	14.10.2016	Increase	Purchase	1,41,140	1.06
		1,41,140	1.06	10.02.2017	Increase	Purchase		
				17.02.2017	Increase	Purchase		
				24.02.2017	Increase	Purchase		
				03.03.2017	Increase	Purchase		
				17.03.2017	Increase	Purchase		
				24.03.2017	Increase	Purchase		
				31.03.2017	Increase	Purchase		
4	Hemendra Chunilal Parekh	1,26,000	0.95			No Change	1,26,000	0.95
		1,26,000	0.95					
5	G R G Cosmetics	1,08,000	0.81			No Change	1,08,000	0.81
		1,08,000	0.81					
6	Ajay Bhaskar	0	0.00	28.10.2016	Increase	Purchase	70,026	0.53
				04.11.2016	Increase	Purchase		
				11.11.2016	Increase	Purchase		
				02.12.2016	Increase	Purchase		
				09.12.2016	Increase	Purchase		
				13.01.2017	Increase	Purchase		
				10.02.2017	Increase	Purchase		
				24.02.2017	Increase	Purchase		
				17.03.2017	Increase	Purchase		

7	Samta Goenka	62,000	0.46			No Change	62,000	0.46
		62,000	0.46					
8	Manilal Hirji Shah HUF	59,579	0.44			No Change	59,579	0.44
		59,579	0.44					
9	Shilendra Kumar Gwaliory	65,605	0.49	28.10.2016	Decrease	Sale	5,311	0.04
		5,311	0.04	11.11.2016	Decrease			
				24.02.2017	Decrease			
10	Sangeetha S.	61,500	0.46	14.10.2016	Decrease	Sale	0	0.00
		0	0.00					

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding					Cumulative Shareholding during the year	
		No. of shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the company	Date	Increase/ Decrease in share-holding	Reason	No. of shares	% of total shares of the company
1.	D. N. Singh	1324	0.01	N. A.	N. A.	N. A.	1324	0.01
		1324	0.01					
2.	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.	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

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2016				
i) Principal Amount	164,29,62,362	3,50,00,000	Nil	167,79,62,362
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	7,06,807	Nil	7,06,807
Total (i+ii+iii)	164,29,62,362	3,57,06,807	Nil	167,86,69,169
Change in Indebtedness during the financial year				
* Addition	1,2694,282	Nil	Nil	1,26,94,282
* Reduction	(3,67,40,486)	(3,57,06,807)	Nil	(7,24,47,293)
Net Change	(2,40,46,204)	(3,57,06,807)	Nil	(5,97,53,011)
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	161,89,16,158	Nil	Nil	161,89,16,158
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	161,89,16,158	Nil	Nil	161,89,16,158

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 (Upto 15.06.2016)	S. S. Arora	R. G. Kulkarni	N. H. Ramsinghani	N. R. Joshi	
1	Independent Directors							
	Fee for attending board/ committee meetings	24,000	6,000	Nil	20,000	Nil	16,000	66,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	24,000	6,000	Nil	20,000	Nil	16,000	66,000
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	Nil	Nil	14,000	Nil	6,000	Nil	20,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	14,000	Nil	6,000	Nil	20,000
	Total Managerial Remuneration Total (B)=(1+2)	24,000	6,000	14,000	20,000	6,000	16,000	86,000

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total ₹
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,53,032	26,88,000	44,41,032
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(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	17,53,032	26,88,000	44,41,032

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
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 Regulations, 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 Director-ships 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	Promoter Non -Executive	Five	No	Four	One	Three	8
Mr. S. S. Arora Whole Time Director	Executive	Five	Yes	Nil	Nil	Nil	65349
Mr. D. N. Singh Director	Non -Executive Independent	Five	No	Three	Two	Three	1324
Mr Mahendra Lodha Director (upto 15.06.2016)	Non -Executive Independent	One	N.A.	Eight	Four	Three	Nil
Mrs. N. H. Ramsinghani Director	Promoter Non -Executive	Three	No	Two	Nil	Nil	Nil
Mr. R. G. Kulkarni Director	Non -Executive Independent	Five	No	Four	One	One	Nil
Mr. N. R. Joshi Director (w.e.f. 30.05.2016)	Non - Executive Independent	Four	Yes	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.

- a. During the year Five Board Meetings were held on the following dates :
May 30, 2016, August 11, 2016, November 3, 2016, December 19, 2016 and February 13, 2017.
- b. During the year one meeting of the Independent Directors was held on February 13, 2017.
- c. The Compliance Reports of all applicable laws, filings made by the Company with the BSE are placed before the Board at each meeting. Detailed notes are circulated to all the Directors well in advance on all matters listed in the Agenda for each Board and committee meeting.

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 Regulations 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 inter alia include reviewing the financial statements, overseeing the Company’s financial reporting process and reviewing and examining the quarterly and annual financial statements, Management Discussion and Analysis of financial statements, recommending the appointment and remuneration of Statutory, Internal and Cost Auditors, reviewing Audit Reports, related party transactions and inter corporate loans and investments.

The Committee presently comprises of Mr. N. R. Joshi (Chairman), Mr. D. N. Singh, Mr. H. D. Ramsinghani and Mr R. G. Kulkarni.

During the year Four meetings of the Audit Committee were held on May 30, 2016, August 11, 2016, November 3, 2016 and February 13, 2017. The attendance at Audit committee meetings of each of the Directors is as under:

Name of the Director	Attendance at Audit Committee meetings
Mr. Mahendra Lodha (up to 15.06.2016)	One
Mr N. R. Joshi (w.e.f. 30.05.2016)	Three
Mr H. D. Ramsinghani	Four
Mr. D. N. Singh	Four
Mr R. G. Kulkarni	Four

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. D. N. 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.

No investor complaint is pending for a period exceeding one month.

c) Nomination and Remuneration Committee

The Nomination & Remuneration Committee formulates criterion for determining qualifications, independence and other attributes of the Directors and based thereon identifies persons qualified to be Directors. The Committee also carries out evaluation of the Directors and formulates the policy on the remuneration of Directors and KMP and determines the managerial remuneration and other employment conditions of the Managing / Whole Time Directors and Senior Management personnel (one level below the Board) based on the policy and makes recommendations to the Board of Directors. The details about the Remuneration Policy of the Company are available on the website of the Company www.rainbowdenim.com.

The Committee presently comprises of Mr R. G. Kulkarni (Chairman), Mr. D. N. Singh and Mr N. R. Joshi.

During the year one meeting of the Nomination & Remuneration Committee was held on May 30, 2016.

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. 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. D. N. Singh (Chairman), Mr. H. D. Ramsinghani, Mr. S. S. Arora.

During the year one meeting of the Stakeholders Relationship Committee was held on February 13, 2017.

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

	Received	Resolved
Non - Receipt of Share Certificates	1	1
Non - Receipt of Dividend Warrants	Nil	N.A.
Non - Receipt of Bonus Cert	Nil	N.A.
Miscellaneous	Nil	N.A.
Letters from Stock Exchanges, SEBI and Ministry of Corporate Affairs	Nil	N.A.

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:

Name of the Director	Sitting Fees (₹)
Mr. S. S. Arora	14,000/-
Mr. D. N. Singh	24,000/-
Mr. Mahendra Lodha (up to 15.06.2016)	6,000/-
Mrs. N. H. Ramsinghani	6,000/-
Mr. R. G. Kulkarni	20,000/-
Mr N. R. Joshi (w.e.f. 30.05.2016)	16,000/-
TOTAL	86,000/-

6. General Body Meetings :

Financial Year	Date	Time	Location
2013-2014	19-09-2014	10.00 A.M	Village Chaundheri, P.O. Dappar, Dist. Mohali, Punjab 140506
2014-2015	23-09-2015	10.00 A.M	Village Chaundheri, P.O. Dappar, Dist. Mohali, Punjab 140506
2015-2016	23-09-2016	10.00 A.M	Village Chaundheri, P.O. Dappar, Dist. Mohali, Punjab 140506

7. Postal Ballot / Special Resolutions

During the year under review the approval of the Members was sought pursuant to the provisions of section 180(1)(a) and other applicable provisions of the Companies Act, 2013 through the Postal Ballot process.

No Resolution is proposed for passing through Postal Ballot at the ensuing Annual General Meeting.

Special Resolutions passed in the previous Three Annual General Meetings.

Date	Particulars
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
23/09/2015	Reappointment of Mr H. D. Ramsinghani as Managing Director.
23/09/2016	Resolution pursuant to the provisions of Section 180(1)(a)

8. Disclosures

- a) The Company is in compliance with all mandatory requirements of the Listing Regulations as on the date of this Report.
- b) All transactions entered in to with Related Parties as defined under the Companies Act, 2013 and the Listing Regulations 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 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 the Listing Regulations is reviewed by the Board from time to time.
- h) 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.

9. Means of communication

- a) The Company has not made any presentation to the institutional investors or analysts.
- b) 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	:	31 st March, 2017
Annual General Meeting	:	September 21, 2017 at 10.00 a.m.
		At Village Chaundheri, P. O. Dappar, Tehsil Derabassi, Dist Mohali, Punjab 140 506.
Dates of Book Closure	:	September 14, 2017 to September 21, 2017 (both days inclusive)
Dividend payment date	:	Not Applicable
Listing on Stock Exchange	:	Bombay Stock Exchange Ltd.
Stock Code	:	532441 (BSE)
International Securities Identification Number allotted By NSDL	:	INE820D01025

The Company has paid listing fees to the Bombay Stock Exchange for the period up to March 31, 2017.

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

Month	High	Low
April 2016	6.10	4.45
May 2016	6.25	5.32
June 2016	7.00	5.31
July 2016	7.00	5.25
August 2016	6.34	4.54
September 2016	7.24	5.81
October 2016	8.12	6.10
November 2016	10.55	6.80
December 2016	8.91	7.01
January 2017	9.04	7.50
February 2017	11.44	8.80
March 2017	10.50	7.93

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 - 101, 247 Park, L. B. S. Marg, Vikhroli (West) Mumbai - 400083

Tel : 49186000; Fax : 49186060

Email: rnt.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 / Transmission 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, 2017 :

Number of Equity Share Holdings	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 - 500	14133	96.87	1042186	7.85
501 - 1000	211	1.45	159310	1.20
1001 - 2000	90	0.62	133704	1.01
2001 - 3000	38	0.26	94947	0.71
3001 - 4000	22	0.15	80043	0.60
4001 - 5000	27	0.18	129200	0.97
5001 - 10000	22	0.15	151447	1.14
10001 & above	47	0.32	11492906	86.52
Total	14590	100.00	13283743	100.00

15. Shareholders' Profile as on March 31, 2017 :

Category of Shareholders	No. of Shares held	% to Total Capital
Promoters	9434548	71.02
Non Promoter Shareholding		
Foreign Collaborators	Nil	N.A.
Banks	623920	4.70
Financial Institutions	240	0.00
Foreign Institutional Investors	Nil	N.A.
Mutual Funds	280	0.00
Domestic Companies	298160	2.25
Non-Domestic Companies	Nil	N.A.
Non-Resident Indians	33288	0.25
General Public	2893307	21.78
T o t a l	13283743	100.00

16. Dematerialization of shares as on March 31, 2017:

95.08% of the Company's total share capital representing 12630353 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 – 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 078.

19. Appointment / Reappointment of Directors:

Mr. H. D. Ramsinghani is proposed to be reappointed at the forthcoming Annual General Meeting and Mr S. S. Arora has been appointed as the Whole Time Director of the Company. 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
DIN 00035416

Place : Mumbai
Date : August 4, 2017

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.

As required under Regulation 26(3) of SEBI (LODR) Regulations, 2015 the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the said Code for the year ended March 31, 2017.

H.D. RAMSINGHANI

CHAIRMAN

DIN 00035416

Place : Mumbai

Date : August 4, 2017

AUDITORS' CERTIFICATE FOR CORPORATE GOVERNANCE

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 31st March, 2017, as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be applicable.

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 the representations made by the Directors and Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be applicable.

Based on the representation received from Company's Share Transfer Agents, we state that complaint letters received from shareholders during the period 01/04/2016 to 31/03/2017 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.

For Dayal and Lohia

Chartered Accountants

Firm Regn. No. 102200W

Place: Mumbai

Date : August 4, 2017

Rinkit K. Uchat

(Partner)

Memb. No : 165557

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 Limited** ("the company"), which comprise the Balance Sheet as at 31st March 2017, 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, 2017;
- (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

- 1) We draw attention to Note 31 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.
- 2) Without qualifying the report, we draw your attention to Note 20 of the accompanying financial statements in respect of interest income recognized of ₹34,08,412/- on loans and advances of ₹ 20,00,00,000/- granted during the year. The interest is recognized in view of provision of Section 186(7) of the Companies Act 2013. The loan granted is recovered during the year but recovery of interest being doubtful, same has been written off. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of section 143 (11) of the Companies Act, 2013, we give in the "**Annexure A**"- a statement on the matters specified in the paragraph 3 & 4 of said order.

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 31st March, 2017 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With Respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- g. 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.
 - iv) The Company has provided requisite disclosures in its Note 16.1 of financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the disclosures are in accordance with the books maintained by the Company.

For Dayal and Lohia
Chartered Accountants
Firm Regn. No. 102200W

Place: Mumbai
Date : May 26, 2017

Rinkit K. Uchat
(Partner)
Memb. No : 165557

“ANNEXURE A” 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 31st March 2017. 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.
 - c) The title deeds of immovable properties are held in the name of company.
2. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management during the year and no material discrepancies have been noticed.
3. According to the information and explanations given to us, the company has granted loan to the company covered in the register maintained under section 189 of the Companies Act, 2013 and so
 - a) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.
 - b) The schedule of repayment of principal and interest has been stipulated and the repayments and receipts are regular.
 - c) The amount is not overdue.
4. According to the information and explanations given to us:
 - a) the company has granted loan during the year and have complied with provisions of Section 186 of Companies Act, 2016.
 - b) No loans are granted to parties covered under Section 185 of Companies Act, 2013 and thus accordingly the provisions are complied with.
5. According to the information and explanation given to us, the company has not accepted any deposits as per the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
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, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and any other statutory dues with appropriate authorities outstanding as on 31st March, 2017, 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.
8. 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 have restructured all previous defaulted loans including interest and L.C. devolvement with securitization companies in earlier years. There were defaults in repaying restructured loan's installments to extent of ₹ 4,42,12,000/- as on 31.03.2017.

9. In our opinion and on the basis of information and explanations given to us, the Company has not raised money by way of further public offer during the year and term loans availed by the Company were, prima facie, applied by the Company for the purpose for which the loans were obtained.
10. 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.
11. According to the information and explanations given to us, the managerial remuneration paid by the company is in accordance with the Section 197 read with Schedule V of the companies Act, 2013.
12. In our opinion and according to information and explanations given to us, the company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable.
13. According to information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in accordance with section 177 and 188 of the act where applicable and details of such transactions have been disclosed in Financial Statements as required by applicable accounting standards.
14. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Therefore paragraph 3(xv) of the Order is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45- IA of Reserve Bank of India Act, 1934.

**For Dayal and Lohia
Chartered Accountants
Firm Regn. No. 102200W**

Place: Mumbai
Date : May 26, 2017

**Rinkit K. Uchat
(Partner)
Memb. No : 165557**

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting of **Rainbow Denim Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of Internal Control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For Dayal and Lohia
Chartered Accountants
Firm Regn. No. 102200W

Rinkit K. Uchat
(Partner)

Memb. No : 165557

Place: Mumbai

Date : May 26, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(Amount in ₹)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES :			
Shareholders' Funds :			
Share Capital	2	13,28,37,430	13,28,37,430
Reserves and Surplus	3	<u>(1,36,38,19,596)</u>	<u>(1,26,40,93,895)</u>
		<u>(1,23,09,82,166)</u>	<u>(1,13,12,56,465)</u>
Non-current Liabilities :			
Long Term Borrowings	4	1,44,13,03,403	1,44,63,75,612
Other Long Term Liabilities	5	5,81,482	4,71,246
		<u>1,44,18,84,885</u>	<u>1,44,68,46,858</u>
Current Liabilities :			
Short Term Borrowings	6	1,73,28,542	3,96,34,260
Trade Payables	7	48,59,54,240	44,37,54,122
Other Current Liabilities	8	18,92,51,165	22,08,99,447
Short Term Provisions	9	41,50,190	26,58,208
		<u>69,66,84,137</u>	<u>70,69,46,037</u>
TOTAL		<u><u>90,75,86,856</u></u>	<u><u>1,02,25,36,430</u></u>
ASSETS :			
Non-current Assets :			
Fixed Assets :	10		
Tangible Assets		32,63,28,082	34,87,46,444
Intangible Assets		22,54,605	35,85,688
		<u>32,85,82,687</u>	<u>35,23,32,132</u>
Non-current Investments	11	2,82,250	2,82,250
Long-term Loans and Advances	12	2,96,07,871	2,55,55,033
Other Non-current Assets	13	26,25,734	5,17,127
Current Assets :			
Inventories	14	13,94,73,965	21,16,15,774
Trade Receivables	15	37,87,03,746	33,58,69,172
Cash and Cash Equivalents	16	1,19,99,827	78,52,852
Short Term Loans and Advances	17	1,63,10,776	8,85,12,090
		<u>54,64,88,314</u>	<u>64,38,49,888</u>
TOTAL		<u><u>90,75,86,856</u></u>	<u><u>1,02,25,36,430</u></u>
Significant Accounting Policies	1		

The accompanying Notes 1 to 34 are an integral part of the Financial Statements.

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

For and on behalf of the Board of Directors,

Rinkit K. Uchat
Partner
Membership Number : 165557

R. D. Jog
Company Secretary

S. S. Arora
CFO

D. N. Singh
Director
DIN - 00021741

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

Place : Mumbai
Date : May 26, 2017

Place : Mumbai
Date : May 26, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
REVENUE :			
Revenue from Operations :			
Sale of Finished Goods	18	1,80,13,52,036	2,20,80,40,244
Less : Excise Duty		-	-
Net Sale of Products		1,80,13,52,036	2,20,80,40,244
Other Operating Revenues	19	1,17,45,967	1,22,68,996
Net Revenue from Operations		1,81,30,98,003	2,22,03,09,240
Other Income	20	76,71,870	16,45,419
TOTAL REVENUE		1,82,07,69,873	2,22,19,54,659
EXPENSES :			
Cost of Materials Consumed	21	1,03,22,20,894	1,32,66,18,109
Changes in Inventories of Finished Goods and Work-in-progress - Decrease / (Increase)	22	3,68,54,285	(3,57,36,982)
Employee Benefits Expense	23	16,76,89,544	16,77,84,181
Finance Costs	24	2,17,37,111	6,49,99,546
Depreciation	10 & 3	3,05,44,284	4,50,90,901
Other Expenses	25	63,14,44,282	75,04,64,139
TOTAL EXPENSES		1,92,04,90,400	2,31,92,19,894
Profit / (Loss) Before Tax		(9,97,20,527)	(9,72,65,235)
Tax Expense		-	-
PROFIT / (LOSS) FOR THE YEAR		(9,97,20,527)	(9,72,65,235)
Earning per Equity Share of Face Value of ₹ 10.00 each	26		
Before Extraordinary items :			
- Basic		(7.51)	(7.32)
- Diluted		(7.51)	(7.32)
After Extraordinary items :			
- Basic		(7.51)	(7.32)
- Diluted		(7.51)	(7.32)

Significant Accounting Policies

1

The accompanying Notes 1 to 34 are an integral part of the Financial Statements.

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

For and on behalf of the Board of Directors,

Rinkit K. Uchat
Partner
Membership Number : 165557

R. D. Jog
Company Secretary

S. S. Arora
CFO

D. N. Singh
Director
DIN - 00021741

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

Place : Mumbai
Date : May 26, 2017

Place : Mumbai
Date : May 26, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in ₹)

	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax	(9,97,20,527)	(9,72,65,235)
Adjustments for :		
Depreciation	3,05,44,284	4,50,90,901
Loss / (Profit) on Sale/Disposal of Assets	1,17,963	23,978
Interest Accrued	2,17,37,111	6,49,99,546
Waiver of Interest	-	(51,215)
Interest Income	(59,05,432)	(4,04,410)
Dividend Income	-	(5,177)
Loss/(Gain) on Foreign Exchange Fluctuations	<u>(17,38,188)</u>	<u>(5,57,292)</u>
	4,47,55,738	10,90,96,331
Operating Loss Before Working Capital Changes	(5,49,64,789)	1,18,31,096
Adjustments for :		
(Increase) / Decrease in Inventories	7,21,41,809	(4,10,21,629)
(Increase) / Decrease in Trade and Other Receivables	2,70,52,090	(8,67,65,301)
Increase / (Decrease) in Trade and Other Payables	<u>4,45,29,138</u>	<u>14,54,89,694</u>
	14,37,23,037	1,77,02,764
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	<u>8,87,58,248</u>	<u>2,95,33,860</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets (Including Capital Advances)	(69,47,976)	(1,17,75,264)
Sale of Fixed Assets	30,000	54,500
Interest Income	59,05,432	4,04,410
Sale of Investments	-	1,55,304
(Increase) / Decrease in Non Current Assets	(21,08,607)	12,27,328
Dividend Income	-	5,177
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	<u>(31,21,151)</u>	<u>(99,28,545)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase / (Decrease) in Long Term Borrowings (Net)	(3,67,40,486)	1,50,74,445
Increase / (Decrease) in Short Term Borrowings (Net)	(2,23,05,718)	(1,22,35,678)
Interest Paid	(2,24,43,918)	(2,12,53,571)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	<u>(8,14,90,122)</u>	<u>(1,84,14,804)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	41,46,975	11,90,511
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	78,52,852	66,62,341
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	1,19,99,827	78,52,852

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 the Central Government of India.

**As per our report of even date attached
for Dayal and Lohia,**

Chartered Accountants

Firm Registration Number : 102200W

Rinkit K. Uchat

Partner

Membership Number : 165557

R. D. Jog

Company Secretary

S. S. Arora

CFO

D. N. Singh

Director

DIN - 00021741

H. D. Ramsinghani

Chairman and

Managing Director

DIN - 00035416

Place : Mumbai

Date : May 26, 2017

Place : Mumbai

Date : May 26, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES :

A. Basis of preparation of Financial Statements :

The financial statements are prepared under the historical cost convention on an accrual basis and in accordance with the Generally Accepted Accounting Principles ('GAAP') in compliance with the provisions of Companies Act, 2013 (the 'Act') including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India are also considered, wherever applicable.

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Act. The Cash Flow Statement has been prepared and presented as per requirements of the Accounting Standard (AS) 3 Cash Flow Statements. The disclosure requirements with respect to items in the Balance Sheet and the Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

B. Use of estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amount of revenues and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. 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.

D. 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.

E. 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.

F. 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.

G. 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.

H. Investments :

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

I. 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.

J. 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.

K. 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.

L. 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.

M. 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.

N. 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, 2017

2. SHARE CAPITAL :

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	₹	Number of Shares	₹
AUTHORISED :				
Equity Shares of ₹ 10.00 each	<u>2,70,00,000</u>	<u>27,00,00,000</u>	<u>2,70,00,000</u>	<u>27,00,00,000</u>
	<u>2,70,00,000</u>	<u>27,00,00,000</u>	<u>2,70,00,000</u>	<u>27,00,00,000</u>
ISSUED, SUBSCRIBED AND FULLY PAID-UP :				
Equity Shares of ₹ 10.00 each fully paid-up	<u>1,32,83,743</u>	<u>13,28,37,430</u>	<u>1,32,83,743</u>	<u>13,28,37,430</u>
TOTAL	<u>1,32,83,743</u>	<u>13,28,37,430</u>	<u>1,32,83,743</u>	<u>13,28,37,430</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	60,00,000	45.17	60,00,000	45.17
b. Indo-US Investments INC.	25,17,435	18.95	25,17,435	18.95

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

Equity Shares outstanding at the beginning of the year	1,32,83,743	1,32,83,743
Add : Shares issued during the year	-	-
Less : Shares cancelled during the year	-	-
Equity Shares outstanding at the end of the year	1,32,83,743	1,32,83,743

2.3 Terms / Rights attached to Equity Shares :

The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of share holders in the ensuing Annual General Meeting.

In the event of the liquidation of the Company, the holder of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of Equity Shares held by the share holders.

3. RESERVES AND SURPLUS :

Particulars	As at	As at
	March 31, 2017	March 31, 2016
	₹	₹
Capital Reserve :		
Balance as per last financial statements	9,11,81,436	9,11,86,624
Adjustment for Depreciation	<u>(5,174)</u>	<u>(5,188)</u>
Balance at the end of the year	9,11,76,262	9,11,81,436
Share Premium Account :		
Balance as per last financial statements	4,93,64,092	4,93,64,092
Interest Subsidy :		
Balance as per last financial statements	6,36,003	6,36,003
Surplus / (Deficit) in Statement of Profit and Loss :		
Balance as per last financial statements	(1,40,52,75,426)	(1,30,80,10,191)
Net Profit/(Net Loss) for the year	<u>(9,97,20,527)</u>	<u>(9,72,65,235)</u>
Balance at the end of the year	(1,50,49,95,953)	(1,40,52,75,426)
TOTAL RESERVES AND SURPLUS	(1,36,38,19,596)	(1,26,40,93,895)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

4. LONG TERM BORROWINGS :

Particulars	As at March 31, 2017 ₹		As at March 31, 2016 ₹	
	Non-current	Current Maturities	Non-current	Current Maturities
Secured :				
Term Loan from Bank [Refer Note 4.1]	42,88,000	-	42,88,000	-
Other Loans [Refer Note 4.2]	1,43,67,64,631	15,98,78,000	1,44,14,30,631	19,15,82,000
Against Hire Purchase of Vehicles [Refer Note 4.3]	2,50,772	4,06,213	6,56,981	3,70,490
Sub-total	1,44,13,03,403	16,02,84,213	1,44,63,75,612	19,19,52,490
Less : Disclosed under Other Current Liabilities [Refer Note 8]		(16,02,84,213)		(19,19,52,490)
Total Secured Long Term Borrowings	1,44,13,03,403	-	1,44,63,75,612	-
TOTAL LONG TERM BORROWINGS	1,44,13,03,403	16,02,84,213	1,44,63,75,612	19,19,52,490

- 4.1** Term Loan from Bank 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, Term 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 is as set out below :

Year / Rate of Interest per annum	0.00%
2018-19	-
2019-20	-
2020-21	10,08,941
2021-22	10,08,941
2022-23	10,08,941
2023-24	10,08,941
2024-25	2,52,236

The Company has defaulted in payment of Principal and Interest of ₹ Nil (Previous Year - ₹ Nil)

- 4.2** Loans taken from Export Import Bank of India assigned to Edelweiss Asset Reconstruction Company Limited (EARC), Loans taken from IDBI Bank Limited assigned to Assets Care & Reconstruction Enterperise Limited (ACRE), Loans taken from Bank of India assigned to Assets Care & Reconstruction Enterperise Limited (ACRE) and Loans taken from Dena Bank 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 and pledge of investments by other companies. 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 Loans are as set out below :

Year / Rate of Interest per annum	0.00%
2018-19	14,36,75,000
2019-20	41,95,25,000
2020-21	74,77,25,167
2021-22	1,48,39,464

The Company has defaulted in payment of Principal and Interest of ₹ 4,42,12,000 (Previous Year - ₹ Nil)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Loan from Disha Infin Consultants Private Limited is repayable in single installment on September 30, 2019 and carries interest @ 18% p.a. (Previous Year @ 18% p.a.). The loan is secured by equitable mortgage over Office Premises of the Company and personal guarantees of erstwhile Directors of the Company.

4.3 *Loan from Toyota Financial Services India Limited is repayable in Equated Monthly Installments till October, 2018 and carry interest @ 9.24% p.a. The loan is secured by hypothecation of motor vehicle purchased there against.*

5. OTHER LONG TERM LIABILITIES :

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Security Deposits	5,81,482	4,71,246
TOTAL OTHER LONG TERM LIABILITIES	5,81,482	4,71,246

6. SHORT TERM BORROWINGS :

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Secured :		
Working Capital Loans from Bank	1,73,28,542	46,34,260
<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>		
Total Secured Short Term Borrowings	1,73,28,542	46,34,260
Unsecured :		
Loans and Advances from Others	-	3,50,00,000
Total Unsecured Short Term Borrowings	-	3,50,00,000
TOTAL SHORT TERM BORROWINGS	1,73,28,542	3,96,34,260

6.1 Rate of interest on Working Capital Loans from Bank are set out below :

- Rate of Interest per annum	9.00%	9.50%
- Amount Outstanding	49,78,682	1,23,49,860

7. TRADE PAYABLES :

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Total outstanding dues of Micro and Small Enterprises	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	48,59,54,240	44,37,54,122
TOTAL TRADE PAYABLES	48,59,54,240	44,37,54,122

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, the company has not received any information from its suppliers as on date regarding their status under the above said Act and hence, no disclosure has been made.*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

8. OTHER CURRENT LIABILITIES :

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Maturities of Long Term Debts [Refer Note 4]	16,02,84,213	19,19,52,490
Interest Accrued But Not Due on Borrowings	-	7,06,807
Advances from Customers	8,95,658	3,03,433
Statutory Dues	37,52,562	36,80,377
Employee Dues	1,62,18,732	1,61,56,340
Other Liabilities	81,00,000	81,00,000
TOTAL OTHER CURRENT LIABILITIES	<u>18,92,51,165</u>	<u>22,08,99,447</u>

9. SHORT TERM PROVISIONS :

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Provision for Employee Benefits [Refer Note 23]	41,50,190	26,58,208
TOTAL SHORT TERM PROVISIONS	<u>41,50,190</u>	<u>26,58,208</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
10. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at April 01, 2016	Additions during the year	(Deductions)/ Adjustments during the year	As at March 31, 2017	As at April 01, 2016	For the year	(Deductions)/ Adjustments during the year	As at March 31, 2017	As at March 31, 2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a. Tangible Assets :									
Freehold Land [including site development]	3,07,55,142	20,80,480	-	3,28,35,622	-	-	-	3,28,35,622	3,07,55,142
Buildings	35,14,10,536	33,03,995	-	35,47,14,531	16,48,08,887	1,03,22,543	-	17,51,31,430	18,66,01,649
Plant and Machinery	1,59,58,82,274	5,95,924	-	1,59,64,78,198	1,47,13,74,834	1,73,68,389	-	1,48,87,43,223	12,45,07,440
Furniture and Fixtures	1,00,31,109	4,14,816	-	1,04,45,925	91,01,248	2,44,771	-	93,46,019	9,29,861
Vehicles	1,11,47,051	-	(4,81,145)	1,06,65,906	60,42,525	8,07,622	(3,33,182)	65,16,905	51,04,526
Computers and Peripherals	82,92,893	82,191	-	83,75,084	76,91,161	1,62,756	-	78,53,917	6,01,732
Office and Other Equipments	27,50,744	2,47,357	-	29,98,101	25,04,650	89,081	-	25,93,731	2,46,094
TOTAL	2,01,02,69,749	67,24,763	(4,81,145)	2,01,65,13,367	1,66,15,23,305	2,89,95,162	(3,33,182)	1,69,01,85,285	32,63,28,082
b. Intangible Assets :									
Computer Software	52,41,522	2,23,213	-	54,64,735	16,55,834	15,54,296	-	32,10,130	35,85,688
TOTAL	52,41,522	2,23,213	-	54,64,735	16,55,834	15,54,296	-	32,10,130	35,85,688
Current Year	2,01,55,11,271	69,47,976	(4,81,145)	2,02,19,78,102	1,66,31,79,139	3,05,49,458	(3,33,182)	1,69,33,95,415	32,85,82,687
Previous Year	2,00,44,32,191	1,17,75,264	(6,96,184)	2,01,55,11,271	1,61,87,00,756	4,50,96,089	(6,17,706)	1,66,31,79,139	35,23,32,132
10.1	Gross Block of Vehicles include cost of vehicle acquired on Hire Purchase basis.								
								29,50,874	29,50,874

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

11. NON-CURRENT INVESTMENTS (At Cost) :

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of Shares	₹	Number of Shares	₹
Investments in Equity Shares (Trade) :				
Unquoted :				
Equity Shares of ₹ 10.00 each in Nimbua Greenfield (Punjab) Limited fully paid up.	28,125	<u>2,81,250</u>	28,125	<u>2,81,250</u>
Sub-total		<u>2,81,250</u>		<u>2,81,250</u>
Investments in Equity Shares (other than trade) :				
Unquoted (Related Party) :				
Equity Shares of ₹ 10.00 each in Rama Industries Limited fully paid up.	43,440	4,34,400	43,440	4,34,400
Less : Provision for diminution in value of Investments		<u>4,33,400</u>		<u>4,33,400</u>
Sub-total		<u>1,000</u>		<u>1,000</u>
TOTAL NON-CURRENT INVESTMENTS		<u>2,82,250</u>		<u>2,82,250</u>
Aggregate value of unquoted Investments :				
At Cost price		7,15,650		7,15,650

12. LONG TERM LOANS AND ADVANCES :

[Unsecured, considered good unless otherwise stated]

Particulars	As at	As at
	March 31, 2017	March 31, 2016
	₹	₹
Prepaid Expenses	18,86,916	12,886
Security Deposits	2,54,65,195	2,52,95,195
Taxes Paid and Refund Receivable	<u>22,55,760</u>	<u>2,46,952</u>
TOTAL LONG TERM LOANS AND ADVANCES	<u>2,96,07,871</u>	<u>2,55,55,033</u>

13. OTHER NON-CURRENT ASSETS :

Particulars	As at	As at
	March 31, 2017	March 31, 2016
	₹	₹
Balances with Banks :		
in Deposit Accounts against Margin Money with more than 12 months maturity. [Refer Note 16]	25,10,496	5,00,000
Interest Receivable	<u>1,15,238</u>	<u>17,127</u>
TOTAL OTHER NON-CURRENT ASSETS	<u>26,25,734</u>	<u>5,17,127</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

14. INVENTORIES :

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Raw Materials	2,01,43,499	5,19,70,707
Work-in-progress	7,71,55,807	10,04,19,520
Finished Goods	1,88,81,580	3,34,35,513
Colours, Dyes and Chemicals	84,32,326	1,19,70,286
Stores, Packing Materials and Consumables	1,38,17,498	1,37,39,854
Waste and Scrap	10,43,255	79,894
TOTAL INVENTORIES	13,94,73,965	21,16,15,774

- 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, 2017 ₹	As at March 31, 2016 ₹
Considered good :		
Outstanding for a period less than six months	35,40,47,714	33,32,22,019
Outstanding for a period exceeding six months	2,46,56,032	26,47,153
Considered doubtful :		
Outstanding for a period exceeding six months	37,70,724	37,70,724
	38,24,74,470	33,96,39,896
Less : Provision for Doubtful Debts	(37,70,724)	(37,70,724)
TOTAL TRADE RECEIVABLES	37,87,03,746	33,58,69,172

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

16. CASH AND CASH EQUIVALENTS :

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Balances with Banks :		
in Current Accounts	1,09,02,200	39,76,181
in Deposit Accounts against Margin Money		
- Maturity upto 12 months	-	16,00,000
- Maturity above 12 months	25,10,496	5,00,000
	<u>25,10,496</u>	<u>21,00,000</u>
Less : Amount disclosed under other Non-current Assets [Refer Note 13]	(25,10,496)	(5,00,000)
	-	16,00,000
Cash Balance on Hand	<u>10,97,627</u>	<u>22,76,671</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>1,19,99,827</u>	<u>78,52,852</u>

16.1 Details of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016 as provided in the Table below :

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on November 08, 2016	27,07,500	12,24,557	39,32,057
(+) Permitted receipts	-	16,09,711	16,09,711
(-) Permitted payments	-	(18,66,243)	(18,66,243)
(-) Amount deposited in Banks	(27,07,500)	-	(27,07,500)
Closing cash in hand as on December 30, 2016	-	9,68,025	9,68,025

17. SHORT TERM LOANS AND ADVANCES :

[Unsecured, considered good]

Particulars	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Advances recoverable in cash or in kind or for value to be received :		
Advances for Supply of Goods and Services	93,72,792	8,36,03,400
Export Incentives Receivables	36,07,457	23,31,217
Prepaid Expenses	17,95,802	10,34,172
Balance with Government Authorities	48,965	2,365
Other Loans and Advances	14,85,760	15,40,936
TOTAL SHORT TERM LOANS AND ADVANCES	<u>1,63,10,776</u>	<u>8,85,12,090</u>

17.1 *Advances recoverable in cash or in kind includes given to related party.* 96,66,839 8,08,29,903

18. SALE OF FINISHED GOODS :

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Sale of Denim Fabric	1,80,13,52,036	2,20,80,40,244
TOTAL SALE OF PRODUCTS	<u>1,80,13,52,036</u>	<u>2,20,80,40,244</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

18.1 EARNING IN FOREIGN CURRENCY :

FOB Value of Exports	6,39,00,033	1,85,21,763
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19. OTHER OPERATING REVENUES :

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Sale of Waste and Other Materials	67,58,284	1,16,38,954
Export Incentives	49,87,683	6,30,042
TOTAL OTHER OPERATING REVENUES	1,17,45,967	1,22,68,996

20. OTHER INCOME :

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Gain on Foreign Exchange Fluctuations (Net)	17,38,188	5,57,292
Interest Income	59,05,432	4,04,410
Dividend Income	-	5,177
Miscellaneous Income	28,250	6,78,540
TOTAL OTHER INCOME	76,71,870	16,45,419

21. COST OF MATERIALS CONSUMED :

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
	% of Consumption	% of Consumption
Opening Stock	5,19,70,707	4,90,13,854
Add : Purchases	1,00,03,93,686	1,32,95,74,962
	1,05,23,64,393	1,37,85,88,816
Less : Closing Stock	2,01,43,499	5,19,70,707
TOTAL MATERIALS CONSUMED	1,03,22,20,894	1,32,66,18,109

21.1 Particulars of Raw Materials Consumed :

Cotton	43,78,77,192	48,71,25,262
Yarn	59,43,43,702	83,94,92,847
Total	1,03,22,20,894	1,32,66,18,109

21.2 Particulars of Raw Materials Consumed :

Imported	Nil	Nil	Nil	Nil
Indigenous	100.00	1,03,22,20,894	100.00	1,32,66,18,109
Total	100.00	1,03,22,20,894	100.00	1,32,66,18,109

21.3 Value of Imports on CIF basis

	Nil	Nil
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Finished Goods :		
Closing Stocks	1,88,81,580	3,34,35,513
Opening Stocks	<u>3,34,35,513</u>	<u>2,23,64,317</u>
Decrease / (Increase) in Finished Goods	<u>1,45,53,933</u>	<u>(1,10,71,196)</u>
Work-in-progress :		
Closing Stocks	7,71,55,807	10,04,19,520
Opening Stocks	<u>10,04,19,520</u>	<u>7,57,55,813</u>
Decrease / (Increase) in Work-in-progress	<u>2,32,63,713</u>	<u>(2,46,63,707)</u>
Waste :		
Closing Stocks	10,43,255	79,894
Opening Stocks	<u>79,894</u>	<u>77,815</u>
Decrease / (Increase) in Waste	<u>(9,63,361)</u>	<u>(2,079)</u>
DECREASE / (INCREASE) IN INVENTORIES	<u>3,68,54,285</u>	<u>(3,57,36,982)</u>

23. EMPLOYEE BENEFITS EXPENSE :

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Salary and Wages (Including Contractual Workmen)	14,69,35,284	14,87,37,547
Contribution to Provident Fund and Other Funds	1,91,68,903	1,69,77,072
Staff Welfare Expenses	<u>15,85,357</u>	<u>20,69,562</u>
TOTAL EMPLOYEE BENEFITS EXPENSE	<u>16,76,89,544</u>	<u>16,77,84,181</u>

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, 2017 ₹	For the year ended March 31, 2016 ₹
- Provident Fund	1,09,58,077	1,00,71,963
- Employees' State Insurance	<u>41,28,982</u>	<u>41,40,879</u>

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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, 2017		For the year ended March 31, 2016	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	₹	₹	₹	₹
Principal Actuarial Assumptions :				
Discount rate	8.00%	8.00%	8.00%	8.00%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%
Changes in present value of the obligation :				
Present value of the Obligation at the beginning of the year	1,37,47,923	34,11,013	1,37,77,086	29,42,469
Interest Cost	10,99,834	2,72,881	11,02,167	2,35,398
Current Service Cost	32,21,163	12,68,718	32,21,163	12,68,718
Benefits Paid	(17,89,534)	(6,93,279)	(34,46,057)	(12,02,140)
Actuarial (Gain) / Loss on Obligation	6,19,158	(10,57,744)	(9,06,436)	1,66,568
Present value of Obligation at year end	1,68,98,544	32,01,589	1,37,47,923	34,11,013
Changes in the fair value of Plan Assets				
Fair value of Plan Assets at the beginning of year	1,13,50,833	31,49,895	1,23,66,673	40,35,185
Expected return on Plan Assets	10,36,985	2,36,835	10,19,804	3,16,850
Contribution	23,97,090	2,61,118	14,10,413	-
Benefits Paid	(17,89,534)	(6,93,279)	(34,46,057)	(12,02,140)
Actuarial gain/(loss) on Plan Assets	-	-	-	-
Fair value of Plan Assets at the end of year	1,29,95,374	29,54,569	1,13,50,833	31,49,895
Actuarial Gain / (Loss) recognized :				
Actuarial Gain / (Loss) for the year				
- Obligation	(6,19,158)	10,57,744	9,06,436	(1,66,568)
- Plan Assets	-	-	-	-
Total Gain / (Loss) for the year	(6,19,158)	10,57,744	9,06,436	(1,66,568)
Actual Gain / (Loss) recognized in the year				
	(6,19,158)	10,57,744	9,06,436	(1,66,568)
Amount to be recognized in the Balance Sheet :				
Present value of Obligation at year end	1,68,98,544	32,01,589	1,37,47,923	34,11,013
Fair value of Plan Assets at year end	1,29,95,374	29,54,569	1,13,50,833	31,49,895
Funded status	(39,03,170)	(2,47,020)	(23,97,090)	(2,61,118)
Net Asset / (Liability) recognized in the Balance Sheet	(39,03,170)	(2,47,020)	(23,97,090)	(2,61,118)
Expenses recognized in the Statement of Profit and Loss :				
Current Service Cost	32,21,163	12,68,718	32,21,163	12,68,718
Interest Cost	10,99,834	2,72,881	11,02,167	2,35,398
Expected return on Plan Assets	(10,36,985)	(2,36,835)	(10,19,804)	(3,16,850)
Actuarial (Gain) / Loss recognized in the year	6,19,158	(10,57,744)	(9,06,436)	1,66,568
Expenses recognized in the Statement of Profit and Loss	39,03,170	4,05,971	25,89,750	3,18,474

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

24. FINANCE COSTS :

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Interest Expenses	2,17,37,111	6,49,99,546
TOTAL FINANCE COSTS	2,17,37,111	6,49,99,546

25. OTHER EXPENSES :

Particulars	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Manufacturing Expenses :		
Colours, Dyes and Chemicals Consumed	23,92,20,643	31,05,18,041
Stores, Spares, Packing and Consumables Consumed	3,88,91,374	5,20,60,865
Power and Fuel Expenses	20,20,30,909	23,90,40,154
Job Work Charges	3,28,54,902	2,83,93,825
Insurance Expenses	15,54,317	12,79,071
Repairs and Maintenance :		
- Buildings	9,97,315	13,63,212
- Plant and Machinery	65,09,858	91,48,575
Total Manufacturing Expenses	52,20,59,318	64,18,03,743
Administrative Expenses :		
Travelling and Conveyance Expenses	63,95,758	68,10,049
Rental and Hiring Charges	84,59,945	79,32,998
Postage and Courier Expenses	8,25,579	13,10,069
Printing and Stationery	22,96,972	21,99,414
Rates, Fee and Taxes	21,40,843	7,61,989
Loss on Sale/Disposal of Fixed Assets (Net)	1,17,963	23,978
Professional and Legal Expenses	2,68,92,508	2,89,13,581
Telecommunication Expenses	14,31,222	9,03,625
Directors' Sitting Fee	86,000	76,000
Auditors' Remuneration :		
- for Audit Fee	3,85,250	3,83,575
- for Taxation Matters	86,250	85,875
- for Other Services	3,24,738	2,48,346
- for Re-imbursement of Expenses	81,296	73,095
Advertisement and Publicity Expenses	2,16,449	2,14,747
Repairs and Maintenance to Others	26,66,310	24,16,217
Running and Maintenance to Vehicles	29,51,585	31,78,201
Financial Charges	10,71,462	6,54,354
Other Expenses	1,19,57,249	1,22,27,110
Total Administrative Expenses	6,83,87,379	6,84,13,223
Selling and Distribution Expenses :		
Freight and Forwarding Expenses	58,70,077	32,92,833
Sales Commission	18,02,114	1,74,466
Rebate, Discounts and Claims	2,67,20,979	3,33,81,989
Other Selling and Distribution Expenses	66,04,415	33,97,885
Total Selling and Distribution Expenses	4,09,97,585	4,02,47,173
TOTAL OTHER EXPENSES	63,14,44,282	75,04,64,139

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
25.1 Value of Colours, Dyes and Chemicals Consumed :	% of	₹	% of	₹
	Consumption		Consumption	
Imported	38.62	9,23,97,386	39.82	12,36,51,894
Indigenous	61.38	14,68,23,257	60.18	18,68,66,147
TOTAL	100.00	23,92,20,643	100.00	31,05,18,041
25.2 Value of Stores, Spares, Packing and Consumables Consumed :	% of	₹	% of	₹
	Consumption		Consumption	
Imported	29.17	1,13,43,306	24.32	1,26,59,668
Indigenous	70.83	2,75,48,068	75.68	3,94,01,197
TOTAL	100.00	3,88,91,374	100.00	5,20,60,865
25.3 Value of Imports on CIF basis in respect of :				
Colours, Dyes and Chemicals		6,77,38,027		9,27,51,885
Stores, Spares, Packing and Consumables		43,74,328		52,98,327
25.4 Expenditure in Foreign Currency :				
Commission		12,90,204		62,413
Travelling and Business Promotion		15,98,232		21,97,202
26. EARNING PER EQUITY SHARE :				
Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
		₹		₹
a. Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Before Extraordinary items)		(9,97,20,527)		(9,72,65,235)
b. Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (After Extraordinary items)		(9,97,20,527)		(9,72,65,235)
c. Number of Equity Shares outstanding		1,32,83,743		1,32,83,743
d. Weighted Average Number of Equity Shares outstanding during the year		1,32,83,743		1,32,83,743
e. Weighted Average Number of Equity Shares considered for diluted earning		1,32,83,743		1,32,83,743
f. Face Value per Equity Share		10.00		10.00
g. Basic Earning per Equity Share (Before Extraordinary items)		(7.51)		(7.32)
h. Diluted Earning per Equity Share (Before Extraordinary items)		(7.51)		(7.32)
i. Basic Earning per Equity Share (After Extraordinary items)		(7.51)		(7.32)
j. Diluted Earning per Equity Share (After Extraordinary items)		(7.51)		(7.32)

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 :

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

a. Names of Related Parties and Related Party Relationship :

Relationship	Related Parties
i) 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
ii) 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.	Rainbow Agri Industries Limited
iii) 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.
iv) Key management personnel and relative of such personnel.	Mr. H. D. Ramsinghani - Chairman and Managing Director
	Mr. S. S. Arora - Chief Financial Officer
v) 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
	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 :

Nature of Transactions (Excluding reimbursements)	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Purchases :		
Goods and Material	14,91,59,564	3,96,27,202
Expenses :		
Interest	-	1,66,192
Interest Income Written Off	34,08,412	-
Lease Rent	1,14,945	1,13,807
Managerial Remuneration	26,88,000	10,82,667
Income :		
Interest	34,08,412	-
Finance :		
Loan Taken	-	93,00,000
Loan Repaid	-	93,00,000
Loan Given	20,00,00,000	-
Loan Returned	20,00,00,000	-
Outstandings on account of :		
Advances for Supplies	86,66,839	8,08,29,903
Loans and Advances	10,00,000	-
Investments (Net of provisions)	1,000	1,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

27.1 Disclosure in respect of Related Party transactions :

	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Purchases :		
Goods and Material :		
Rainbow Agri Industries Limited	14,91,59,564	3,96,27,202
Expenses :		
Interest :		
Rama Industries Limited	-	1,66,192
Interest Income Written Off :		
Rama Petrochemicals Limited	34,08,412	-
Lease Rent :		
Rama Industries Limited	1,14,945	1,13,807
Managerial Remuneration :		
Mr. S. S. Arora	26,88,000	10,82,667
Income :		
Interest :		
Rama Petrochemicals Limited	34,08,412	-
Finance :		
Loan Taken :		
Rama Industries Limited	-	93,00,000
Loan Repaid :		
Rama Industries Limited	-	93,00,000
Loan Given :		
Rama Petrochemicals Limited	20,00,00,000	-
Loan Returned :		
Rama Petrochemicals Limited	20,00,00,000	-
Outstandings on account of :		
Advances for Supplies :		
Rainbow Agri Industries Limited	86,66,839	8,08,29,903
Loans and Advances :		
Rama Petrochemicals Limited	10,00,000	-
Investments (Net of provisions) :		
Rama Industries Limited	1,000	1,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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, 2017 ₹	As at March 31, 2016 ₹
Deferred Tax Liability :		
Depreciation / Fixed Assets	2,34,16,083	2,21,04,819
Deferred Tax Assets :		
Disallowance u/s 43B of Income-tax Act, 1961	11,99,00,534	13,18,39,753
Unabsorbed Depreciation and Business Loss	45,78,03,487	41,71,33,647
Provision for Doubtful Debts	11,65,154	11,65,154
Net Deferred Tax Assets	55,54,53,092	52,80,33,735

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.

29. Bond for ₹ 27,00,00,000 was issued against export obligation of US\$ 7,75,98,359 which is to be fulfilled by January 12, 2025 or such further extension as may be granted. The company has to fulfill balance export obligation of US\$ 1,15,76,060 by January 12, 2025 or such further extension as may be granted.
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. 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".
32. 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.
33. Figures have been rounded off to the nearest rupee.
34. Previous Year figures have been re-grouped/re-arranged, wherever necessary, to make them comparable.

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

For and on behalf of the Board of Directors,

**Rinkit K. Uchat
Partner
Membership Number : 165557**

**R. D. Jog
Company Secretary
CFO**

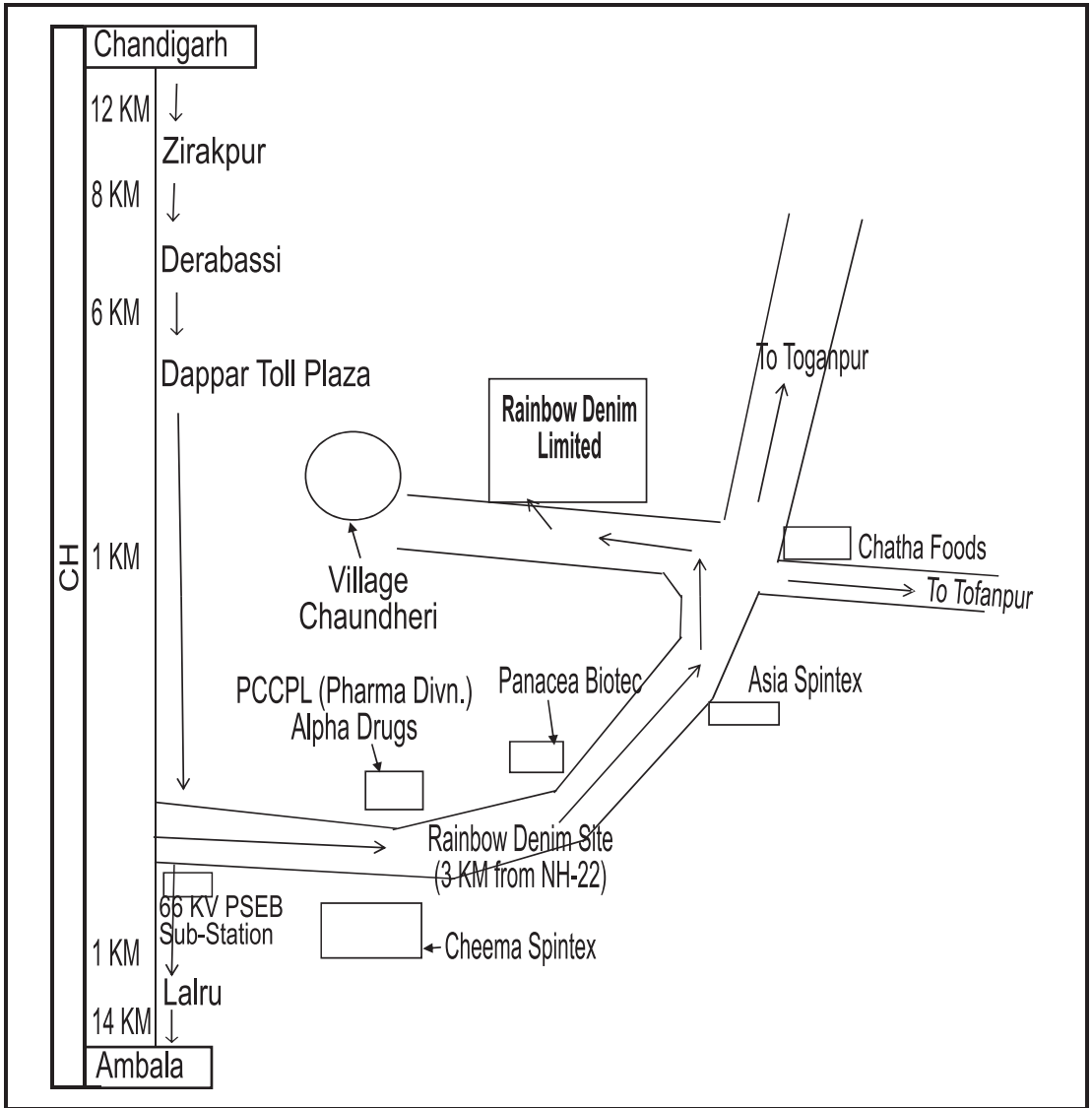
**D. N. Singh
Director
DIN - 00021741**

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

**Place : Mumbai
Date : May 26, 2017**

**Place : Mumbai
Date : May 26, 2017**

**Map Showing Location of the venue of the AGM of Rainbow Denim Limited
Venue : Village Chaundheri, Post Office Dappar, Ambala-Chandigarh Highway,
Dist. Mohali, Punjab 140 506.**



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 Eighteenth Annual General Meeting of the Company held on Thursday, September 21, 2017 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 Eighteenth Annual General Meeting of the Company, to be held on Thursday, September 21, 2017 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 below:

Resolution No.	Resolutions	For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements, Report of Directors and Auditors for the year ended March 31, 2017		
2.	Reappointment of Mr. H. D. Ramsinghani (DIN 00035416) Director who retires by rotation.		
3.	Appointment of Statutory Auditors M/s. Khandelwal & Mehta LLP, Chartered Accountants		
Special Business			
4	Approval of remuneration of Cost Auditors		
5.	Appointment of Mr. S. S. Arora as Whole Time Director w.e.f. 01/06/2017		

Signed this _____ day of _____ 2017

Signature of Member

Signature of Proxy Holder(s)

Affix 0.15 paise Revenue Stamp

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.

