

# RAINBOW DENIM LTD.

CIN: L18101PB1999PLC022452

51-52, Free Press House

215, Nariman Point,

Mumbai - 400 021, India

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Fax : +91-22-22049946

Email : rainbow@rainbowdenim.com

Website : www.rainbowdenim.com

Ref : RDL/RDJ/152

Date : May 29, 2015

Bombay Stock Exchange Limited,  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Fort,  
MUMBAI : 400 001

Name of the Company : RAINBOW DENIM LIMITED  
BSE Scrip Code : 532441

Dear Sir,

We wish to inform you that the Board of Directors of the Company at the meeting held on May 29, 2015 have approved the Audited Accounts for the year ended 31<sup>st</sup> March 2015.

As per Clause 41 of the Listing Agreement, we are pleased to enclose herewith Audited Financial Results along with Auditor's Report by the statutory auditors M/s. Dayal & Lohia for the year ended March 31, 2015.

Kindly acknowledge receipt.

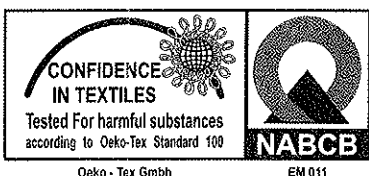
Thanking you,

Yours faithfully,  
For RAINBOW DENIM LIMITED

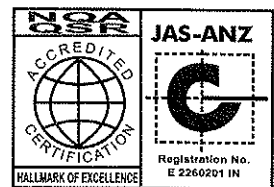


R. D. JOG  
COMPANY SECRETARY

Encl : a/a



Regd. Office & Factory : Village Chaundheri, P.O. Dapper,  
Near Lalru, Ambala-Chandigarh Highway, Dist. Mohali,  
Punjab, 140506 (India)  
Tel. : +91 - 1762 - 248810 / 11 / 12 / 248295 / 248296  
Fax : +91 - 1762 - 248761 / 248809  
Email : rainbow@rainbowdenim.com



ISO 14001 : 96 Registered company

# RAINBOW DENIM LIMITED

**Works & Regd. Office : Village Chaudheri, Post Office Dappar, Tehsil Dera Bassi  
Distt. Mohali (Punjab) 140506 (India)**

Telephones : 01762 248810, 248811, 248812 Fax : 01762 248761 E-mail : [rainbow@rainbowdenim.com](mailto:rainbow@rainbowdenim.com)  
Corporate Identity Number - L18101PB1999PLC022452 Web : [www.rainbowdenim.com](http://www.rainbowdenim.com)

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2015

[ Rupees in lacs ]						
<b>PART I</b>						
Srt. No.	Particulars	Current Quarter Ended 31.03.2015 (Unaudited)	Previous Quarter Ended 31.12.2014 (Unaudited)	Corresponding Quarter Ended 31.03.2014 (Unaudited)	Current Year Ended 31.03.2015 (Audited)	Previous Year Ended 31.03.2014 (Audited)
1.	<b>Income from operations :</b>					
	a. Net Sales / Income from Operations (Net of Excise Duty)	5,263.81	4,506.43	2,860.19	16,726.54	11,859.96
	b. Other Operating Income	33.87	35.19	42.19	134.24	187.00
	<b>Total Income from operations (Net)</b>	<b>5,297.68</b>	<b>4,541.62</b>	<b>2,902.38</b>	<b>16,860.78</b>	<b>12,046.96</b>
2.	<b>Expenses :</b>					
	a. Cost of Raw Materials Consumed	2,816.87	2,677.46	1,845.99	10,111.61	7,379.82
	b. Cost of Other Materials Consumed	752.51	639.98	348.67	2,282.98	1,429.47
	c. Change in Inventories of Finished Goods, Work-in-progress and Stock-in-trade - Decrease / (Increase)	329.42	(63.20)	166.62	95.84	737.35
	d. Employees Benefits Expense	360.25	348.82	279.25	1,315.51	1,256.54
	e. Depreciation	109.17	127.15	225.72	1,112.06	915.33
	f. Power and Fuel	585.74	509.84	385.14	2,037.86	1,566.51
	g. Other Expenses	198.42	358.21	165.82	853.39	655.97
	<b>Total Expenses</b>	<b>5,152.38</b>	<b>4,598.26</b>	<b>3,417.21</b>	<b>17,809.25</b>	<b>13,940.99</b>
3.	<b>Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Items</b>	<b>145.30</b>	<b>(56.64)</b>	<b>(514.83)</b>	<b>(948.47)</b>	<b>(1,894.03)</b>
4.	Other income	23.67	3.45	2.29	60.29	35.77
5.	<b>Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items</b>	<b>168.97</b>	<b>(53.19)</b>	<b>(512.54)</b>	<b>(888.18)</b>	<b>(1,858.26)</b>
6.	Finance Costs	308.86	261.69	320.00	1,064.05	979.30
7.	<b>Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items</b>	<b>(139.89)</b>	<b>(314.88)</b>	<b>(832.54)</b>	<b>(1,952.23)</b>	<b>(2,837.56)</b>
8.	Exceptional Items	-	-	-	-	-
9.	<b>Profit / (Loss) from Ordinary activities before tax</b>	<b>(139.89)</b>	<b>(314.88)</b>	<b>(832.54)</b>	<b>(1,952.23)</b>	<b>(2,837.56)</b>
10.	Tax Expense	-	-	-	-	-
11.	<b>Net Profit / ( Loss ) from Ordinary activities after tax</b>	<b>(139.89)</b>	<b>(314.88)</b>	<b>(832.54)</b>	<b>(1,952.23)</b>	<b>(2,837.56)</b>
12.	Extraordinary Items	-	-	-	-	-
13.	<b>Net Profit / ( Loss ) for the period</b>	<b>(139.89)</b>	<b>(314.88)</b>	<b>(832.54)</b>	<b>(1,952.23)</b>	<b>(2,837.56)</b>
14.	Paid-up Equity Share Capital (Face value Rs.10/- per Share)	1,328.37	1,328.37	1,328.37	1,328.37	1,328.37
15.	Reserves excluding Revaluation Reserve as per Balance Sheet of previous accounting year	-	-	-	(1,668.23)	(5,424.49)
16.	<b>Earning Per Share (Before Extraordinary Items) : (of Rs.10/- per Share) (not annualised)</b>					
	a. Basic	(1.05)	(2.37)	(6.27)	(14.70)	(21.36)
	b. Diluted	(1.05)	(2.37)	(6.27)	(14.70)	(21.36)
17.	<b>Earning Per Share (After Extraordinary Items) : (of Rs.10/- per Share) (not annualised)</b>					
	a. Basic	(1.05)	(2.37)	(6.27)	(14.70)	(21.36)
	b. Diluted	(1.05)	(2.37)	(6.27)	(14.70)	(21.36)
See accompanying notes to the financial results.						
<b>PART II</b>						
<b>A. PARTICULARS OF SHARE HOLDING</b>						
1.	<b>Public Shareholding :</b>					
	- Number of Shares	38,03,277	38,03,277	38,04,991	38,03,277	38,04,991
	- Percentage of Share Holding	28.63%	28.63%	28.64%	28.63%	28.64%
2.	<b>Promoters and Promoter Group Shareholding :</b>					
	<b>a. Pledged/Encumbered :</b>					
	- Number of Shares	22,00,738	22,00,738	22,00,738	22,00,738	22,00,738
	- Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group)	23.21%	23.21%	23.22%	23.21%	23.22%
	- Percentage of Shares (as a % of the total Share Capital of the Company)	16.57%	16.57%	16.57%	16.57%	16.57%
	<b>b. Non-encumbered :</b>					
	- Number of Shares	72,79,728	72,79,728	72,78,014	72,79,728	72,78,014
	- Percentage of Shares (as a % of the total Shareholding of Promoters and Promoter Group)	76.79%	76.79%	76.78%	76.79%	76.78%
	- Percentage of Shares (as a % of the total Share Capital of the Company)	54.80%	54.80%	54.79%	54.80%	54.79%
<b>B. INVESTOR COMPLAINTS :</b>						
	Pending at the beginning of the quarter	Nil				
	Received during the quarter	1				
	Disposed of during the quarter	1				
	Remaining unresolved at the end of the quarter	Nil				



# RAINBOW DENIM LIMITED

## STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2015

		[ Rupees in Lacs ]	
Srl. No.	Particulars	As at Current Year Ended 31.03.2015 ( Audited )	As at Previous Year Ended 31.03.2014 ( Audited )
<b>A.</b>	<b>EQUITY AND LIABILITIES :</b>		
1.	<b>Shareholders' Funds :</b>		
a.	Share Capital	1,328.37	1,328.37
b.	Reserves and Surplus	(11,668.23)	(5,424.49)
c.	Money received against share warrants	-	-
	<b>Sub-total - Share Holders' Funds</b>	<b>(10,339.86)</b>	<b>(4,096.12)</b>
2.	Share application money pending allotment	-	-
3.	<b>Non-current Liabilities :</b>		
a.	Long Term Borrowings	11,020.76	8,818.66
b.	Deferred Tax Liabilities (net)	-	-
c.	Other Long Term Liabilities	4.01	4.85
d.	Long Term Provisions	-	-
	<b>Sub-total - Non-current Liabilities</b>	<b>11,024.77</b>	<b>8,823.51</b>
4.	<b>Current Liabilities :</b>		
a.	Short Term Borrowings	2,244.12	3,418.53
b.	Trade Payables	2,971.24	2,042.49
c.	Other Current Liabilities	3,363.46	3,418.46
d.	Short Term Provisions	14.10	19.73
	<b>Sub-total - Current Liabilities</b>	<b>8,592.92</b>	<b>8,899.21</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>9,277.83</b>	<b>13,626.60</b>
<b>B.</b>	<b>ASSETS :</b>		
1.	<b>Non-current Assets :</b>		
a.	Fixed Assets	3,857.31	9,253.27
b.	Non-current Investments	4.38	4.38
c.	Deferred Tax Assets (net)	-	-
d.	Long Term Loans and Advances	236.29	236.49
e.	Other Non-current Assets	17.44	11.46
	<b>Sub-total - Non-current Assets</b>	<b>4,115.42</b>	<b>9,505.60</b>
2.	<b>Current Assets :</b>		
a.	Current Investments	-	-
b.	Inventories	1,705.94	1,596.75
c.	Trade Receivables	3,095.53	2,258.94
d.	Cash and Cash Equivalents	66.62	148.71
e.	Short Term Loans and Advances	294.32	116.60
f.	Other Current Assets	-	-
	<b>Sub-total - Current Assets</b>	<b>5,162.41</b>	<b>4,121.00</b>
	<b>TOTAL - ASSETS</b>	<b>9,277.83</b>	<b>13,626.60</b>

**NOTES :**

1. Segment wise reporting as required in AS-17 is not applicable as the Company has only one segment.
2. The Company is a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985. BIFR has approved Rehabilitation Scheme vide order dated December 27, 2012.
3. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing after April 01, 2014, the Company has re-worked depreciation with reference to the estimated economic lives of fixed assets prescribed by Schedule II to the Act or actual useful life of assets, whichever is lower. In case of any asset, whose life has been completed as above, the carrying value, net of residual value, as at April 01, 2014 has been adjusted to the opening balance of retained earnings/brought forward loss and in other cases, the carrying value has been depreciated over the remaining of the revised life of the assets and recognized in the Statement of Profit and Loss.
4. Figures of the current quarter ended March 31, 2015 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2015 and the year to date figures upto the third quarter for the financial year ended March 31, 2015.
5. Figures of the previous quarter/year have been regrouped/rearranged, wherever necessary, to make them comparable.
6. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 29, 2015.

For Rainbow Denim Limited,



H.D. Ramsinghani

Chairman and Managing Director

DIN - 00035416

Place : Mumbai  
Date : May 29, 2015

**dayal and lohia**  
chartered accountants

**INDEPENDENT AUDITOR'S REPORT**

**To,**  
**The Members of Rainbow Denim Limited**

**Report on the Financial Statements**

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

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

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

**Auditor's Responsibility**

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

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

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

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

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

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

### **Emphasis of matter**

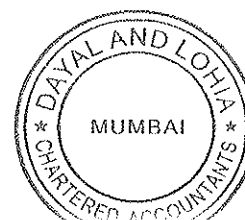
We draw attention to Note 33 of the accompanying financial statements in respect of Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of section 143 (11) of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in the said order.

As required by Section 143 (3) of the Act, we report that:

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c. the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



f. To our best of information and according to the explanations given to us:

- i) The Company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses.
- ii) The Company did not have any pending litigations which would have impact its financial position in its financial statements.
- iii) There were no amounts which were required to be transferred to Investor Education & Protection Fund by the Company.

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



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

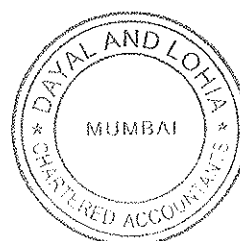
A handwritten signature in cursive script that reads "Thomas".

(S.V. Thomas)  
Partner  
Mem. No. 125944

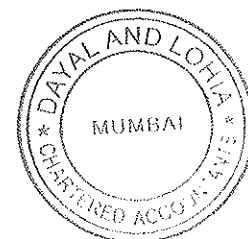
## ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

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

1. In respect of its Fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets on the basis of available information;
  - b) Management has certified that they have carried out physical verification of fixed assets and no material discrepancy was noticed on such verification.
  
2. In respect of its inventories:
  - a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records in so far as it appears from our examination of the books.
  
3. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly sub clause (a) and (b) are not applicable.
  
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.



5. According to the information and explanation given to us, the company has not accepted any deposits u/s 73 to 76 or any other relevant provisions of the Companies Act, 2013 during the year.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of the Company's Products to which the said rules are made applicable, and are of the opinion that prima facie, the prescribed accounts have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate.
7.
  - a) According to the records of the Company, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, value added tax, Cess and any other statutory dues with appropriate authorities outstanding as on 31st March, 2015, for a period of more than six months from the date they became payable.
  - b) According to the records of the Company and information and explanations given to us there are no dues of sales tax, income tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess on account of any disputes.
  - c) There was no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
8. In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. During the year company has incurred cash loss of Rs. 84,016,930/- and in the immediately preceding financial year it has incurred cash loss of Rs. 192,223,318/-.



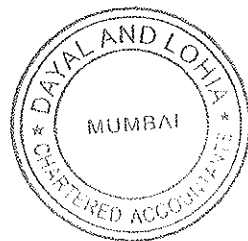


9. On the basis of our examination of the books and according to the information and explanation given to us, we are of the opinion that the company has defaulted in repayment of dues including interest & LC devolvement, amounting to Rs. 24,47,86,116/- (P.Y. Rs.22,39,29,953/-), to financial institutions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

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

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

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



*Thomas*

(S.V. Thomas)  
Partner

Mem. No. 125944

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