

RAINBOW DENIM LTD.

CIN: L18101PB1999PLC022452
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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/BMD/38
Date : May 15, 2019

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

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

Dear Sir,

We wish to inform you that at the Meeting held today the Board has approved the Audited Financial Results for the Financial Year ended 31st March, 2019.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

- Audited Financial Results for the Year ended 31st March, 2019.
- Auditors Report issued by Statutory Auditors of the Company M/s Khandewal & Mehta LLP, Chartered Accountants.
- Annexure I, in the prescribed format thereby furnishing Statement on Impact of Audit Qualification (for audit report with modified opinion).

The Board Meeting Commenced at 3:30 p.m. and concluded at 4:15 p.m.

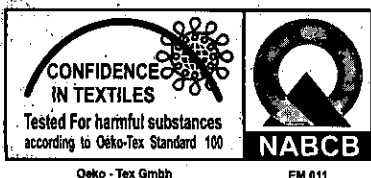
Kindly acknowledge the receipt.

Thanking you,

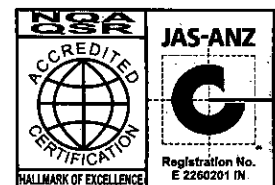
For RAINBOW DENIM LIMITED

Bhavna Dave

BHAVNA DAVE
COMPANY SECRETARY



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 Chaundheri, Post Office Dappar, Tehsil Dera Bassi
Distt. Mohali (Punjab) 140506 (India)**

Telephones : 01762 248810, 248811, 248812 Fax : 01762 248761 E-mail : rainbow@rainbowdenim.com
Corporate Identity Number - L18101PB1999PLC022452 Web : www.rainbowdenim.com

STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

| [Rupees in Lacs] | | | | | | |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------|
| Sri. No. | Particulars | Current 3 months Ended 31.03.2019 (Unaudited) | Preceding 3 months Ended 31.12.2018 (Unaudited) | Corresponding 3 months ended in the previous year 31.03.2018 (Unaudited) | Current Year Ended 31.03.2019 (Audited) | Previous Year Ended 31.03.2018 (Audited) |
| 1. | Revenue from operations | | | | | |
| | a. Net Sales / Income from Operations (Net of Excise Duty) | 585.33 | 1,319.99 | 3,780.66 | 6,963.88 | 14,751.89 |
| | b. Other Operating Revenues | 16.64 | 46.41 | 61.20 | 139.95 | 152.35 |
| | Net Revenue from operations | 601.97 | 1,366.40 | 3,841.86 | 7,103.83 | 14,904.04 |
| 2. | Other Income | 250.04 | 296.15 | 1,636.80 | 2,528.04 | 2,479.73 |
| | Total Revenue | 852.01 | 1,662.55 | 5,478.66 | 9,631.87 | 17,383.77 |
| 3. | Expenses | | | | | |
| | a. Cost of Raw Materials Consumed | 270.15 | 747.45 | 2,229.42 | 4,312.38 | 9,411.49 |
| | b. Cost of Other Materials Consumed | 38.07 | 166.17 | 456.07 | 830.81 | 2,030.39 |
| | c. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade - Decrease / (Increase) | 267.89 | 161.07 | 361.92 | 369.71 | (122.84) |
| | d. Employee Benefits Expense | 312.90 | 357.92 | 434.76 | 1,465.58 | 1,683.22 |
| | e. Finance Costs | 282.94 | 289.81 | 368.40 | 1,201.31 | 1,377.73 |
| | f. Depreciation | 48.33 | 49.61 | 53.55 | 200.64 | 226.83 |
| | g. Power and Fuel | 135.16 | 256.06 | 402.63 | 1,149.18 | 1,889.66 |
| | h. Other Expenses | 110.27 | 233.04 | 299.42 | 1,234.82 | 1,398.17 |
| | Total Expenses | 1,465.71 | 2,261.13 | 4,606.17 | 10,764.43 | 17,894.65 |
| 4. | Profit / (Loss) before Exceptional Items and Tax | (613.70) | (598.58) | 872.49 | (1,132.56) | (510.88) |
| 5. | Exceptional Items | - | - | - | - | - |
| 6. | Profit / (Loss) before Tax | (613.70) | (598.58) | 872.49 | (1,132.56) | (510.88) |
| 7. | Tax Expense | - | - | - | - | - |
| 8. | Profit / (Loss) for the period | (613.70) | (598.58) | 872.49 | (1,132.56) | (510.88) |
| 9. | Other Comprehensive Income/(Expense) | | | | | |
| | Items that will not be reclassified subsequently to Profit or Loss : | | | | | |
| | - Re-measurement Gains/(Losses) on Defined Benefits Obligations | (3.44) | (1.30) | (0.56) | (7.34) | (5.21) |
| 10. | Total Comprehensive Profit / (Loss) for the period | (617.14) | (599.88) | 871.93 | (1,139.90) | (516.09) |
| 11. | 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 |
| 12. | Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year | | | | (15,198.64) | (14,058.69) |
| 13. | Earning Per Share (Not annualised) : (of Rs.10/- per Share) | | | | | |
| | a. Basic | (4.62) | (4.51) | 6.57 | (8.53) | (3.85) |
| | b. Diluted | (4.62) | (4.51) | 6.57 | (8.53) | (3.85) |
| See accompanying notes to the financial results. | | | | | | |



RAINBOW DENIM LIMITED

STANDALONE AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019

| | | [Rupees in Lacs] | |
|-----------|----------------------------------------------|-----------------------------------------------|------------------------------------------------|
| Sr. No. | Particulars | As at Current Year Ended 31.03.2019 (Audited) | As at Previous Year Ended 31.03.2018 (Audited) |
| A. | ASSETS : | | |
| 1. | Non-current Assets : | | |
| | a. Property, Plant and Equipment | 2,593.55 | 2,940.06 |
| | b. Capital Work-In-Progress | - | - |
| | c. Intangible Assets | 3.25 | 6.94 |
| | d. Financial Assets : | | |
| | - Investments | 2.61 | 2.82 |
| | - Other Non-current Financial Assets | 255.50 | 324.21 |
| | e. Deferred Tax Assets (net) | - | - |
| | f. Other Non-current Assets | 9.90 | 14.16 |
| | Sub-total - Non-current Assets | 2,865.01 | 3,288.19 |
| 2. | Current Assets : | | |
| | a. Inventories | 1,011.82 | 1,512.71 |
| | b. Financial Assets : | | |
| | - Trade Receivables | 1,189.86 | 4,058.45 |
| | - Cash and Cash Equivalents | 26.22 | 63.76 |
| | - Other Current Financial Assets | 140.93 | 300.99 |
| | c. Other Current Assets | 52.25 | 146.93 |
| | Sub-total - Current Assets | 2,421.08 | 6,082.84 |
| | TOTAL - ASSETS | 5,286.09 | 9,371.03 |
| B. | EQUITY AND LIABILITIES : | | |
| 1. | Equity : | | |
| | a. Equity Share Capital | 1,328.37 | 1,328.37 |
| | b. Other Equity | (15,198.64) | (14,058.69) |
| | c. Share application money pending allotment | - | - |
| | Sub-total - Share Holders' Funds | (13,870.27) | (12,730.32) |
| 2. | Liabilities : | | |
| | Non-current Liabilities : | | |
| | a. Financial Liabilities : | | |
| | - Non-current Borrowings | 8,050.05 | 9,533.11 |
| | - Other Non-current Financial Liabilities | 0.50 | 0.50 |
| | b. Provisions | - | - |
| | c. Deferred Tax Liabilities (net) | - | - |
| | d. Other Non-current Liabilities | - | - |
| | Sub-total - Non-current Liabilities | 8,050.55 | 9,533.61 |
| 3. | Current Liabilities : | | |
| | a. Financial Liabilities : | | |
| | - Current Borrowings | 153.83 | 691.40 |
| | - Trade Payables | 4,390.25 | 5,264.87 |
| | - Other Current financial Liabilities | 2,421.01 | 1,379.43 |
| | b. Provisions | 52.00 | 61.55 |
| | c. Other Current Liabilities | 4,088.72 | 5,170.49 |
| | Sub-total - Current Liabilities | 11,105.81 | 12,567.74 |
| | TOTAL - EQUITY AND LIABILITIES | 5,286.09 | 9,371.03 |

NOTES :

1. Segment wise reporting as required in IND AS 108 is not applicable as the Company has only one segment.
2. The Auditors have expressed significant doubt on the Company's ability to continue as a "going concern". 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".
3. Due to labour unrest, the manufacturing activities at the Company's plant situated at Village Chaudhari, P. O. Dappar, Tehsil Derabassi, District Mohali, Punjab 140506 have been suspended with effect from March 25, 2019.
4. Figures of the current quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2019 and the year to date figures upto the third quarter for the financial year ended March 31, 2019.
5. The above results have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on May 15, 2019 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. The Statutory Auditors have carried out "Limited Review" of the above financial results.
7. Figures of the previous quarter/period/year have been regrouped/rearranged, wherever necessary, to make them comparable.

For Rainbow Denim Limited,


H. D. Ramalingani

Chairman

DIN - 00035416

Place : Mumbai
Date : May 15, 2019

Khandelwal & Mehta LLP
Chartered Accountants

Auditor's Report On Quarterly Financial Results and Year to Date Results of Rainbow Denim Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors,
Rainbow Denim Limited
Mumbai.

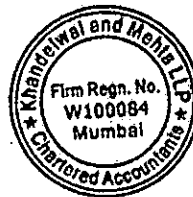
1. We have audited the quarterly financial results of Rainbow Denim Limited ("the Company") for the quarter ended 31st March, 2019 and the year to date financial results for the period from 1st April 2018 to 31st March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard for Interim Financial Reporting (Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

3. We draw attention to :

The Company's Current Liabilities are more than double of its total Assets. As per the Cash Flow Statement for the year ended March 31, 2019, Company has incurred net Operating Loss of Rs.18,43,65,966/-. Further discontinuance of production during the year indicates that a material uncertainty exists, which casts significant doubt on the Company's ability to continue as a going concern.

4. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in para 3 above, these quarterly financial results as well as the year to date financial results:
 - i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 in this regard; and
 - ii) gives a true and fair view of the net loss and other financial information for the quarter ended 31st March 2019 as well as the year to date financial results for the period from 1st April 2018 to 31st March 2019.

For Khandelwal & Mehta LLP
Chartered Accountants
(Firm Regn.no.W100084)



(S.L. Khandelwal)
Partner
Mem. No. 101388

Place : Mumbai
Date : 15th May, 2019.

Office nos.6 & 7, 1st Floor, Kamanwala Chambers, Sir P.M. Road, Fort, Mumbai - 400001

● e-mail : contact.knmlp@gmail.com

Partners : S.L. Khandelwal - 098212 45353 ● J.D. Lalwani - 070457 45727

GSTIN : 27AAPFK6261N1ZL

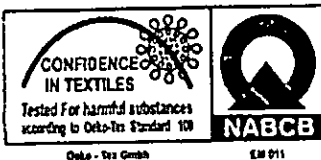
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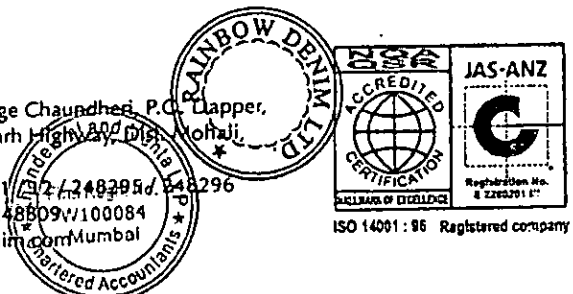
ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 | | | | |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------|
| [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] | | | | |
| [Rs. In Lakhs] | | | | |
| I. | Sl. No | Particulars | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
| | 1. | Turnover / Total income | 9631.87 | 9631.87 |
| | 2. | Total Expenditure | 10764.43 | 10764.43 |
| | 3. | Net Profit/(Loss) | (1132.56) | (1132.56) |
| | 4. | Earnings Per Share | (8.53) | (8.53) |
| | 5. | Total Assets | 5286.09 | 5286.09 |
| | 6. | Total Liabilities | 19156.36 | 19156.36 |
| | 7. | Net Worth | (13870.27) | (13870.27) |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | | |
| II. | Audit Qualification (each audit qualification separately): | | | |
| | a. | Details of Audit Qualification: The Company's Current Liabilities are more than double of its total Assets. As per the Cash Flow Statement for the year ended March 31, 2019, Company has incurred net Operating Loss of Rs.18,43,65,966/-. Further discontinuance of production during the year indicates that a material uncertainty exists, which casts significant doubt on the Company's ability to continue as a going concern. | | |
| | b. | Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion | | |



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Fax : +91 - 1762 - 248761 / 248809 / 100084
Email : rainbow@rainbowdenim.com Mumbai



RAINBOW DENIM LTD.

| | |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | c. Frequency of qualification: Appeared first time / repetitive / since how long continuing |
| | d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable |
| | e. For Audit Qualification(s) where the impact is not quantified by the auditor: |
| | (i) Management's estimation on the impact of audit qualification: Not ascertained |
| | (ii) If management is unable to estimate the impact, reasons for the same: 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". |
| | (iii) Auditors' Comments on (i) or (ii) above: No Comments |

For Rainbow Denim Limited

Satinderjitsingh Arora

Satinderjitsingh Arora
(Whole Time Director)
(DIN - 00033825)

Deonath Singh

Deonath Singh
(Audit Committee Chairman)
(DIN - 00021741)

For Khandelwal & Mehta LLP,
Chartered Accountants
Firm Registration Number: W100084

Sunil Khandelwal

Sunil Khandelwal
Partner
Membership Number: 101388

Place - Mumbai
Date - 15-05-2019

