

# RAINBOW DENIM LTD.

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Mumbai - 400 021, India  
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Fax : +91-22-22049946  
Email : rainbow@rainbowdenim.com  
Website : www.rainbowdenim.com

REF : RDL/2020  
Date : November 9, 2020

To,

The General Manager,  
Corporate Relationship Department,  
BSE Limited  
Phiroze Jeejeeboy Towers,  
Dalal Street, Fort  
Mumbai 400 001

Script Code No. : 532441  
Company's Name : RAINBOW DENIM LIMITED

## Sub : Statement of Un-Audited Financial Results for the quarter and half year ended September 30, 2020

Further to our letter dated November 02, 2020, we hereby inform you that the Resolution Professional today i.e. November 09, 2020 has, inter alia, considered and approved the Un-Audited Financial Results for the quarter and half year ended September 30, 2020.

In terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), we enclose Unaudited Financial Results along with Limited Review Report issued by statutory auditors M/s. Khandelwal & Mehta LLP for the quarter and half year ended September 30, 2020.

We request you to kindly take on records.

Thanking you,

Yours faithfully,  
For RAINBOW DENIM LIMITED

**DHARMENDRA KUMAR BHASIN**  
**RESOLUTION PROFESSIONAL**  
Registration No. IBBI/ IPA-002/IP-N00816/2019-2020/ 12564

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  
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Email : rainbow@rainbowdenim.com



# RAINBOW DENIM LIMITED

Works & Regd. Office : Village Chaundheri, Post Office Dappar, Tehsil Dera Bassi

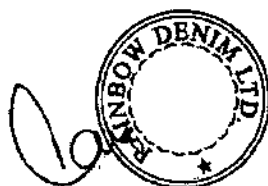
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Corporate Identity Number - L18101PB1999PLC022452 Web : www.rainbowdenim.com

## STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

[Rupees in Lacs]							
Srl. No.	Particulars	Current 3 months Ended 30.09.2020 (Unaudited)	Preceding 3 months Ended 30.06.2020 (Unaudited)	Corresponding 3 months ended in the previous year 30.09.2019 (Unaudited)	Year to date Figures for the Current Year Ended 30.09.2020 (Unaudited) (6 months)	Year to date Figures for the Previous Year Ended 30.09.2019 (Unaudited) (6 months)	Previous Year Ended 31.03.2020 (Audited) (12 months)
1.	<b>Revenue from operations</b>						
	a. Net Sales / Income from Operations	12.36	-	15.68	12.36	381.17	402.41
	b. Other Operating Revenues	-	-	148.35	-	199.47	219.02
	<b>Net Revenue from operations</b>	<b>12.36</b>	<b>-</b>	<b>164.03</b>	<b>12.36</b>	<b>580.64</b>	<b>621.43</b>
2.	Other Income	266.67	278.53	349.15	545.20	621.46	1,160.72
	<b>Total Revenue</b>	<b>279.03</b>	<b>278.53</b>	<b>513.18</b>	<b>557.56</b>	<b>1,202.10</b>	<b>1,782.15</b>
3.	<b>Expenses</b>						
	a. Cost of Raw Materials Consumed/Sold	-	-	81.79	-	104.36	104.36
	b. Cost of Other Materials Consumed/Sold	-	-	1.23	-	5.58	6.15
	c. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade - Decrease / (Increase)	56.85	-	63.02	56.85	417.43	451.74
	d. Employee Benefits Expense	93.71	149.97	295.94	243.68	605.40	1,138.59
	e. Finance Costs	271.95	274.94	278.92	546.89	559.95	1,114.40
	f. Depreciation	28.99	29.19	49.25	58.18	98.10	189.18
	g. Power and Fuel	12.95	15.26	12.93	28.21	65.70	89.18
	h. Other Expenses	18.31	28.28	67.28	46.59	118.60	304.34
	<b>Total Expenses</b>	<b>482.76</b>	<b>497.64</b>	<b>845.36</b>	<b>980.40</b>	<b>1,975.12</b>	<b>3,397.94</b>
4.	<b>Profit / (Loss) before Exceptional Items and Tax</b>	<b>(203.73)</b>	<b>(219.11)</b>	<b>(332.18)</b>	<b>(422.84)</b>	<b>(773.02)</b>	<b>(1,615.79)</b>
5.	Exceptional Items	-	-	-	-	-	-
6.	<b>Profit / (Loss) before Tax</b>	<b>(203.73)</b>	<b>(219.11)</b>	<b>(332.18)</b>	<b>(422.84)</b>	<b>(773.02)</b>	<b>(1,615.79)</b>
7.	Tax Expense	-	-	-	-	-	-
8.	<b>Profit / (Loss) for the period</b>	<b>(203.73)</b>	<b>(219.11)</b>	<b>(332.18)</b>	<b>(422.84)</b>	<b>(773.02)</b>	<b>(1,615.79)</b>
9.	<b>Other Comprehensive Income/(Expense)</b>						
	Items that will not be reclassified subsequently to Profit or Loss : - Re-measurement Gains/(Losses) on Defined Benefits Obligations	-	-	(1.83)	-	(3.67)	74.31
10.	<b>Total Comprehensive Profit / (Loss) for the period</b>	<b>(203.73)</b>	<b>(219.11)</b>	<b>(334.01)</b>	<b>(422.84)</b>	<b>(776.69)</b>	<b>(1,541.48)</b>
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	1,328.37
12.	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year						(16,740.17)
13.	<b>Earning Per Share (Not annualized) : (of Rs.10/- per Share)</b>						
	a. Basic	(1.53)	(1.65)	(2.50)	(3.18)	(5.82)	(12.16)
	b. Diluted	(1.53)	(1.65)	(2.50)	(3.18)	(5.82)	(12.16)
See accompanying notes to the financial results.							



# RAINBOW DENIM LIMITED

## STANDALONE UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

		[Rupees in Lacs]	
Srl. No.	Particulars	As at Current Half Year Ended 30.09.2020 (Unaudited)	As at Previous Year Ended 31.03.2020 (Audited)
A.	<b>ASSETS :</b>		
1.	<b>Non-current Assets :</b>		
	a. Property, Plant and Equipment	2,346.61	2,404.78
	b. Capital Work-in-Progress	-	-
	c. Intangible Assets	2.75	2.79
	d. Financial Assets :		
	- Investments	2.81	2.81
	- Other Non-current Financial Assets	181.52	205.07
	e. Deferred Tax Assets (net)	-	-
	f. Other Non-current Assets	0.22	5.05
	<b>Sub-total - Non-current Assets</b>	<b>2,533.91</b>	<b>2,620.50</b>
2.	<b>Current Assets :</b>		
	a. Inventories	402.74	439.58
	b. Financial Assets :		
	- Trade Receivables	130.41	163.96
	- Cash and Cash Equivalents	53.07	48.44
	- Other Current Financial Assets	44.42	44.18
	c. Other Current Assets	47.86	54.92
	<b>Sub-total - Current Assets</b>	<b>478.50</b>	<b>771.08</b>
	<b>TOTAL - ASSETS</b>	<b>3,212.41</b>	<b>3,391.58</b>
B.	<b>EQUITY AND LIABILITIES :</b>		
1.	<b>Equity :</b>		
	a. Equity Share Capital	1,328.37	1,328.37
	b. Other Equity	(17,163.04)	(16,740.17)
	c. Share application money pending allotment	-	-
	<b>Sub-total - Share Holders' Funds</b>	<b>(15,834.67)</b>	<b>(15,411.80)</b>
2.	<b>Liabilities :</b>		
	<b>Non-current Liabilities :</b>		
	a. Financial Liabilities :		
	- Non-current Borrowings	7,281.52	7,643.13
	- Other Non-current Financial Liabilities	0.30	0.30
	b. Provisions	-	-
	c. Deferred Tax Liabilities (net)	-	-
	d. Other Non-current Liabilities	-	-
	<b>Sub-total - Non-current Liabilities</b>	<b>7,281.82</b>	<b>7,643.43</b>
3.	<b>Current Liabilities :</b>		
	a. Financial Liabilities :		
	- Current Borrowings	348.61	348.61
	- Trade Payables	3,508.19	3,511.64
	- Other Current Financial Liabilities	5,369.87	4,227.74
	b. Provisions	52.00	52.00
	c. Other Current Liabilities	2,486.64	3,019.96
	<b>Sub-total - Current Liabilities</b>	<b>11,765.24</b>	<b>11,159.95</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>3,212.41</b>	<b>3,391.58</b>



# RAINBOW DENIM LIMITED

CASH FLOW STATEMENT FOR SIX MONTHS ENDED SEPTEMBER 30, 2020

		[Rupees in Lacs]	
Srl. No.	Particulars	Year to date Figures for the Current Year Ended 30.09.2020 (Unaudited) (6 months)	Previous Year Ended 31.03.2020 (Audited) (12 months)
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net Profit / (Loss) Before Tax	(422.84)	(1,541.48)
	Adjustments for:		
	Depreciation	58.18	189.19
	Interest Accrued	0.11	1.32
	Interest Adjustment on Amortised Cost of Debts	13.45	46.40
	Interest Income	(11.86)	-
	Bad/doubtful Debts, Advances and Recoverables Written Off/Provided	3.53	1.74
	Provisions Written Back	-	(79.69)
	Loss/(Gain) on Foreign Exchange Fluctuations	0.02	18.13
	<b>Operating Loss Before Working Capital Changes</b>	<b>(359.41)</b>	<b>(1,364.39)</b>
	Adjustments for:		
	(Increase) / Decrease in Inventories	56.83	552.23
	(Increase) / Decrease in Trade and Other Receivables	36.81	1,179.79
	Increase / (Decrease) in Trade and Other Payables	230.26	(594.15)
	<b>NET CASH FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(35.49)</b>	<b>(226.52)</b>
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Interest Income	11.86	-
	(Increase) / Decrease in Non-current Assets	28.38	55.28
	<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>40.24</b>	<b>55.28</b>
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Increase / (Decrease) in Current Financial Borrowings (Net)	-	194.77
	Interest Paid	(0.11)	(1.31)
	<b>NET CASH FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>(0.11)</b>	<b>193.46</b>
	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)</b>	<b>4.64</b>	<b>22.22</b>
	<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>48.44</b>	<b>26.22</b>
	<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>53.08</b>	<b>48.44</b>

**NOTES :**

- Segment wise reporting as required in IND AS 108 is not applicable as the Company has only one segment.
- In the Audited Accounts for the year ended March 31, 2020, the Auditors had expressed significant doubt on the ability of the Company to continue as a "going concern". The management was taking steps to revive the operations and to make them profitable.
- Due to labour unrest, the manufacturing activities at the Company's plant situated at Village Choudhri, P. O. Dappar, Tehsil Derabassi, District Mohali Punjab 140506 have been suspended with effect from March 25, 2019.
- The Company is undergoing Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 in terms of order dated December 09, 2019 passed by Hon'ble National Company Law Tribunal, Chandigarh Bench (Hon'ble NCLT). As per the provisions of Insolvency and Bankruptcy Code (IBC), the powers of Board of Directors of the Company have been suspended and the management of the affairs of the Company vests in the Resolution Professional (RP).
- As the powers of Board of Directors have been suspended, the above results have not been adopted by the Board of Directors. However, the same have been signed by Shri H. D. Ramsinghani, Director of the Company, confirming accuracy and completeness of results. These financial results have been taken on record by Resolution Professional (RP) on November 09, 2020 in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for filing with the Stock Exchange.

The Statutory Auditors have carried out "Limited Review" of the above financial results and have expressed a qualified report on the above results. Figures of the previous quarter/period/year have been regrouped/rearranged, wherever necessary, to make them comparable.

For Rainbow Denim Limited,

H. D. Ramsinghani  
Director  
DIN - 00035416

Place : Mumbai  
Date : November 09, 2020

Taken on Record

H. D. Ramsinghani  
(Resolution Professional)  
IP Registration No. 1881/PA-002/  
IP-N00816/2019-20/12564

Laku (Punjab)  
November 09, 2020

**Khandelwal & Mehta LLP**  
**Chartered Accountants**  
(LLP No. AAE-3742)

**Independent Auditor's Report on Quarterly and Yearly Unaudited Financial Results of Rainbow Denim Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
The Resolution Professional,  
**Rainbow Denim Limited**  
Mumbai.

1. We have reviewed the accompanying statement of unaudited financial results of **Rainbow Denim Limited** ("the Company") for the quarter and half year ended **30<sup>th</sup> September, 2020**, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation") as amended, read with SEBI Circular No. CIR/CFD/CMDI/44/2019, dated March 29, 2019, ("the Circular").
2. The Corporate Insolvency Resolution Process (CIRP) of the Company commenced vide order dated 9th December, 2019 passed by Hon'ble NCLT, Chandigarh Bench. As per section 17(1) (b) of Insolvency and Bankruptcy Code, 2016 (IBC), the powers of the Board of the Company are suspended and vested in IRP/RP, as the case may be. Presently, Mr. Dharmendra Kumar Bhasin (Registration No. IBB/I/PA-002/IP-N00816/2019-2020/12564) is discharging the duties of Resolution Professional and is vested with the powers of management of Company's Affairs.
3. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular, is the responsibility of the Company's management and has been signed by a Director of the Company and taken on record by the Resolution Professional. Our responsibility is to express a conclusion on the Statement based on our review.
4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
5. As mentioned in Note 4 of the accompanying statement read with section 20 of Insolvency and Bankruptcy Code, the results are prepared using the "going concern" basis of accounting. Management is responsible for assessing the Company's ability to continue as a "going concern". Discontinuance of production indicates that a material uncertainty exists, which casts significant doubt on the Company's ability to continue as a "going concern". Our conclusion is modified in respect of this matter.

1403 - Sai Indu Tower, Opp. Corpora Mall, LBS Marg, Bhandup West, Mumbai 400078.

● e-mail : contact.knmlp@gmail.com

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

GSTIN : 27AAPFK6261N1ZL

6. Based on our review conducted as above, except for the possible effects of our observation described in Para 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS"), specified under Section 133 of the Companies Act 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

**SUNIL  
LAKHMICHAN  
D  
KHANDLWAL**

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

Place : Mumbai  
Date : 9<sup>th</sup> November, 2020.