



# Rainbow Foundations Ltd.

13<sup>th</sup> November, 2021

To  
The Manager (Corporate Compliances)  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001

**SCRIP CODE: 531694**

Dear Sir,

**SUB: Intimation of the outcome of the Board Meeting held on 13<sup>th</sup> November, 2021**

Kindly refer our letter dated 06<sup>th</sup> November, 2021, we hereby inform you that the Board of Directors of the Company at their meeting held on 13<sup>th</sup> November, 2021 have considered and approved the Unaudited Financial Results and Limited review report from the Auditors of the Company for the Quarter and half year ended 30<sup>th</sup> September, 2021 and same are enclosed herewith.

Request you to take the above on record and oblige.

Thanking you,

Yours faithfully,

**For RAINBOW FOUNDATIONS LIMITED**



**GAJRAJ JAIN**  
Joint Managing Director  
DIN: 01182117



Encl: As above





# GASM DANSR AND CO.,

## Chartered Accountants

Independent Auditor's Review Report on the Quarterly Unaudited Standalone of the Company Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Review report to

The Board of Directors

M/s RAINBOW FOUNDATIONS LIMITED

1. We have reviewed the accompanying statement of unaudited financial results of **RAINBOW FOUNDATIONS LIMITED** ("the Company") for the quarter and six months ended September 30, 2021 ("the Statement") attached herewith, being submitted by the Company pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended.
2. 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 policies and principles generally accepted in India, read with the Circular is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 financial statements are 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.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable Indian accounting standards ('Ind AS') specified under the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other recognized 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.

Place: Chennai

Date: 13/11/2021

For M/s. GASM DANSR AND CO.



(Ganesan)

(Partner)

(Mem No: 218179)

2-G, II floor, J. P. Tower, 1/1, Dr. Thirumurthy Nagar  
Main Road, Chennai 600034

Firm Reg No: 005986S

UDIN: 21218179AAAADB3802



**Head Office :** 2-G, 2nd Floor, J.P. Tower, 1/1, Dr. Thirumurthy Nagar Main Road, (Near Ranjith Hotel)  
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**Branch Office :** Mogappair, K.K.Nagar - Tamil Nadu and Faridabad - Haryana





**RAINBOW FOUNDATIONS LIMITED**  
**4, THANIKACHALAM ROAD,**  
**T.NAGAR, CHENNAI - 600 017**

**STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2021**

Rs. In Lakhs


Particulars	Quarter Ended			Year to Date		Year ended
	30-Sep-2021	30-Jun-2021	30-Sep-2020	30-Sep-2021	30-Sep-2020	31-Mar-2021
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
I. Revenue from operations	2,216.62	567.66	880.46	2,784.28	1,300.93	3,461.88
II. Other Income	5.96	84.54	79.86	90.50	159.62	306.44
<b>III. Total Revenue (I + II)</b>	<b>2,222.58</b>	<b>652.20</b>	<b>960.32</b>	<b>2,874.78</b>	<b>1,460.54</b>	<b>3,768.32</b>
<b>IV. Expenses:</b>						
Purchase of Stock-in-Trade	1,747.78	367.48	571.40	2,115.26	881.03	2,632.34
Changes in inventories of Stock-in-Trade	222.72	5.48	78.51	228.20	78.51	34.40
Employee benefit expense	20.99	21.22	22.90	42.21	39.78	83.94
Financial costs	108.04	214.58	221.82	322.62	343.49	778.32
Depreciation and amortization expense	2.74	5.80	3.49	8.54	7.27	14.34
Other expenses	93.44	10.53	15.31	103.97	37.16	72.63
<b>Total Expenses</b>	<b>2,195.71</b>	<b>625.09</b>	<b>913.41</b>	<b>2,820.80</b>	<b>1,387.24</b>	<b>3,615.97</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)	26.87	27.11	46.91	53.98	73.30	152.35
VI. Exceptional Items (Profit after adjusting loss on sale of fixed asset)	-	-	-	-	-	-
VII. Profit before extraordinary items and tax (V - VI)	26.87	27.11	46.91	53.98	73.30	152.35
VIII. Extraordinary Items (prior period expenses)	-	-	-	-	-	-
IX. Profit before tax (VII - VIII)	26.87	27.11	46.91	53.98	73.30	152.35
X. Tax expense:						
(1) Current tax	-	-	-	51.79	-	34.67
(2) Deferred tax	-	-	-	-	-	3.30
XI. Profit(Loss) after tax (IX-X)	26.87	27.11	46.91	2.19	73.30	114.38
XII. Other comprehensive Income/(loss) for the period	-	-	-	-	-	-
XIII. Total Comprehensive Income/(Loss) for the period (XI + XII)	26.87	27.11	46.91	2.19	73.30	114.38

XVI. Earning per equity share:						
(1) Basic	0.49	0.49	0.85	0.04	1.33	2.07
(2) Diluted	0.49	0.49	0.85	0.04	1.33	2.07

**Notes:**


- The above unaudited results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 13th Nov 2021
- The statement has been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of property, plant & equipment including capital Work in progress, intangible assets, investments, inventories, trade receivables, Other Financials assets, other Assets etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Financial Results including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The Company will continue to closely monitor for any material changes to future economic conditions.
- The company shall make Provision for Income Tax & deferred Taxation at the year end.
- The figures for the corresponding previous period have been regrouped wherever necessary, to make them comparable with the figures of the current period.
- The statutory Auditors have carried out a Limited Review of the above unaudited financial results for the quarter and three months ended 30th Sep 2021. The Financial results have been approved by the Board of Directors on 13th Nov 2021 after the review thereof by the Audit Committee.

**For GASM DANSR & Co.,**  
**Chartered Accountants**

  
**(C.A.A. Ganesan)**  
**Partner (MM:218179)**



**For and on behalf of the Board**

  
**(Gajraj Jain)**

**Joint Managing Director**  
**DIN : 01182117**

Place: Chennai  
Date: 13/11/2021

**RAINBOW FOUNDATIONS LIMITED**  
4, THANIKACHALAM ROAD,  
T.NAGAR, CHENNAI - 600 017

**STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER 2021**


ASSETS	As At 30-Sep-2021 Unaudited	As At 30-Sep-2020 Unaudited	As at 31-Mar-2021 Audited
1 Non-Current Assets			
(a) Property, Plant and Equipment	139.45	152.94	147.00
(b) Other Non-Current Assets	6.54	6.54	4.29
2 Current Assets			
(a) Inventories	23,620.52	22,485.45	23,759.64
(b) Financial Assets			
(i) Investments	15.05	57.03	43.43
(ii) Trade Receivables	262.03	836.21	316.12
(iii) Cash and Cash Equivalents	1,078.91	102.70	32.32
(iv) Loans	6,620.83	5,582.24	5,770.38
(c) Current Tax Assets			
(d) Other Current Assets	60.33	37.53	213.36
<b>TOTAL-ASSETS</b>	<b>31,803.67</b>	<b>29,260.64</b>	<b>30,286.54</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	5,101.31	5,101.31	5,101.31
(b) Other Equity	1,334.11	1,291.85	1,332.37
<b>LIABILITIES</b>			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2,448.70	2,372.79	1,359.43
(b) Deferred Tax Liability (Net)	11.29	7.99	11.29
(c) Other Non Current Liabilities	421.85	2,499.29	-
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18,521.54	14,468.61	17,246.86
(ii) Trade Payables	3,244.78	2,648.98	5,000.72
(b) Provisions	-	-	-
(c) Current Liabilities (Net)	720.09	869.82	234.56
<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>31,803.67</b>	<b>29,260.64</b>	<b>30,286.54</b>

Place: Chennai  
Date: 13/11/2021

For and on behalf of the Board

  
(Gajraj Jain)  
Joint Managing Director  
DIN : 01182117

**For GASM DANSR & Co.,**  
**Chartered Accountants**

  
(C.A. Ganesan)  
Partner (MM:218179)





**RAINBOW FOUNDATIONS LIMITED**  
**4, THANIKACHALAM ROAD,**  
**T.NAGAR, CHENNAI - 600 017**

This is forming Part of Quterly Result of Rainbow Foundations Limited as on 30th Sep 2021 as required by SEBI Circular CIR/CFD/FAC/62/2016 dt.05/07/2016.

Reconciliation on Standalone Unaudited Financial Result to those reported under previous Generally Accepted Accounting Principal ( GAAP) is summaries as follows:-

		Rs. In Lakhs
	Particulars	30-Sep-2021
	Profit after Tax as reported under Indian GAAP	26.87
	Adjustments on account of:	
1	Reversal of Depreciation on leasehold land being Operating lease	-
2	Recognition of amortisation of leasehold land being operating lease, in other expense	-
3	Measurement of financial assets and liabilities at amortised cost	-
4	Reversal of amortisation of Goodwill	-
5	Recognition of loss allowance for expected credit losses on financial assets measured at amortised cost	-
6	Recognition of foreign exchange fluctuation as MTM of forward contracts	-
7	Reversal of Revenue on compliance with Ind AS	-
8	Reversal of Cost of Services on compliance with Ind AS	-
9	Deferred tax impact on above Ind AS adjustments	-
	Profit after Tax as reported under Ind AS	26.87

Notes:


The above Reconciliation on Standalone Unaudited Financial Result have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 13th Nov 2021

For and on behalf of the Board

**For GASM DANSR & Co.,**  
**Chartered Accountants**

Place: Chennai

Date: 13/11/2021

  
**(C.A. A. Ganesan)**  
**Partner (MM:218179)**

  
**(Gajraj Jain)**

**Joint Managing Director**  
**DIN : 01182117**



**RAINBOW FOUNDATIONS LIMITED**  
**REGD.OFF: 4, THANIKACHALAM ROAD, T.NAGAR, CHENNAI - 600 017.**  
**CASH FLOW STATEMENT**

		30-09-21		30-09-20	
		(Amount in Rs. Lakhs)		(Amount in Rs. Lakhs)	
A.	Cash Flow from Operating Activities				
a.	Net Profit before taxation and extraordinary items		53.98		73.30
b.	Adjustments for:				
	Depreciation	8.54		7.27	
	Interest income	(6.91)		(157.32)	
	Liabilities/Provisions written back	-		-	
	(Profit)/Loss on sale of fixed assets	-		-	
	Interest expense(net)	322.62	324.25	343.49	193.45
c.	Operating Profit before working capital changes		378.23		266.75
	i. (Increase)/Decrease in sundry debtors	54.09		(113.21)	
	ii.(Increase)/Decrease in inventories	139.12		(1,001.92)	
	iii.Increase/(Decrease) in current liabilities	(848.56)		2,915.28	
	iv.(Increase)/Decrease in loans and advances	(850.45)		(253.82)	
	v.(Increase)/Decrease in other current assets	150.78		(5.23)	
	Total		(1,355.03)		1,541.11
	Tax Paid		(51.79)		
d.	Cash generated from operations		(1,028.58)		1,807.86
e.	Income Taxes paid net of refund		-		-
f.	Net Cash from operating activities		(1,028.58)		1,807.86
B.	Cash Flow from Investing Activities				
a.	Purchase of Fixed assets	(0.98)		(0.89)	
b.	Proceeds from sale of asset	-		-	
c.	Advances to subsidiaries/ firms				
d.	Investment Made	28.38		(57.00)	
e.	Interest received	6.91		157.32	
f.	Net Cash from investing activities		34.31		99.43
C.	Cash Flow from Financing Activities				
a.	Issue of shares/Capital introduced	-		-	
b.	Proceeds from long term borrowings	-		-	
c.	Repayment of long term borrowings	-		-	
d.	Change in working capital finance	1,089.27		1,117.19	
e.	Net increase/(decrease) in other borrowings	1,274.67		(2,636.23)	
f.	Interest paid	(322.62)		(343.49)	
g.	Dividend Paid	(0.46)			
h.	Net Cash from financing activities		2,040.87		(1,862.53)



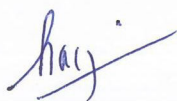
	Net increase in cash and cash equivalents		1,046.60	44.76
	(A+B+C)			
	Cash and cash equivalents at the beginning of the period		32.32	57.94
	Cash and cash equivalents at the end of the period		1,078.91	102.70

Previous periods figures have been regrouped/rearranged wherever necessary to conform to the current period's classification.

Place: Chennai

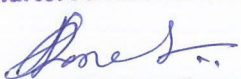
Date: 13/11/2021

For and on behalf of the Board



(Gajraj Jain)  
Joint Managing Director  
DIN : 01182117

**For GASM DANSR & Co.,**  
**Chartered Accountants**



**(CA.A. Ganesan)**  
**Partner (MM:218179)**

