

# GASM DANSR AND CO.,

Chartered Accountants

**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To  
Board of Directors of Rainbow Foundations Limited,  
Chennai 600017.

We have audited the accompanying quarterly financial results of RAINBOW FOUNDATIONS LIMITED, Chennai 600017 for the quarter ended 31<sup>st</sup> March 2019 and the year to date results for the period 01/04/2018 to 31/03/2019, 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 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 Accounting Standard for Interim Financial Reporting (AS25 / Ind AS 34), prescribed, under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

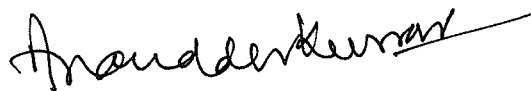
We conducted our Audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, 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.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulations 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the Net Profit and other financial information for the quarter ended 31<sup>st</sup> March 2019 as well as the year to date results for the period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019

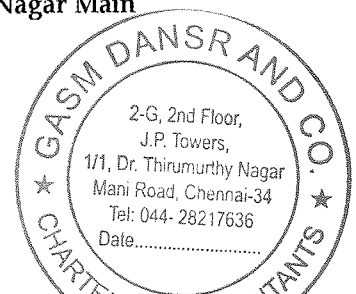
Place: Chennai  
Date: 30/05/2019

For M/s. GASM DANSR AND CO.



(Ananddevkumar)  
(Partner)  
(Mem No: 200/23631)

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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 AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31st March 2019**

Rs. In Lakhs

Particulars	Quarter Ended		Year to Date		Previous
	31-Mar-2019	31-Dec-2018	31-Mar-2019	31-Dec-2018	31-Mar-2018
	Audited	Unaudited	Audited	Unaudited	Audited
I. Revenue from operations	2,375.95	468.10	3,775.78	1,399.83	5,537.78
II. Other Income	171.70	4.50	190.46	18.76	94.69
<b>III. Total Revenue (I +II)</b>	<b>2,547.65</b>	<b>472.60</b>	<b>3,966.23</b>	<b>1,418.59</b>	<b>5,632.47</b>
<i>IV. Expenses:</i>					
Purchase of Stock-in-Trade	2,406.66	7.40	4,500.72	2,094.06	3,729.32
Changes in inventories of Stock-in-Trade	(49.11)	243.98	(1,384.92)	(1,335.81)	280.28
Employee benefit expense	13.88	19.67	56.55	42.68	53.14
Financial costs	70.95	173.34	573.92	502.97	1,292.82
Depreciation and amortization expense	2.64	2.68	11.58	8.94	9.47
Other expenses	54.53	17.11	91.97	37.43	42.42
<b>Total Expenses</b>	<b>2,499.55</b>	<b>464.17</b>	<b>3,849.82</b>	<b>1,350.27</b>	<b>5,407.45</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)	48.10	8.43	116.42	68.32	225.02
VI. Exceptional Items (Profit after adjusting loss on sale of fixed asset)		-			
VII. Profit before extraordinary items and tax (V - VI)	48.10	8.43	116.42	68.32	225.02
VIII. Extraordinary Items (prior period expenses)		-			
IX. Profit before tax (VII - VIII)	48.10	8.43	116.42	68.32	225.02
X. Tax expense:					
(1) Current tax	54.07	-	54.07	-	73.71
(2) Deferred tax	1.78	-	1.78	-	0.86
XI. Profit(Loss) after tax (IX-X)	(7.76)	8.43	64.12	67.79	150.45
XII. Other comprehensive Income/(loss) for the period		-			
XIII. Total Comprehensive Income/(Loss) for the period (XI + XII)	(7.76)	8.43	64.12	67.79	150.45
XVI. Earning per equity share:					
(1) Basic	(0.14)	0.15	1.16	1.23	2.73
(2) Diluted	(0.14)	0.15	1.16	1.23	2.73

Notes:

- The above audited results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th May 2019
- The financial result for the quarter ended 31st March 2019 are in compliance with the Indian Accounting Standard (INDAS) Rules, 2015 notified by the Ministry of Corporate Affairs.
- The figures for the corresponding previous period have been regrouped wherever necessary, to make them comparable with the figures of the current period.
- During the year Company has allotted 0.01% Non-Convertible Redeemable Cumulative Preference Shares (NCRSPS) to eligible investors on private placement basis at the issue price of Rs. 10 per PNCPS aggregating to 45.50 crore, resulting in increase in paid up capital of the company to the said extent.



For and on behalf of the Board

*Gajraj Jain*  
(Gajraj Jain)

Joint Managing Director

DIN : 01182117

Chennai

Date: 30/05/2019

# RAINBOW FOUNDATIONS LIMITED

4, THANIKACHALAM ROAD,  
T.NAGAR, CHENNAI - 600 017

## Statement of Assets and Liabilities as at 31st March 2019

[Rs. In Lakhs]

	ASSETS	As At 31-Mar-2019 Audited	As At 30-Sep-2018 Unaudited	As at 31-Mar-2018 Audited
1	Non-Current Assets			
	(a) Property, Plant and Equipment	105.08	109.66	115.92
	(b) Other Non-Current Assets	8.27	10.52	10.52
2	Current Assets			
	(a) Inventories	19,509.29	24,254.91	14,069.54
	(b) Financial Assets			
	(i) Investments	0.53	0.53	0.53
	(ii) Trade Receivables	586.16	1,064.55	333.20
	(iii) Cash and Cash Equivalents	88.91	159.78	70.93
	(iv) Loans	4,674.64	159.73	170.34
	(c) Current Tax Assets			
	(d) Other Current Assets	147.73	72.96	30.90
	<b>TOTAL-ASSETS</b>	<b>25,120.62</b>	<b>25,832.64</b>	<b>14,801.88</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	5,101.31	551.31	551.31
	(b) Other Equity	1,048.42	1,044.19	966.02
	<b>LIABILITIES</b>			
1	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	4.75	33.00	37.99
	(b) Deferred Tax Liability (Net)	1.77	3.55	3.41
	(c) Other Non Current Liabilities	539.38	-	223.94
2	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16,983.87	22,904.31	12,388.25
	(ii) Trade Payables	1,137.71	1,296.28	466.32
	(b) Provisions	23.07	-	30.31
	(c) Current Liabilities (Net)	280.32	-	134.33
	<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>25,120.62</b>	<b>25,832.64</b>	<b>14,836.05</b>

For and on behalf of the Board

Chennai  
Date: 30/05/2019



*(Signature)*

(Gajraj Jain)  
Joint Managing Director  
DIN : 01182117

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

This is forming Part of Quterly Result of Rainbow Foundations Limited as on 31ST MARCH 2019 as required by SEBI Circular CIR/CFD/FAC/62/2016 dt.05/07/2016.

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

		Rs. In Lakhs
Particulars		31-Mar-2019
	Profit after Tax as reported under Indian GAAP	(7.76)
	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	(7.76)

Notes:

The above Reconciliation on Standalone Audited Financial Result have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th MARCH 2019

For and on behalf of the Board



(Gajraj Jain)

Joint Managing Director

DIN : 01182117

Place: Chennai  
Date: 30/05/2019

