

RAINBOW
DENIM LTD.
Works & Regd. Office

Village Chaundheri
P. O. Dappar, Near Lalru
Ambala-Chandigarh Highway
Dist. Mohali, Pin-140506 (India)
CIN: L18101PB1999PLC022452
Tel : 01762-248810, 11, 12
Fax : 01762-248761
E-mail : rainbow@rainbowdenim.com
Web : www.rainbowdenim.com

Ref. : RDL/BMD/2022
Date : May 30, 2022

To,

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

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

Sub. : Statement of Audited Financial Results for the quarter and year ended March 31, 2022

We hereby inform you that the Liquidator today i.e. May 30, 2022 has, inter alia, considered and approved the Audited Financial Results for the quarter and year ended March 31, 2022.

In terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose Audited Financial Results along with Limited Review Report issued by statutory auditors M/s Khandelwal & Mehta LLP for the quarter and year ended March 31, 2022.

We request you to kindly take on records.

Thanking you,

Yours faithfully,
For RAINBOW DENIM LIMITED,
(a Company under Liquidation)



DHARMENDRA KUMAR BHASIN
LIQUIDATOR

Registration No. IBBI/IPA-002/IP-N00816/2019-2020/12564

Encl. : As above



Rainbow Denim Limited
Corporate Office : 51-52, Free Press House, Nariman Point, Mumbai - 400 021 (India)
Tel : +91-22-22834123, 82 Fax : +91-22-22049946/1641 Email : rama@ramagroup.co.in



RAINBOW DENIM LIMITED

(a Company under Liquidation)

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, 2022

[Rupees in Lacs]						
Srl. No.	Particulars	Current 3 months Ended 31.03.2022 (Audited)	Preceding 3 months Ended 31.12.2021 (Unaudited)	Corresponding 3 months ended in the previous year 31.03.2021 (Audited)	Current Year Ended 31.03.2022 (Audited)	Previous Year Ended 31.03.2021 (Audited)
1.	Revenue from operations					
	a. Net Sales / Income from Operations	-	5.56	28.70	37.13	45.74
	b. Other Operating Revenues	17.63	21.67	-	39.30	-
	Net Revenue from operations	17.63	27.23	28.70	76.43	45.74
2.	Other Income	266.57	259.73	285.44	1,060.41	1,100.41
	Total Income	284.20	286.96	314.14	1,136.84	1,146.15
3.	Expenses					
	a. Cost of Raw Materials Consumed/Sold	7.30	-	-	7.30	-
	b. Cost of Other Materials Consumed/Sold	-	-	1.34	-	1.34
	c. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade - Decrease / (Increase)	2.37	10.27	133.40	41.61	192.34
	d. Employee Benefits Expense	33.83	6.81	79.70	102.86	393.69
	e. Finance Costs	245.25	250.01	265.33	1,013.57	1,081.02
	f. Depreciation	26.42	27.01	28.20	109.50	115.27
	g. Power and Fuel	5.78	9.00	2.05	27.37	30.41
	h. Other Expenses	23.75	13.97	15.36	58.51	77.94
	Total Expenses	344.70	317.07	525.38	1,360.72	1,892.01
4.	Profit / (Loss) before Exceptional Items and Tax	(60.50)	(30.11)	(211.24)	(223.88)	(745.86)
5.	Exceptional Items	-	-	-	-	-
6.	Profit / (Loss) before Tax	(60.50)	(30.11)	(211.24)	(223.88)	(745.86)
7.	Tax Expense	-	-	-	-	-
8.	Profit / (Loss) for the period	(60.50)	(30.11)	(211.24)	(223.88)	(745.86)
9.	Other Comprehensive Income/(Expense)					
	Items that will not be reclassified subsequently to Profit or Loss :					
	- Re-measurement Gains/(Losses) on Defined Benefits Obligations	(2.87)	-	(7.19)	(2.87)	(7.19)
10.	Total Comprehensive Profit / (Loss) for the period	(63.37)	(30.11)	(218.43)	(226.75)	(753.05)
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				(17,720.07)	(17,493.27)
13.	Earning Per Share (Not annualized) : (of Rs.10/- per Share)					
	a. Basic	(0.46)	(0.23)	(1.59)	(1.69)	(5.61)
	b. Diluted	(0.46)	(0.23)	(1.59)	(1.69)	(5.61)
See accompanying notes to the financial results.						

RAINBOW

DENIM LIMITED

(a Company under Liquidation)

STANDALONE AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

		[Rupees in Lacs]	
Srl. No.	Particulars	As at Current Year Ended 31.03.2022 (Audited)	As at Previous Year Ended 31.03.2021 (Audited)
A.	ASSETS :		
1.	Non-current Assets :		
	a. Property, Plant and Equipment	2,179.94	2,289.49
	b. Capital Work-in-Progress	-	-
	c. Intangible Assets	2.75	2.75
	d. Financial Assets :		
	- Investments	2.81	2.81
	- Other Non-current Financial Assets	183.77	183.46
	e. Deferred Tax Assets (net)	-	-
	f. Other Non-current Assets	0.10	0.22
	Sub-total - Non-current Assets	2,369.37	2,480.73
2.	Current Assets :		
	a. Inventories	218.33	267.24
	b. Financial Assets :		
	- Trade Receivables	130.41	130.41
	- Cash and Cash Equivalents	59.10	53.71
	- Other Current Financial Assets	50.50	51.58
	c. Other Current Assets	41.16	46.54
	Sub-total - Current Assets	499.50	549.48
	TOTAL - ASSETS	2,868.87	3,030.21
B.	EQUITY AND LIABILITIES :		
1.	Equity :		
	a. Equity Share Capital	1,328.37	1,328.37
	b. Other Equity	(17,720.07)	(17,493.27)
	c. Share application money pending allotment	-	-
	Sub-total - Share Holders' Funds	(16,391.70)	(16,164.90)
2.	Liabilities :		
	Non-current Liabilities :		
	a. Financial Liabilities :		
	- Non-current Borrowings	3,611.40	5,465.85
	- Other Non-current Financial Liabilities	0.30	0.30
	b. Provisions	-	-
	c. Deferred Tax Liabilities (net)	-	-
	d. Other Non-current Liabilities	-	-
	Sub-total - Non-current Liabilities	3,611.70	5,466.15
3.	Current Liabilities :		
	a. Financial Liabilities :		
	- Current Borrowings	10,247.58	7,379.65
	- Trade Payables	3,538.31	3,512.59
	- Other Current Financial Liabilities	858.57	815.91
	b. Provisions	101.60	66.06
	c. Other Current Liabilities	902.81	1,954.75
	Sub-total - Current Liabilities	15,648.87	13,728.96
	TOTAL - EQUITY AND LIABILITIES	2,868.87	3,030.21

RAINBOW DENIM LIMITED

(a Company under Liquidation)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

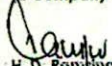
Sri. No.	Particulars	[Rupees in Lacs]	
		Current Year Ended 31.03.2022 (Audited)	Previous Year Ended 31.03.2021 (Audited)
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit / (Loss) Before Tax	(226.75)	(753.05)
	Adjustments for :		
	Depreciation	109.50	115.27
	Interest Accrued	0.09	0.13
	Interest Adjustment on Amortised Cost of Debts	(37.57)	14.21
	Interest Income	(7.09)	(23.19)
	Bad/doubtful Debts, Advances and Recoverables Written Off/Provided	5.04	6.62
	Provisions Written Back	(2.27)	(0.32)
	Loss/(Gain) on Foreign Exchange Fluctuations	11.62	(10.22)
	Operating Loss Before Working Capital Changes	(147.43)	(650.55)
	Adjustments for :		
	(Increase) / Decrease in Inventories	48.91	192.34
	(Increase) / Decrease in Trade and Other Receivables	(7.92)	38.45
	Increase / (Decrease) in Trade and Other Payables	103.02	377.52
	NET CASH FROM / (USED IN) OPERATING ACTIVITIES	(3.42)	(42.24)
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Interest Income	7.09	23.19
	(Increase) / Decrease in Non-current Assets	1.81	24.45
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES	8.90	47.64
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	Interest Paid	(0.09)	(0.13)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES	(0.09)	(0.13)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	5.39	5.27
	OPENING BALANCE OF CASH AND CASH EQUIVALENTS	53.71	48.44
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	59.10	53.71

NOTES :

- Segment wise reporting as required in IND AS 108 is not applicable as the Company has only one segment.
- In the Audited Accounts, the Auditors have expressed significant doubt on the ability of the Company to continue as a 'going concern'. The same is on account of suspension of manufacturing activities at the Company's plant and the on going Corporate Insolvency Resolution Process.
- Due to labour unrest, the manufacturing activities at the Company's plant situated at Village Chaudheri, 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).

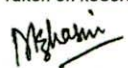
Noteworthy, the CIRP continued up till April 12, 2022, on which Hon'ble NCLT Chandigarh, has passed an order for Liquidation of the Company and accordingly, Mr. Dharmendra Kumar Bhasin (Insolvency Professional) was appointed as Liquidator.
The Members of Committee of Creditors of the Company in the sixth meeting, during CIRP, decided that the matter of Sale of Company / Business of the Company as a 'going concern' shall be taken up by the Liquidator during the Stakeholder's Committee constituted subsequent to passing of order of liquidation. The Liquidator further submitted that in order to maximise the value of the Company, liquidator will endeavour to sell the Corporate Debtor as 'going concern' in consultations with Stakeholders' Committee. Therefore, the financial statements are prepared holding the 'going concern' assumption true.
- 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 Liquidator on May 30, 2022 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 for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of the full financial year published year to date figures upto the third quarter for the relevant financial years.
- Figures of the previous quarter/period/year have been regrouped/rearranged, wherever necessary, to make them comparable.

For Rainbow Denim Limited,
(a Company under Liquidation)


H. D. Ramsinghani
Director
DIN - 00035416

Place : Mumbai
Date : May 30, 2022

Taken on Record


Dharmendra Kumar Bhasin
Liquidator
IP Registration No. IBB/IIPA-002/
IP-N00816/2019-20/12564

Lalru (Punjab)
May 30, 2022

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

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

To
The Resolution Professional
Rainbow Denim Limited

Qualified Opinion and Conclusion

We have audited the Financial Results for the year ended March 31, 2022 and reviewed the Financial Results for the quarter ended March 31, 2022, which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2022" of The **Rainbow Denim Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

Qualified Opinion on Annual Financial Results

Except to the possible effects of matters prescribed in the "**Basis of Qualified Opinion**" paragraph below, in our opinion and to the best of our information and according to the explanations given to us the Financial Results for the year ended March 31, 2022:

- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the Net loss and Total Comprehensive Expenses and other financial information of the Company for the year ended March 31, 2022.

Qualified Conclusion on Audited Financial Results for the quarter ended March 31, 2022

With respect to the Financial Results for the quarter ended March 31, 2022, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below, except to the possible effects of matters prescribed in the "**Basis of Qualified Opinion**" paragraph below, nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the

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S.L. Khandelwal – 9821245353 ● S.A. Momaya – 9821432657 ● N.S. Khandelwal – 9870553531
GSTIN : 27AAPFK6261N1ZL

information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Qualified Opinion and Conclusion on the Audited Financial Results for the year and quarter ended March 31, 2022

Going Concern – The Hon'ble National Company Law Tribunal (the NCLT) has issued Liquidation Order dated 12th April, 2022, however we draw attention to Note 38 to the Financial Statements, regarding the Company's Financial Statements having been prepared using the going concern basis of accounting. The Company's Board of Directors / Resolution Professional / Liquidator (The Management) is responsible for assessing the Company's ability to continue as a going concern. The Value of impairment of assets, if any, has not been ascertained. The Balance Sheet and Cash Flow Statement, indicate that as on March 31, 2022, the Company's Current Liabilities are more than double of its total Assets; and Company has incurred net Operating Loss of Rs. 147.43 lakhs during the year ended March 31, 2022. Further 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 opinion is modified in respect of this matter.

Our opinion is modified in respect of this matter

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion.

Management's Responsibilities for the Financial Results

This Statement, which includes the Financial Results is the responsibility of the Management and has been approved by them for the issuance. The Financial Results for the year and quarter ended March 31, 2022, has been compiled from the related audited interim financial information. This responsibility includes the preparation and presentation of the Financial Results for the year and quarter ended March 31, 2022 that give a true and fair view of the net loss and other comprehensive expenses and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting

frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Management of the Company is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management of the Company is responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Financial Results for the year ended March 31, 2022

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2022 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management.
- Evaluate the appropriateness and reasonableness of disclosures made by the Management in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Financial Results of the Company to express an opinion on the Financial Results.

Materiality is the magnitude of misstatements in the Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Financial Results for the quarter ended March 31, 2022

We conducted our review of the Financial Results for the quarter ended March 31, 2022 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

The Statement includes the results for the Quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **Khandelwal & Mehta LLP**
Chartered Accountants
Firm Regn. No. W100084



Sunil Khandelwal
(Partner)
M. No. : 101388

Place: Mumbai
Date : 30th May, 2022.
UDIN : 22101388AJYFFT9303

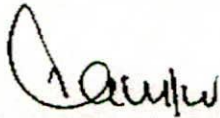
ANNEXURE I

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, 2022				
[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	1136.84	1136.84
	2.	Total Expenditure	1360.72	1360.72
	3.	Net Profit/(Loss)	(223.88)	(223.88)
	4.	Earnings Per Share (In Rs)	(1.69)	(1.69)
	5.	Total Assets	2868.87	2868.87
	6.	Total Liabilities	20588.94	20588.94
	7.	Net Worth	(17720.07)	(17720.07)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II	<u>Audit Qualification (each audit qualification separately):</u>			
	a. Details of Audit Qualification:			
	<p>The Hon'ble National Company Law Tribunal (the NCLT) has issued Liquidation Order dated 12th April, 2022, however we draw attention to Note 38 to the Financial Statements, regarding the Company's Financial Statements having been prepared using the going concern basis of accounting. The Company's Board of Directors / Resolution Professional / Liquidator (The Management) is responsible for assessing the Company's ability to continue as a going concern. The Value of impairment of assets, if any, has not been ascertained. The Balance Sheet and Cash Flow Statement, indicate that as on March 31, 2022, the Company's Current Liabilities are more than double of its total Assets; and Company has incurred net Operating Loss of Rs. 147.43 lakhs during the year ended March 31, 2022. Further 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 opinion is modified in respect of this matter.</p>			
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion			
	c. Frequency of qualification: Appeared first time / repetitive / since how long continuing since 2018-19.			
	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:			

	<p>(i) Management's estimation on the impact of audit qualification: Not ascertained</p>
	<p>(ii) If management is unable to estimate the impact, reasons for the same: 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). Noteworthy, the CIRP continued up till April 12, 2022, on which Hon'ble NCLT Chandigarh, has passed an order for Liquidation of the Company and accordingly, Mr. Dharmendra Kumar Bhasin (Insolvency Professional) was appointed as Liquidator. The Members of Committee of Creditors of the Company in the sixth meeting, during CIRP, decided that the matter of Sale of Company / Business of the Company as a 'going concern' shall be taken up by the Liquidator during the Stakeholder's Committee constituted subsequent to passing of order of liquidation. The Liquidator further submitted that in order to maximise the value of the Company, liquidator will endeavor to sell the Corporate Debtor as 'going concern' in consultations with Stakeholders' Committee. Therefore, the financial statements are prepared holding the 'going concern' assumption true.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: No Comments</p>

For Rainbow Denim Limited



Haresh D Ramsinghani
(Director)
(DIN – 00035416)

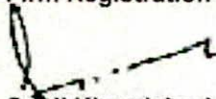


Deonath Singh
(Audit Committee Chairman)
(DIN – 00021741)



Dharmendra Kumar Bhasin
Liquidator

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



Sunil Khandelwal
Partner
Membership Number: 101388

Place – Mumbai
Date – 30-05-2022