Rainbow Foundations Ltd.

04th January, 2021

To
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalai Street,
Mumbai – 400001

SCRIP CODE: 531694

Dear Sir,

SUB: Annual Report for the Financial Year 2019-20

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are enclosing herewith revised Annual Report of the Company for the Financial Year 2019-20.

The following changes were made in the Annual Report

- In Auditors Report (page no. 53), point no vii B –in First row the word Rs. is inserted
- In Balance Sheet (page no. 56), under Equities and liabilities, Equity Share Capital amount was wrongly mentioned as Rs.510,131,00 instead of Rs. 510,131.00 for FY 2019-20 & Total Non-Current Liabilities amount was wrongly mentioned as Rs.2,360,34 instead of Rs.2,360.34 for FY 2018-19. Now rectified.
- In Profit and Loss A/c (page no. 57) – point no XIII Profit/(Loss) for the period (XII+XIV) amount was wrongly mentioned as Rs.17,012,58 instead of Rs. 17,012.58 for FY 2019-20.
- In Cash Flow Statements (page no. 58) – the figures from net cash flow from financing activities till Closing Balance of Cash and Cash Equivalents is rectified.
- In note No 12 of notes forming part of financial statements (page no.66) – the authorized preference shares capital amount is inserted.
- Note no 28 is inserted on page no 71.

Kindly acknowledge the receipt and take the same on record.

Thanking you,

Yours faithfully,
For RAINBOW FOUNDATIONS LIMITED

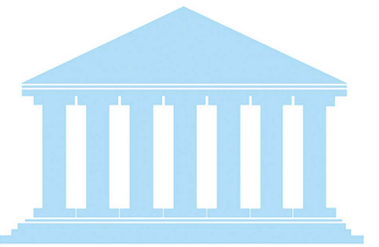
GAJIRAJ JAIN
Joint Managing Director
DIN: 01182117

RAINBOW FOUNDATIONS LIMITED CHENNAI

Encl: As above

No. 4, Thanikachalam Road, T.Nagar, Chennai - 600 017 | Phone : 044 2434 4647, 2435 4647
GSTIN : 33AAACR3089B1ZR | CIN No. : L55101TN1994PLC027739
Email : rainbowfoundations@gmail.com | www.rainbowfoundations.in

RAINBOW FOUNDATIONS LIMITED



Twenty Sixth Annual Report 2019-20

BOARD OF DIRECTORS

- **Mr.Anop Chand Jain,** Managing Director
- **Mr. Gajraj Jain,** Joint Managing Director
- **Mr.P.M.Manjith,** Independent Director
- **Mr.Sampat Raj Singhvi,** Independent Director
- **Mrs. Maithri Jayakkar,** Independent Director
- **Mr. Navin Jain**, Additional Director (w.e.f 30/06/2020)

KEY MANAGERIAL PERSONNEL

- **Mr.Anop Chand Jain,** Managing Director
- **Mr. Gajraj Jain,** Joint Managing Director
- **Mr.Nitesh Jain,** Chief Financial Officer
- **Mrs.Niroshaa Kathiravan,** Company Secretary

AUDITORS

GASM DANSR AND CO
Chartered Accountants
Chennai-600 034

BANKERS

ICICI Bank Ltd
V. N. Road and Cenotaph Road Branch,
Chennai

NAME OF STOCK EXCHANGE WHERE THE COMPANY'S SHARES HAS BEEN LISTED

Bombay Stock Exchange Ltd., Mumbai

REGISTERED OFFICE

No.4, Thanikachalam Road, T.Nagar
Chennai-600017

DEMAT ISIN- INE230F01014

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Cameo Corporate Services Limited
"Subramaniam Building" No.1, Club House Road,
Chennai- 600 002 Ph: 044 28460390
Fax: 044 – 28460129

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NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of **Rainbow Foundations Limited** will be held on Monday, December 28, 2020 at 11.00 A.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business: The venue of the meeting shall be deemed to be the Registered Office of the Company at No. 4, Thanikachalam Road, T. Nagar, Chennai, Tamil Nadu 600017 India.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anop Chand Jain(DIN:02215110), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Navin Jain (DIN: 02213825) as Director of the company**

   To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution**:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Navin Jain (DIN: 02213825), who was appointed as the Additional Director of the Company with effect from 30th June, 2020 by the Board of Directors pursuant to Section 161 of the Act as recommended by the Nomination and Remuneration Committee and who holds office upto this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company"

4. **Appointment of Mr. Navin Jain (DIN: 02213825) as an Executive Director of the company.**

   To consider, and if thought fit, to pass, with or without modification(s) the following resolution as a Ordinary Resolution**:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 152, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the shareholders of the Company be and is hereby accorded for the appointment of Mr. Navin Jain (DIN: 02213825) as Executive Director of the Company, liable to retire by rotation from the conculsion of this Annual General Meeting at a remuneration as stated below:-

Salary	Rs. 1,00,000 /- p.m.
Perquisites	1. One Company maintained car with driver for use of Company's business and personal use. 2. Fees / Expenses of clubs used for business purpose not exceeding Rs.2,00,000/- p.a. 3. Entertainment expenses up to Rs. 1,00,000/- p.a. 4. Medical Re-imbursement. Expenses incurred for the Director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years 5. Leave travel Allowance For the Director and his family subject to a maximum limit of one month salary and this includes travel to abroad also. 6. Personal Accident insurance - Premium not to exceed Rs.25,000 p.a.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the tenure of service of the director, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Gajraj Jain (DIN: 01182117), Managing Director of the Company be and is hereby authorised to take all necessary steps to give effect to the said resolution"

5. **To invest in other Company for an amount exceeding the limit specified under section 186 of the Companies Act, 2013**

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an Special Resolution**:**

"**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, sanctions and permissions, as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to give any loan(s) and/or any guarantee(s) and/or provide any security(ies) in connection with any loan(s) to any other body corporate or person and/ or to make any further investments/acquisition by way of subscription, purchase or otherwise, the securities (including equity shares, preference shares, debentures, or any other kind of instruments, whether convertible or not) of other body corporate, up to an amount of Rs. 500 Crore (Rupees Five Hundred Crore Only over and above the limits available to the Company of 60% (Sixty Percent) of its paid up share capital, free reserves and securities premium account or 100% (One Hundred Percent) of its free reserves and securities premium account, whichever is more, and remaining outstanding at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for implementation of the above resolution and matters connected therewith or incidental thereto including but not limited to delegation of all or any of the powers herein conferred to any Committee or any director(s) or any other officer(s) of the Company, or to settle any questions, difficulties or doubts that may arise with regard to the above resolution, without being required to seek any further clarification, consent or approval of the Members."

By Order of the Board of Directors
For Rainbow Foundations Limited

GajrajJain
Joint Managing Director
DIN:01182117
Registerd Office:
No. 4, Thanikachalam Road,
T. Nagar, Chennai-600017

Place : Chennai
Date : 04th December, 2020

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. In compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and MCA Circulars, the AGM of the Company is being held through VC/OAVM mode only and physical participation facility will not be available.
2. ***Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members***

will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM and the Financial Statements for the year ended 31st March, 2020 along with the Auditors Report and Board's Report are being sent only through electronic mode to those Members whose email addresses are registered with the Company.Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.rainbowfoundations.in, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of CDSL https://www.evotingindia.com.
4. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to RTA at investor@cameoindia.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants. In case of any queries/difficulties in registering the e-mail address, Members may write to rainbowfoundations@gmail.com.
5. A statement pursuant to section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the Annual General Meeting is annexed hereto.The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is also annexed.
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection electronically for Members attending the AGM through VC/OAVM upon log-in to CDSL e-Voting system.
7. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent for assistance in this regard.
8. To support the 'Green Initiative', Members who have not yet registered their email address are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to Cameo Corporate Services Limited in case the shares are held in physical form.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 12th December, 2020 through email on rainbowfoundations@gmail.com. The same will be replied by the Company suitably.
13. The Register of Members and the Share Transfer Books of the company will remain closed from 22nd December, 2020 to 28th December, 2020 both days inclusive.
14. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure

Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

16. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

17. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

18. Instructions for joining the AGM are as follows:-

A. THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER

(i) The voting period begins on Friday, 25th December, 2020 at 9.00 AM and ends on Sunday, 27th December, 2020 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st December,2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN : 201201005 'Rainbow Foundations Limited'

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

B. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@cameoindia.com
2. For Demat shareholders - please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@cameoindia.com

C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **One Week(7 days) prior to AGM** mentioning their name, demat account number/folio number, email id, mobile number at (rainbowfoundations@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **One Week (7 days) prior to AGM** mentioning their name, demat account number/folio number, email id, mobile number at (rainbowfoundations@gmail.com). The Chairman will endeavor to respond to the same at the AGM. Queries received after the above deadline may not be responded to, at the AGM. Further, the Company reserves the right to restrict the number of speakers depending upon availability of time for the AGM.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

D. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

E. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at mail@saspartners.com and to the Company at rainbowfoundations@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr.Nitin Kunder (022-23058738) or Mr.Mehboob Lakhani (022-23058543) or Mr.RakeshDalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

19. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 21st December, 2020. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
20. Mr. Soy Joseph, Company Secretary (Membership No. 13852) Partner, M/s. JM & Associates, PracticisngCompany Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the

AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forwith.

22. The results declared on or after the Annual General meeting of the Company. The result declared along with the Scrutinizers Report shall be placed on the Company's website www.rainbowfoundations.in and on the website of CDSL immediately after the result is declared. The Company shall simultaneously forward the results to BSE limited ("BSE") where the shares of the Company are listed.

23. After the conclusion of the AGM held through VC/OAVM recording of the meeting shall be kept in the safe custody.

By Order of the Board of Directors
For Rainbow Foundations Limited

Gajraj Jain
Joint Managing Director
DIN:01182117

Place : Chennai
Date : 04th December, 2020

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No: 3

Mr. Navin Jain (DIN : 02213825) was appointed as an Additional Director w.e.f. 30th June, 2020 in accordance with the provisions of Section 149(1), 161 of the Companies Act, 2013, read along with Rule 3 of Companies (Appointment of Directors) Rules, 2014. Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office up to the date of this Annual General Meeting. In this regard the Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Mr. Navin Jain, as a candidate for the office of Director of the Company along with the requisite deposit. Mr. Navin Jain, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Mr. Navin Jain is a Graduate in Business Administration and has a rich experience in the field of marketing, public relations or liaison.

Mr. Navin Jain (DIN : 02213825), aged 43 years, is the son of Mr. Anop Chand Jain, Managing Director and nephew of Mr. Gajraj Jain, Managing Director and cousin brother of Mr. Nitesh Jain, Chief Financial Officer of the Company.

The Board feels that presence of Mr. Navin Jain on the Board is desirable and would be beneficial to the company.

The Board recommends the resolution set forth in item No. 3 for Members approval by way of an Ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Navin Jain and his relatives is, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 3 of the Notice.

Item No. 4

Mr. Navin Jain (DIN : 02213825), aged 43 years was designated as the Executive Director of the Company upon the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their respective meetings on 30th June, 2020 with effect from 30th June, 2020

The remuneration payable to Mr. Navin Jain as described in the resolution is decided and approved by the Nomination & Remuneration Committee of the Company:

As per the provisions of Sections 152, 197 and other applicable provisions, if any, of the Companies Act, 2013 (Act), it is proposed to appoint Mr. Navinjain(DIN: 02213825) as Executive Director of the Company, liable to retire by rotation.

Mr. Navin Jain has given consent for the said appointment and he is not disqualified from being appointed as a Director of the Company under Section 164 of the Companies Act, 2013 ("the Act").

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2, disclosures pertaining to the appointment of Director of the Company are provided in Annexure-1 to the Notice.

The Board of Directors recommends the resolution at Item No. 4 of the Notice for the approval of members of the Company by way of Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Navin Jain and his relatives is, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No. 5

In order to achieve long term strategic and business objectives, the company is in process of acquiring the other Body Corporate by making investment the securities of the said Body Corporate

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice for an an amount not exceeding Rs. 500Crore, outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Board recommends passing of the Special Resolution as set out at item no. 5 of the Notice.

None of the Directors/Key Managerial Personnel of the Company and/or their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item no. 5 of the Notice.

Annexure-1
Additional Information of Directors seeking appointment/reappointment as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standard-2

Name of the Director	Mr. Navin Jain
Age	43 years
DIN	02213825
Category	Executive Director
Date of first appointment on the Board as Director	30th June, 2020
Qualification(s)	Graduate in Business Administration
Expertise in Specific Functional Area	Field of marketing, public relations or liaison
Terms & conditions of appointment	As per resolution mentioned in Item No.4 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	As per resolution mentioned in Item No.4 of the Notice
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Navin Jain is the son of Mr. Anop Chand Jain, MD and nephew of Mr. Gajraj Jain, MD and cousin brother of Mr. Nitesh Jain, CFO. Apart from this, he does not have any relationship with the Company, other Directors and Key Managerial Personnel of the Company.
Number of Board Meetings attended during the year	NIL
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2020	1
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2020	NIL
Number of shares held in the Company as on 31st March, 2020	181957 equity shares of Rs.10/-each

Annexure-2

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013

I General Information

1. **Nature of Industry :** Real Estate
2. **Date of commencement of commercial production:** Operations started in the year 1994
3. **Financial performance based on given indicators:**

Rs. In Thousand

Particulars	31st March, 2020	31st March, 2019
Revenue from operations	2,58,493.78	3,77,577.81
Profit/(loss) before tax	23,257.39	11,641.74
Profit/(loss) after tax	17,012.58	6,412.26

4. **Foreign investments or collaborations, if any: NIL**

II Information about Mr. Navin Jain:

Particulars	
Background details	Mr. Navin Jain, is associated with construction industry being a Director of M/s Rajgharana Housing Ltd. He has more than 18 years' experience in the project development, construction, sales, marketing and administration. By virtue of his dedicated services he has reached prominent position in his professional career.
Past remuneration	NA
Recognition or awards	NA
Job profile and his suitability	Mr. Navin Jain being Executive Director of the Company provides leadership, strategic vision and direction to the Company's business operations. His ability to keep abreast of the upto dates in the field of marketing, public relations or liaison.
Remuneration proposed	As stated in Item No.4 of this Notice
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration of Mr. Navin Jain is in line with the nature of Industry, size of Company, responsibilities entrusted and peer remuneration. The NRC Committee after considering all aforesaid factors has recommended the remuneration specified in Item No. 4 of the notice
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Navin Jain is promoter of the company and son of Mr. Anop Chand Jain, MD and nephew of Mr. Gajraj Jain, JMD and cousin brother of Mr. Nitesh Jain, CFO. Apart from this, he does not have any relationship with the Company, other Directors and Key Managerial Personnel of the Company.

III Other Information

1.	**Reasons of loss or inadequate profits**	Though the Company has made profit during the year, Company is expected to perform better in coming years and the productivity and profits are expected to be improved.
2.	**Steps taken or proposed to be taken for improvement**	
3.	**Expected increase in productivity and profits in measurable terms**	

IV Disclosures:

The information on remuneration package of Mr. Navin Jain is provided in Corporate Governance Report forming part of the Annual Report for FY 2019-20.

Gajraj Jain
Joint Managing Director
DIN:01182117

Place : Chennai
Date : 04th December, 2020

Registerd Office:
No. 4, Thanikachalam Road,
T. Nagar, Chennai-600017

BOARDS' REPORT

To,

The Members,

Your Directors have pleasure in presenting the 26th Annual Report on the business and operations of your Company, along with the Audited financial statements for the year ended 31stMarch, 2020.

1. FINANCIAL RESULTS

Particulars		Amount in Thousands	
		For Financial Year ended 31/03/2020	For Financial Year ended 31/03/2019
Total Income		2,91,597.16	3,96,623.41
Total Expenditure		2,68,339.77	3,84,981.67
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)		83,434.37	70,191.46
Finance Charges		59,248.60	57,392.15
Depreciation		928.38	1,157.57
Profit/(loss) before Tax		23,257.39	11,641.74
Tax Expense		6,244.81	5,229.48
Net Profit/(Loss) After Tax		17,012.58	6,412.26
Profit/(Loss) carried to Balance Sheet		17,012.58	6,412.26
The proposed appropriations are			
Proposed Dividend		0	0
Corporate dividend tax		0	0
General reserve		0	0
Balance carried forward		17,012.58	6,412.26
Earnings Per Share	Basic	3.09	1.16
	Diluted	3.09	1.16

2. GLOBAL HEALTH PANDEMIC FROM COVID-19:

The World Health Organization declared a global pandemic of the Novel Corona Virus Disease (COVID-19) on February 11, 2020. In enforcing social distancing to contain the spread of the disease, our office has been operating with minimal or no staff for extended periods of time. In keeping with its employee-safetyfirst approach, the Company quickly instituted measures to trace all employees and be assured of their well-being. Our teams reacted with speed and efficiency, and quickly leveraged technology to shift the workforce to an entirely new 'work-from-home' model.

3. ECONOMIC REVIEW:

The Company witnessed an uptick in residential real estate demand compared to the year before. However, the outbreak of Covid-19 pandemic is expected to adversely impact the sector performance in the first half of FY21. The most significant impact of Covid-19 is expected to be the reverse migration of workers which will impact construction activities across the country. This is expected to cause project execution delays and working capital issues for financially weak developers.

While the industry at large may be adversely impacted by this pandemic and the recovery phase slowdown, your Company's healthy balance sheet and project pipeline will help maintain operational momentum in the months ahead.

4. OPERATIONAL AND FINANCIAL PERFORMANCE HIGHLIGHTS:

During the year under review, the turnover of the company has reduced to Rs.2,91,597.16 Thousand as compared to previous year turnover of Rs. 3,96,623.41 Thousand. Although there is a reduction in turnover but due to reduction intotal expenditure as well, the profits of the company have increased by 165.33%. The Earning per Share ('EPS') for the year also increased to Rs. 3.09 as compared to Rs. 1.16 in the previous year due to decline in expenditure.

5. CHANGE IN NATURE OF BUSINESS:

During the year, there was no change in the nature of business of the Company.

6. CORPORATE GOVERNANCE

Your Company is committed towards maintaining high standards of Governance. The Report on Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"),shareholders information together with a Corporate Governance Compliance Certificate from M/s GASM DANSR AND CO, Statutory Auditor of the Company confirming compliance, forms an integral part of this Report which is annexed herewith as "Annexure (A)".

7. BOARD EVALUATION

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, a formal evaluation was carried out by the Board of its own performance and that of its committees and individual directors.

During the year under review, one meeting of the Independent directors was held wherein the performance of non-independent directors and the Board as whole were reviewed. The performance evaluation of committees and Independent Directors was carried out by entire Board excluding the director being evaluated. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Directors to effectively and necessarily perform their duties.

The final evaluation was thereafter deliberated and assessed taking into account inputs from the Board about evaluation of independent directors and various committees of the Board and suggesting action plan for improving Board performance and plan for next Board, its Committee(s) and individual director's evaluation.

8. INDEPENDENT DIRECTORS

Definition of 'Independent Director' is referred in Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Directors are Independent:

- Mr. Sampat Raj Singhvi
- Mr. Pushpala Motiram Manjith
- Mrs. Maithri Jayakkar

9. NOMINATION & REMUNERATION POLICY

Your Company has a Nomination & Remuneration policy for selection and appointment of Directors, Senior Management and fixing their remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178 (4) of the Act. The said policy and the composition of the Nomination and Remuneration Committee have been stated in the Corporate Governance Report.

10. SHARE CAPITAL:

During the year under reviewthe Board of Directors of the Company has not issued any shares, hence the present Capital structure of the Company is as follows:

Share Capital	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
(a) Authorised share Capital:		
20,000,000 Equity Shares of Rs. 10/-each	200,000,000	200,000,000
50,000,000 Preference Shares of Rs. 10 each	500,000,000	500,000,000

Share Capital	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
(b) Issued Share Capital		
5,513,100 Equity Shares of Rs. 10/- each	55,131,000	55,131,000
45,500,000 0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	455,000,000	455,000,000
(c) Subscribed and Paid up Capital		
5,513,100 Equity Shares of Rs. 10/- each	55,131,000	55,131,000
45,500,000 0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	455,000,000	455,000,000

11. DIVIDEND:

No Dividend is recommended for the current financial year due to low profit earned by the Company.However, the company will pay accumulated preference dividend to the Preference Shareholders in accordance with the terms and conditions approved by the shareholders of the Company in its Extraordinary General Meeting held on 05th December, 2018.

12. RESERVES:

Since the Company has earned very less profit during the period under review, hence no amount is transferred.

13. SUBSIDIARY COMPANIES/ ASSOCIATE COMPANIES /HOLDING COMPANIES / JOINT VENTURES:

Your company does not have any subsidiaries, associate company and joint ventures during the year under review.

14. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURRING AFTER BALANCE SHEET DATE:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report.

15. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

There were no Loans, Guarantees and Investments made by the company under the provisions of Section 186 of the Companies Act, 2013 (the Act) during the year under review and hence the said provision is not applicable.

16. RELATED PARTY TRANSACTION:

Your Company has in place a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. This policy has been approved by the Board and is available on the Company's website (www.rainbowfoundations.in).

During the year under review, the company has not entered into any contracts and arrangements as per Section 188(1) of Companies Act, 2013.

17. DEPOSITS:

Your Company has neither accepted nor renewed any deposit during the year. As such, no amount of principal and/or interest is outstanding as on the Balance Sheet date.

18. STATUTORY AUDITORS AND THEIR REPORT:

As per the provisions of Section 139 of the Act, M/s. GASM DANSR and Co, Chartered Accountants (ICAI Firm Registration No.005986S), were appointed as Statutory Auditors of your Company, to hold office until the conclusion of the 28th AGM.

As required under Regulation 33 of the Listing Regulations, Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

There are no qualifications, reservations or adverse remarks made by Statutory Auditors, in their Report.

19. INTERNAL AUDITOR:

Pursuant to the provisions of Section 138 of the Companies Act, 2013, M/s.BKJ & Co., Chartered Accountant, (Membership No: 243126), Chennai is appointed as the Internal Auditors of the Company for the period of three financial year (From 2019-20 to 2021 to 22)

20. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Act and Rules, Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable provisions framed thereunder, as amended, your Company appointed JM & Associates, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Practicing Company Secretary has submitted his Report on the Secretarial Audit conducted by him which is annexed herewith as "Annexure (B)".

The followingObservation was given in his Secretarial Audit Report

The Company has not filed the following form required to be submitted with the Registrar of Companies.

- E-Form CHG-1 for creation of charge in favour of M/s. Daimler Financial Services India Private Limited in respect of borrowing loan of Rs.Rs.50,00,000 (Rupees Fifty Lakhs Only) by the Board of Directors of the company.
- E-Form MGT-14 pertaining to the year 2018-19 for monies borrowed by the Company from various parties has not been reported to the Registrar of Companies.

Management Explanation:

- The company, however has filed e-Form MGT-14 for the resolution passed by the Board of Directors in their meeting held on February 14, 2020 and no charge was created by the Board of Directors of the company on loan of Rs.Rs.50,00,000 (Rupees Fifty Lakhs Only) from of M/s. Daimler Financial Services India Private Limited.

  Hence, management of the company is of the opinion that there is no need to file e-Form CHG-1 with the Registrar of Companies.
- The company has inadvertently failed to file aforesaid forms but now the management is in the process of filing E-form MGT-14 for registration of resolutions in respect of borrowing loans taken in FY 2018-19.

21. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from un-authorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

22. FRAUD REPORTING:

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

23. COST AUDITORS:

Cost Audit is not applicable to the Company. The Central government has not specified maintenance of cost records for the Company under Sub – Section (1) of section 148 of the Companies Act 2013. Therefore, there is no requirement for appointment of Cost Auditors.

24. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of your Company is duly constituted in accordance with the requirements of the Companies Act, 2013 read with the Listing Regulations.

During the year under review, there were following changes at the Board level as given below:

- Mr. Pushpala Motiram Manjith (DIN: 02161987) was appointed as Additional Director with effect from August 13, 2019. Further, the approval of the members of the company was sought in the Annual General Meeting (AGM) held on September 30, 2019 for his the appointment as Non-executive Independent Director.
- Mr. Navin Jain (DIN: 02213825) was appointed as an Additional Executive Director with effect from June 30, 2020.

The approval of the members of the company is to be sought in ensuing AGM for the aforesaid appointment.

- Mr. Pushpala Mohan Mothiram (DIN: 00232291) Non executive Independent Director resigned w.e.f August 13, 2019. The Board wishes to place on record their appreciation for the valuable contributions made by them to the Board and the Company during his tenure.
- Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr.Anop Chand Jain (DIN: 02215110) Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for the re-appointment. The Board recommends his re-appointment for consideration of the members at the ensuing Annual General Meeting.

25. MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of (a) the meetings of the Board and its Committees held during the year; and (b) composition and terms of reference of the Committees are detailed in the Corporate Governance Report.

26. CODE OF CONDUCT

The Board has approved a Code of Business Conduct (Code) which is applicable to the Members of the Board and insiders. The Code of Business has been posted on the Company's website (www.rainbowfoundations.in). The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A) Conservation of energy, technology absorption:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 readwith Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technologyabsorption have not been furnished considering the nature of activities undertaken by the Company duringthe year under review.

B) Foreign Exchange Earnings and Outgo:

During the period under report, your Company had not earned any amount of foreign exchange nor had incurred expenditure in foreign exchange.

28. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure (C)".

A statement containing the names of top ten employees in terms of remuneration drawn and the name of every employee employed throughout the Financial Year was in receipt of remuneration of Rs.102 lakhs or more, or if employed for part of the year and in receipt of Rs.8.50 lakhs or more per month, pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure (C)".

29. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable

30. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in **Form MGT-9** for the financial year ended March 31,2020 is attached as **Annexure D** to the Boards' Report and provided on the website of the Company at www.rainbowfoundations.in.

31. RISK MANAGEMENT POLICY:

Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

32. VIGIL MECHANISM POLICY:

The Company has established a vigil mechanism / whistle blower policy for Directors and employees to report their concerns, which is reviewed and updated from time to time. The said policy is available on the Company's website (www.rainbowfoundations.in.)

33. PREVENTION OF SEXUAL HARASSMENT POLICY:

The Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is applicable to your Company.

Your Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the year under review, the Company has not received any complaints from the employees with regard to Sexual Harassment.

34. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year under review, as stipulated under Schedule V of the Listing Regulations, is forming part of this Annual Report as **Annexure E.**

35. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the period under review, there are no significant or material orders were passed by the Regulators, Courts, and Tribunals which affects the Company's going concern status or operations.

36. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) in the preparation of the annual Financial Statements for the year ended March 31,2020, the applicable accounting standards has been followed along with proper explanation relating to material departures;

(b) Your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year March 31, 2020 and of the profit of the company for the period ended March 31, 2020

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the Annual Financial Statements have been prepared on a going concern basis; and

(e) the directors had devised proper internal systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

37. ACKNOWLEDGEMENTS:

Your Directors wish to place on the record their deep sense of appreciation to the devoted services, unstinted support and excellent service rendered by all the customers, Professional colleagues and bankers.

FOR RAINBOW FOUNDATIONS LIMITED

	ANOP CHAND JAIN	**GAJRAJ JAIN**
Place : Chennai	Managing Director	Joint Managing Director
Date : 04/12/2020	DIN: 02215110	DIN: 01182117

ANNEXURE A

REPORT ON CORPORATE GOVERNANCE

Your Company's Corporate Governance is based on the principles of transparency, accountability and focus on the sustainable success of the Company over the long-term and in compliance with relevant laws and regulations. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

Your Company has a Code of Conduct, the governing principle for its Directors, Employees and also a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders. Your Company is also having (a) Policy on Related Party Transactions, (b) Vigil Mechanism / Whistle Blower Policy, (c) Policy on determination of legitimate purpose; and (d) familiarization program imparted to Independent Directors, etc. The said policies are available on the website of your Company at http://www.rainbowfoundations.in

Your Company is in compliance with Corporate Governance requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended, and Secretarial Standards as of March 31, 2020 and presents the following Report.

Board of Directors

The Board of Directors (Board) determines the purpose and values of the Company. The primary role of the Board is that of trusteeship so as to protect and enhance stakeholders' value through the strategic supervision of the Company and its subsidiaries, exercising their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders.

They ensure that the Company complies with all relevant laws, regulations, governance practices, accounting and auditing standards. They identify key risk areas and key performance indicators of the Company's business and constantly monitor these factors.

The Board of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. As on March 31, 2020, the Board comprised of fivedirectors out of which 3are Non-Executive Independent Directors (Consisting of one women Director) and 2are Executive Directors.

Mr. Pushpala Mohan Mothiram (DIN: 00232291), a Non-Executive Independent Director of the Company has resigned on August 13, 2019 being unable to dedicate time required for fulfilling the responsibilities of the Independent Director due to preoccupations with personal engagements and unpredictable health conditions. Pursuant to Schedule III Part A clause 7B of Listing Regulations, he confirmed that there are no other material reasons other than those stated in his resignation letter.

No Director of the Company is a member in more than 10 committees or acts as Chairperson of more than 5 committees across all listed companies, in which he/she is a director. The names and categories of Directors on the Board, their other directorships and shareholding in the Company are given below:

Name of the Directors	DIN	Category	% of Share holding as of March 31, 2020	No. of Directorship held*		Committees~	
				Public	Private	Chairman	Member
Gajraj Jain	01182117	Managing Director, Executive Director	3.63	1	-	-	-
Anop Chand Jain	02215110	Managing Director, Executive Director	3.37	1	-	-	-
@Pushpala Motiram Manjith	02161987	Non-Executive Independent Director	—	1	3	-	3
Sampat Raj Singhvi	01786782	Non-Executive Independent Director	0.0005	1	-	-	3
Maithri Jayakkar	07155574	Non-Executive Independent Director	—	1	-	3	-

**Number of Directorship held in public companies includes directorships in Rainbow Foundations Limited but it excludes Directorship in foreign bodies corporate and companies incorporated under Section 8 of the Companies Act, 2013/Section 25 of the Companies Act, 1956 and Alternate Directorship

~Denotes chairmanship and membership in Audit and Stakeholders Relationship Committee of public limited companies including Rainbow Foundations Limited.

@ Appointed as Additional Director w.e.f August 13, 2019 and as Non-executive Independent Director w.e.f September 30, 2019

There is no inter-se relationship between the Directors except Mr.Anop Chand Jain, *brother of* Mr.Gajraj Jain.

The Board meets at least once in every quarter and/or whenever necessary for update and to review the business performance and financial results. The Board/its Committee review the Company's annual financial plan. On an ongoing basis during the year, the Board monitors the performance of the Company as against its annual financial plan as well as resource allocation decisions made during the period. The Board also evaluates the Company's strategy and assesses progress against agreed milestones.

During the year, Independent Directors of your Company have complied with all the applicable conditions of the Listing Regulations.

The Chairman and Managing Director finalize the agenda for each meeting, along with notes and circulate in advance to the Board members. All material information is incorporated in the agenda facilitating meaningful and focused discussions in the meeting. Where it is not practicable to attach any document in the agenda, the same is tabled before the meeting. Every board member is free to suggest items for inclusion in the agenda. The directors are provided free access to office and employees of the Company. Management is encouraged to invite the Company personnel to any Board meeting at which their presence and expertise would help the Board to have a full understanding of the matters being considered.

During the year, the Board met 4 times, i.e. on May 30th, 2019, August 13th, 2019, November 14th, 2019 and February 14th, 2020. The maximum gap between two meetings was not more than one hundred and twenty days. Quorum was present at all the meetings.

Details of Directors and the sitting fees paid to them for attending Board/Committee meetings are as follows:

Directors	No. of Board meetings during 2019-20		Whether attended last AGM held on 30/09/2019	Sitting fee (In Rs. Lakhs)*
	Held	Attended		
Gajraj Jain	4	3	Yes	-
Anop Chand Jain	4	4	Yes	-
@ Pushpala Mohan Mothiram	4	2	Not Applicable	-
#Pushpala Motiram Manjith	4	2	Yes	-
Sampat Raj Singhvi	4	4	Yes	-
Maithri Jayakkar	4	4	Yes	-

** The company is not paying any sitting fees to any Director for attending Board and other Committee meetings.*
@ Mr.Pushpala Mohan Mothiram has resigned w.e.f August 13, 2019.
 # Mr.Pushpala Motiram Manjith was appointed as Additional Director on August 13, 2019.

As required under Part C, Clause 2(c) of Schedule V of Listing Regulations, none of the Director of the company is a director of any other listed entity. Hence the said provision is not applicable to the company.

As required under Part C, Clause 2(g) of Schedule V of Listing Regulations, the details of training Programme attended by Independent Directors is available on the Company's website http://www.rainbowfoundations.in/

As required under Part C Clause 2(h) of Schedule V of Listing Regulations, the list of core skills / expertise / competencies identified by the Board of Directors are as follows:

Skills/Expertise/ Competencies	Gajraj Jain	Anop Chand Jain	Sampat Raj Singhvi	Maithri Jayakkar	Pushpala Motiram Manjith
Leadership / Operational experience	✓	✓	✓	✓	✓
Strategic Planning	✓	✓	✓	✓	✓
Industry Experience, Research & Development and Innovation	✓	✓	✓	✓	✓
Global Business	✓	✓	✓	✓	✓
Financial, Regulatory / Legal & Risk Management	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓

As required under Part C Clause 10(i) of Schedule V of Listing Regulations, Mr.Soy Joseph, Practising Company Secretary has issued a certificate to the effect that none of the Directors of your Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

As required under Part C 10(k) of Schedule V of Listing Regulations, the details of fees for all services paid by your Company, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditors is a part are provided in the Notes to Financial Statements forming part of this Report.

Tenure

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the Articles of Association of the Company and provisions of the Act, all Directors, except the Independent Directors of the Company, are liable to retire by rotation at the Annual General Meeting (AGM). One-third of the said Directors are liable to retire every year and if eligible, offer for re-appointment. The Board has the power to determine the tenure of all the Executive Directors.

Profile

The profile of Directors who are being appointed/re-appointed at the ensuing Annual General Meeting (AGM) is given in annexure forming part of the Notice convening the said meeting.

Remuneration of directors

Nomination & Remuneration Committee determines the compensation payable to Executive Directors, within the overall limits approved by the Shareholders and in accordance with provisions of the Act. The elements of remuneration package of Executive, Non-Executive /Independent Directors are provided hereunder

i. Pecuniary transactions with non-executive directors

During the year under review, there were no pecuniary transactions with any non-executive director of the Company. The register of contracts is maintained by the Company under section 189 of the Companies Act, 2013. The register is signed by all the directors present at the respective Board meetings.

ii. Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making, and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

iii. Non-executive directors

The Company does not pay any remuneration to Non-executive Directors.

iv. Executive directors

During the year under review, Mr. Anop Chand Jai, Managing Director and Mr. Gajraj Jain, Joint Managing Directors of the Company have drawn Rs.1320 Thousand each as salary.

Board Committees

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. Committees are set up by the Board to carry out the roles and responsibilities as defined in their Charter. These Committees prepare the groundwork for decision making and minutes of Committee meetings are placed at subsequent meeting of the Board. As of March 31, 2020, your Company has the following committees of the Board:

(a) Audit Committee

(b) Nomination and Remuneration Committee

(c) Stakeholders Relationship Committee

Audit Committee

(a) Terms of Reference

The Scope and terms of reference of the Audit Committee covers matters specified under Part C of Schedule II of

the Listing Regulation and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee inter-alia includes the following matters:

Financial Reporting and Related Process

- To oversee the company's financial reporting process and the disclosure of its financial information
- Reviewing with the management the quarterly unaudited financial results/ statements and Limited Review Report thereon/ Audited annual financial statement and Auditors Report thereon before submission to the Board for the approval. This would inter-alia include reviewing changes in the accounting policies, if any and major accounting estimates based on exercise of judgement by the management, significant adjustment made in the financial statements
- Reviewing the Management Discussion & Analysis of financial and operational performance
- Scrutiny of inter-corporate loans and investments

Internal Control and Governance Process

- Review the adequacy and effectiveness of the Company's internal control system. Review and discuss with management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- Review adequacy of internal audit function, internal audit reports and discussion with Internal Auditors on significant findings and follow-up thereon
- To oversee and review the functioning of a Vigil Mechanism and to review findings of investigation into cases of material nature and the actions taken in respect thereof.
- Approval of Related Party Transactions and review on a quarterly basis
- Approval of appointment of Chief Financial Officer

Audit & Auditors

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto
- Review and recommend to the Board appointment, remuneration and terms of appointment of the Auditors.
- Approval of such other services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.

(b) Composition and Meetings

As on March 31, 2020, the Audit Committee comprises of 3 Members all are Independent Directors

All Members of the Audit Committee are professionals, experienced and possess sound knowledge of finance, accounting practices and internal Controls.

During the year under review, Four (4) Audit Committee Meetings were held i.e on May 30th, 2019, August 13th, 2019, November 14th, 2019 and February 14th, 2020. The maximum gap between two meetings was not more than one hundred and twenty days. Quorum was present at all the meetings.

Attendance of members at the Audit Committee Meeting held during the year under review isas follows:

Directors	Category	No. of during 2019-20	
		Held	Attended
Pushpala Mohan Mothiram*	Non-Executive Independent Director	4	2
Maithri Jayakkar	Non-Executive - Independent Director	4	4
Sampat Raj Singhvi	Non-Executive - Independent Director	4	4
Pushpala Motiram Manjith*	Non-Executive – Independent Director	4	2

** Mr.Pushpala Mohan Mothiram resigned as Director and Mr.Pushpala Motiram Manjith was appointed as Additional Director on 13th August, 2019*

Nomination and Remuneration Committee

(a) Brief description of terms of reference

The objective and purpose of Nomination and Remuneration policy, including its terms of reference are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
2. Oversee the identification of persons who are qualified to become a Director and who may be appointed in accordance with the criteria laid down in the Nomination and Remuneration policy of the Company.
3. Recommend to the Board, appointment and removal of Director.
4. To device a Policy on Board Diversity.
5. Guide and review the remuneration of Directors & Key Managerial Personnel ensuring a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
6. Guide and review Remuneration Policy of the Company
7. Delegate such activities to the CEO/Managing Director as the Committee deems necessary and to review the actions taken by the person on such activities.

(b) Composition, Meeting & Attendance:

As on March 31, 2020, Mrs. Maithri Jayakkar Chairs the Nomination and Remuneration Committee and Mr. Pushpala Motiram Manjith and Mr. Sampat Raj Singhvi are the members of the Committee

During the year under review, One (1) Nomination & Remuneration Committee Meetings was held i.e on August 13th, 2019. Quorum was present at the meetings.

Details of the attendance at the Committee meetings are given below:

Directors	Category	No. of during 2019-20	
		Held	Attended
Pushpala Mohan Mothiram *	Non-Executive Independent Director	1	1
MaithriJayakkar	Non-Executive - Independent Director	1	1
Sampat Raj Singhvi	Non-Executive - Independent Director	1	1
Pushpala Motiram Manjith*	Non-Executive - Independent Director	1	—

**Mr.Pushpala Mohan Mothiram resigned as Director and Mr.Pushpala Motiram Manjith was appointed as Additional Director on August 13th, 2019.*

Stakeholders Relationship Committee

The scope and terms of reference of the Stakeholders' Relationship Committee ("SRC") inter-alia is as under:

- Consider and resolve the grievances of security holders of the company including complaints related to transfer, transmission, demat of securities, non-receipt of annual report/declared dividends etc.
- Recommend measures for overall improvement of the quality of investor services.

During the year under review, Four (4) Meeting of Stakeholders' Relationship Committee were held i.eon May 30th, 2019, August 13th, 2019, November 14th, 2019 and February 14th, 2020. The maximum gap between two meetings was not more than one hundred and twenty days. Quorum was present at all the meetings.

Details of the attendance at the Committee's meetings are given below:

Directors	Category	No. of during 2019-20	
		Held	Attended
Pushpala Mohan Mothiram*	Non-Executive IndependentDirector	4	2
Maithri Jayakkar	Non-Executive - Independent Director	4	4
Sampat Raj Singhvi	Non-Executive - Independent Director	4	4
Pushpala Motiram Manjith*	Non-Executive - Independent Director	4	2

**Mr.Pushpala Mohan Mothiram resigned as Director and Mr.Pushpala Motiram Manjith was appointed as Additional Director on August 13th, 2019.*

During the year under review, no complaints were received from the shareholders.

Annual General Meeting

Details of last three Annual General Meetings (AGM) of the Company are given below:

Year	Venue	Date & Time	Details of Special Resolution passed at AGM
2019	The Grand Sweets & Snacks, 2nd Floor No.18, Dr. Nair Road, T.Nagar, Chennai-600017	September 30, 2019, 10.00 A.M	1. Re-appointment of Mr. Sampat Raj Singhvi (DIN:01786782) as an Independent Director.
			2. Re - appointment and payment of Remuneration to Mr. Anop Chand Jain (DIN: 02215110) as the Managing Director of the Company.
			3. Re - appointment and payment of Remuneration to Mr. Gajraj Jain (DIN: 01182117) as the Managing Director of the Company.
2018	Registered office of the Company	September 28, 2018, 9.30 A.M	None
2017	Registered office of the Company	September 27, 2017, 9.30 A.M	None

All Directors attended the last AGM held on September 30, 2019.

Extraordinary General Meeting

No Extraordinary General Meetingwas conducted during the year under review.

Postal Ballot

No Postal Ballot was conducted during the year under review.

Means of communication:

Following information is displayed at Company's website http://www.rainbowfoundations.in from time to time:

1. Financial results at the end of each quarter
2. Shareholding Pattern
3. Annual Report
4. Change in Directors
5. Announcements, Notice of the Board Meeting, advertisements, etc.

The quarterly financial results are published in "News Today" and in "Malai Chudar" within 48 hours of approval thereof.

All material information about your Company is promptly uploaded on http://www.rainbowfoundations.in communicated to Stock Exchange where the Company's shares are listed. The Stock Exchange disseminates our communication on its website viz. www.bseindia.com.

General Shareholders' information

i. Annual General Meeting:

Day & Date: Monday, 28th December, 2020
Time: 11.00 A.M
Venue: through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).
Financial Year: 1st April to 31st March

ii. Tentative Financial Calendar (For Financial Year 2020-21) for approval of:

Financial Result for 1st quarter 2020-21 (Unaudited)	On or before 14-08-2020*
Financial Result for 2nd quarter 2020-21(Unaudited)	On or before 14-11-2020
Financial Result for 3rd quarter 2020-21(Unaudited)	On or before 14-02-2021
Financial Result for 4th quarter and year ended 2020-21(Audited)	On or before 30-05-2021

*Due to the pandemic caused by COVID-19 the SEBI has extended the time for submission of financial results for the quarter ending June 30, 2020 upto September 15, 2020, SEBI Circular dated July 29, 2020.

iii. Dividend Payment

The company has not declared any dividend during the year.

iv. Date of Book Closure: 22nd December, 2020 to 28th December, 2020

v. Listing on Stock Exchanges: BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Scrip Code: **531694**

vi. Listing Fees:

The Company has paid Listing Fees till the year 2020-2021 to BSE Limited

vii. Annual Custody Fees:

The Company has paid the annual Custody Fees to Central Depository Services (India) Limited and National Securities Depository Limited for the year 2018-2019 to 2019-2020.

viii. International Securities Identification Number (ISIN) for equity shares of the Company:

INE230F01014

ix. Corporate Identity Number (CIN): L55101TN1994PLC027739

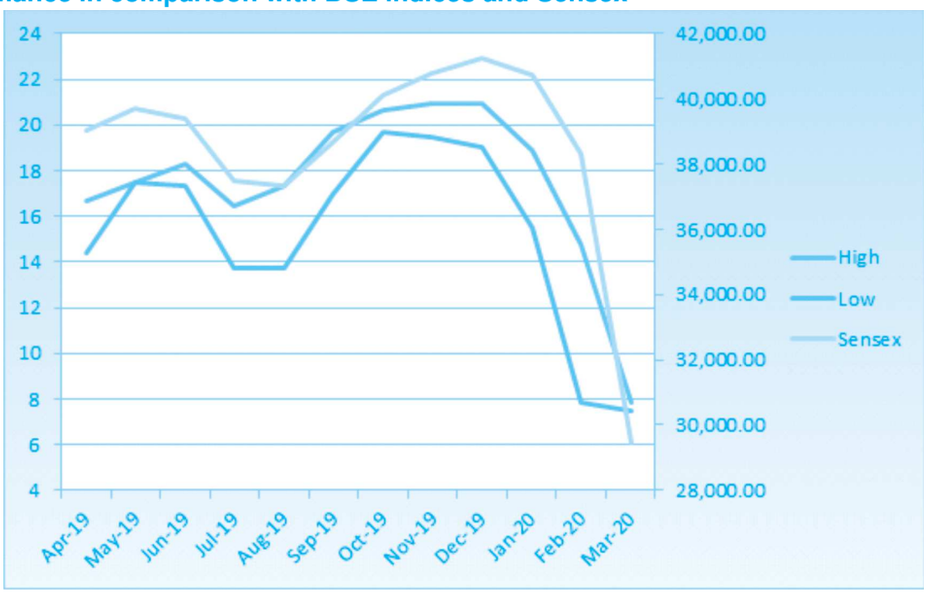
Market Price Data

The monthly high and low quotations of the closing price and volume of shares traded at BSE Ltd. (BSE) from April, 2019 to March, 2020 are as under

Month	BSE Limited		
	High	Low	Volume
April, 2019	16.66	14.38	1,022
May, 2019	17.45	17.45	1
June,2019	18.30	17.30	130
July, 2019	16.45	13.75	1,153
August, 2019	17.32	13.75	895
September, 2019	19.70	17.00	161
October 2019	20.65	19.70	9
November 2019	20.95	19.50	49
December 2019	20.95	19.00	432
January 2020	18.90	15.50	869
February 2020	14.75	7.85	461
March 2020	7.87	7.50	6

Source: BSE Website

Performance in comparison with BSE indices and Sensex



Registrar & Transfer Agent

M/s. Cameo Corporate Services Ltd.
"Subramanian Building" No. 1, Club House Road, Chennai - 600 002, Tamilnadu, India
Website: www.cameoindia.com Email: investor@cameoindia.com
Phone: +91-44-28460390 Fax: +91-44-28460129

Share Transfer System:

Transfer of equity shares in dematerialized form is done through the depositories without any involvement of the Company. Share transfers in physical form are processed by M/s Cameo Corporate Services Ltd., Registrar & Transfer Agents and the share certificates are generally returned to the transferee(s) within a period of fifteen days from the date of receipt of transfer documents provided that the transfer document are complete in all respects. In terms of the Listing Regulations, 2015, every six months, a Company Secretary in practice undertakes audit of the share transfer related activities and the compliance certificate issued upon audit is submitted to BSE.

Distribution of Shareholding as on March 31, 2020

No of Equity Shares	No. of Share holders	% of Shareholders	No. of Share held	% of Shareholding
1-100	1348	61.7216	19589	0.3553
101-500	368	16.8498	137143	2.4875
501-1000	226	10.3479	206323	3.7424
1001-2000	66	3.0219	107701	1.9535
2001 – 3000	26	1.1904	68361	1.2399
3001-4000	12	0.5494	45007	0.8163
4001-5000	18	0.8241	85020	1.5421
5001-10000	40	1.8315	322970	5.8582
10001 - & above	80	3.6630	4520986	82.0044
Total	**2184**	**100.00**	**5513100**	**100.00**

Shareholding Pattern as on March 31, 2020

	Category of Shareholder	No. of Equity Share of face value of Rs. 10/- each	As a percentage of total paid up share capital
A.	**Shareholding of Promoter and Promoter Group (A)**		
	Individual/ HUF	1843327	33.44
	Total (A)	**1843327**	**33.44**
B.	**Public Shareholding**		
	Individuals	2505789	45.45
	Bodies Corporate	691935	12.55
	Trust	0	0
	Clearing Member	0	0
	Financial Institution/ Banks	0	0
	Mutual Funds	0	0
	Others	472049	8.56
	Total (B)	**3669773**	**66.56**
	Grand Total (A+ B)	**5513100**	**100.00**

Dematerialisation of Shares and Liquidity

The equity shares of the company are available for dematerialisation with National Securities Depository Limited (NSDL) and Central DepositoryServices (India) Limited (CDSL). The equity shares of the Company have been notified by SEBI for settlement only in the demat form for all investors from March 21, 2000.

As on March 31, 2020, 52,16,380 Equity Shares of the company constituting 94.62% of the issued, subscribed and paid-up share capital of the Company are held in dematerialized form and 2,96,720 Equity Shares of the Company constituting 05.38% is in physical form. The Company's shares were regularly traded on the Bombay Stock Exchange (BSE) Limited.

Shares held in Demat and Physical mode as on March 31, 2020 are as under:

Shares held in	Number of shares	% of total equity
NSDL	29,53,654	53.58
CDSL	22,62,726	41.04
Physical Mode	2,96,720	5.38
Grand Total	**55,13,100**	**100.00**

Outstanding GDR/ADR/warrants or any convertible instruments, conversion date and likely impact on equity

The Company does not have any outstanding GDR / ADR / warrants or any convertible instruments as on March 31, 2020

Service of documents through electronic mode

As a part of Green initiative, the members who wish to receive documents like the Notice convening the general meetings, Financial Statements, Board's Report, Auditors' Report etc., through e-mail, may kindly intimate their e-mail address to Company / Registrar and Transfer Agents (for shares held in physical form) and Depository Participants (for shares held in dematerialized form)

Address for correspondence

The Shareholders may contact Company or Registrar & Transfer Agent on below address:

Company
Mrs.Niroshaa Kathiravan
Company Secretary & Compliance Officer
4, Thanikachalam Road, T. Nagar,
Chennai - 600 017,
Tamil Nadu, India
Email: rainbowfoundations@gmail.com
Website: www.rainbowfoundations.in

Registrar & Transfer Agent
M/s. Cameo Corporate Services Ltd.
"Subramanian Building" No. 1,
Club House Road, Chennai - 600 002, Tamilnadu, India
Website: www.cameoindia.com
Email: investor@cameoindia.com
Phone: +91-44-28460390
Fax: +91-44-28460129

Other Disclosures

1. Reconciliation of share capital audit:
   A Practicing Company Secretary carried out a share capital audit at the end of each quarter to reconcile the (a)total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL);(b) total issued and (c) listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
2. Related Party Transactions:
   There are no materially significant related party transactions viz. with promoters, directors or the Management, their subsidiaries, or relatives that may have potential conflict with the interests of the Company at large.
   The statements containing the transactions with related parties were submitted periodically to the Audit Committee. There are no related party transactions that may have potential conflict with the interest of the Company at large. There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

The Board has approved a policy for Related Party Transactions and the same has been uploaded on the website of the Company. The web-link thereto is www.rainbowfoundations.in

3. Statutory Compliance, Penalties and Strictures
   The Company has complied with all the requirements of the Stock Exchanges / SEBI / and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on matters relating to capital markets during the last three years.
4. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
   The disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Directors' Report of the Company
5. Vigil Mechanism / Whistle Blower Policy
   Your Company has a vigil mechanism/whistle blower policy in place and is revised from time to time incorporating regulatory changes. The said mechanism/policy is available on the Company's website (http://www.rainbowfoundations.in/). We confirm that no employee of your Company has been denied access to the Audit Committee in respect of any incident covered by the vigil mechanism/whistle blower Policy.
6. Compliance with the Mandatory and Non-Mandatory requirements
   The Company has complied with all the mandatory requirements of Corporate Governance specified in the Listing Regulations. The Company has adopted discretionary requirements specified in Part E of Schedule II of the Listing Regulations as given below:
   The Board: The Company does not have a Non-Executive Chairman.
   Shareholders Rights: Quarterly, Half-yearly, annual financial results of the company are published in English and Tamil newspaper and are also forwarded to BSE. The same are also uploaded on the website of the company at www.rainbowfoundations.in, hence, the same are not sent to the shareholders of the Company
   Modified Opinion in Audit Report: There was no qualification or modified opinion in Independent Auditors Report on Financial Statements for the year ended March 31, 2020.
   Reporting on Internal Auditor: The internal auditor of the company is permanent invitee of the Audit Committee Meeting. He directly interacts with Audit Committee Members during the Meeting.
   The terms and conditions of appointment of independent directors are disclosed on your Company's website (www.rainbowfoundations.in).
   Annual Secretarial Compliance Report: The Company has undertaken an audit for the financial year 2019-20 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued there under.
   The Company has duly complied with Corporate Governance requirements specified in Regulation17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations

Certificate on compliance with conditions of Corporate Governance

The certificate regarding compliance of the conditions of corporate governance given by M/s GASM DANSR AND CO, Chartered Accountants, is given as **Annexure I** to this Report

Code of Conduct

All Members of the Board and Senior Management personnel have affirmed compliance with your Company's Code of Conduct in respect of the last financial year.

Place: Chennai
Date: 04/12/2020

On behalf of the Board of Directors
Rainbow Foundations Limited

Gajraj Jain
Joint Managing Director
DIN: 01182117

DECLARATION

In accordance with Clause D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We Gajraj Jain, Managing Director and Mr.Nitesh Jain, Chief Financial Officer of the Company, hereby declare that the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct for Board Members and Senior Management for the year ended 31 March 2020.

For **Rainbow Foundations Limited**

Gajraj Jain
Joint Managing Director
DIN: 01182117

Nitesh Jain
CFO

Place: Chennai
Date: 04/12/2020

Annexure-B

Independent Auditor's Certificate on Corporate Governance

The Member of Rainbow Foundations Limited
No. 4, Thanikachalam Road, T. Nagar,
Chennai 600017
Tamil Nadu

1. The Corporate Governance Report prepared by Rainbow Foundations Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above.

OTHER MATTERS AND RESTRICTION ON USE

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

Place: Chennai
Date: 02/12/2020

For M/s. GASM DANSR AND CO.
(Ananddevkumar)(Partner)(Mem No: 023631)
2-G, II floor, J. P. Tower, 1/1,Dr.Thirumurthy Nagar Main Road,
Chennai 600034
Firm Reg No: 005986S
UDIN: 20023631AAAACN4564

CERTIFICATE BY PRACTISING COMPANY SECRETARY

[Pursuant to Schedule V read with Regulation 34(3) of the SEBI Listing Regulations (as amended)]

Subject to limitation of physical interaction and verification of records caused by COVID-19 pandemic lockdown, I have examined the relevant registers, records, forms, returns and disclosures received online from the Directors of Rainbow Foundations Limited having CIN L55101TN1994PLC027739 and having registered office at No. 4, Thanikachalam Road, T. Nagar, Chennai, Tamil Nadu 600017, India (hereinafter referred to as 'the Company'), for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

S.No	Name of Director	DIN	Designation
1.	Gajraj Jain	01182117	Managing Director
2.	Anop Chand Jain	02215110	Managing Director
3.	Sampat Raj Singhvi	01786782	Independent Director
4.	Pushpala Motiram Manjith	02161987	Independent Director
5.	Maithri Jayakkar	07155574	Independent Director

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
M/s J M & Associates
Practicing Company Secretary

Plance : Chennai
Date : 02/12/2020

Soy Joseph
Partner
(ACS No.13852, CP No.5612)
UDIN: A013852B001375212

Annexure B

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended 31st March 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
M/s RAINBOW FOUNDATIONS LIMITED
CIN: L55101TN1994PLC027739
NO. 4, Thanikachalam Road,
T. Nagar, Chennai, Tamil Nadu 600017 India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by**M/s.Rainbow Foundations Limited** ("the Company"). Subject to limitation of physical interaction and verification of records caused by COVID-19 pandemic lockdown while taking review after completion of Financial Year, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31st March 2020**("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financialyear ended 31stMarch 2020, according to the provisions of:

(i) The Companies Act, 2013("The Act")and the Rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(Not applicable to the Company during the audit period)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;**(Not applicable to the Company during the audit period)**

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **(Not applicable to the Company during the audit period)**;

(vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:

a) The Transfer of Property Act, 1882

b) The Indian Contract Act, 1872

c) The Real Estate (Regulation and Development) Act, 2016

d) The Indian Stamp Act, 1899

e) Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

f) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

g) The Building and other Construction Workers Welfare Cess Act, 1996

h) Other applicable laws like Income Tax Act,1961,Customs Act, 1962, The Central Goods and Services Tax Act, 2017, The State Goods and Service Tax Act, 2017, Service Tax Regulations under Finance Act, 1994 including the applicable rules and regulations etc.,

We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this Audit, since the same has been subject to review by the Statutory Auditors appointed by the Board of Directors for the aforementioned purpose.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards on Board meetings and General meetings issued by the Institute of Company Secretaries of India revised with effect from October, 2017

(ii) The Listing Agreements entered into by the Company with Stock Exchanges**.**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned abovesubject to the following observations:

1. ***The Company has not filed the following form required to be submitted with the Registrar of Companies.***

- E Form CHG-1for creation of charge in favour of M/s. Daimler Financial Services India Private Limitedin respect of borrowing loan of Rs.Rs.50,00,000(Rupees Fifty Lakhs Only) by the Board of Directors of the company.
- E-Form MGT-14 pertaining to the year 2018-19 for monies borrowed by the Company from various parties has not been reported to the Registrar of Companies.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive directors, Non-Executive directors and Independent Directors. During the year under review,
  - Mr.Pushpala Mohan Mothiram (DIN: 00232291), Independent Director of the Company resigned from the Company with effect from 13th August, 2019;
  - Mr.PushpalaMotiramManjith (DIN: 02161987) was appointed as an Additional Director(Non-executive, Independent Director) of the Company with effect from 13th August, 2019.
- Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in accordance with the provisions of the Companies Act, 2013, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting so as to ensure meaningful participation at the meeting.
- All decisions at Board Meeting and Committee Meetings were carried out in accordance with the provisions of the Companies Act, 2013 and the relevant rules and regulations and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

Further, based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the company which is commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that no special events/ actions took place during the audit report which could have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **JM & Associates**,
Company Secretaries

Soy Joseph
Partner
(ACS-13852, CP-5612)
UDIN:A013852B001375113

Place: Chennai
Date: 02/12/2020

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms anintegral part of this report.

'Annexure -1'

To,

The Members,
M/s.RAINBOW FOUNDATIONS LIMITED
CIN: L55101TN1994PLC027739
NO. 4, Thanikachalam Road,
T. Nagar, Chennai, Tamil Nadu 600017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Ourresponsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonableassurance about the correctness of the contents of the Secretarial records. The verification wasdone on test basis to ensure that correct facts are reflected in secretarial records. We believe thatthe processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books ofAccounts of the company.
4. Wherever required, we have obtained the Management representation about the complianceof laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations,standards is the responsibility of management. Our examination was limited to the verification ofprocedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company norof the efficacy or effectiveness with which the management has conducted the affairs of thecompany.

For **JM & Associates**,
Company Secretaries

Soy Joseph
Partner
(ACS-13852, CP-5612)
UDIN:A013852B001375113

Place: Chennai
Date: 02/12/2020

ANNEXURE C

Particulars of Employees

The information pursuant to Section 197 of the Companies act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of Director	Ratio to Median Remuneration
Mr. Anopchand Jain	4.49:1
Mr. Gajraj Jain	4.49:1

2. The percentage increase in remuneration of each Director, CFO, CS in the Financial year:

Name of person	% Increase in remuneration
Mr. Anopchand Jain	10.00%
Mr. Gajraj Jain	10.00%
Mr. Nitesh Jain	25.00%
Ms. Niroshaa Kathiravan	0.00%

3. The percentage Increase/decrease in the Median remuneration of employees in the financial year:

   The Median remuneration of the employees in the financial year 2019-20 was Rs. 2,94,000 in comparison with the financial year 2018-19 as Rs.1,38,000. Hence, there is Increase of 113.04% in median remuneration in the financial year 2019-20.

4. The number of permanent employees on the rolls of the Company as on March 31, 2020 was 10.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   The employees have got an average increase of 114.68% whereas Key Managerial Personnel have seen an average increase of 44.17% in remuneration of FY 2020 over FY 2019. The percentile increase in the managerial remuneration was on account of the variable component of remuneration payable to the managerial personnel as per the terms and conditions of their appointment

6. The Company affirms that the remuneration is as per the remuneration policy of the Company.

   The information required under Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

   a) Details of top ten employees of the Company in terms of remuneration drawn during 2019-20

Sr. No	1	2	3	4	5	6	7	8	9	10
Name	Nitesh Jain	Ashish Jain	K.Vetrivel	A.Rajan	G.Raju	S.Sathya narayana Boopathy	M.Dhana sekar	P.Kishan Kumar	A.Nagamani	Niroshaa Kathiravan
Designation	CFO	Marketing Manager	Manager-Admin	Accountant	Office Incharge	Front Office Incharge	Office Assistant	Driver	Office Assistant	Company Secretary
Remuneration Paid	9,00,000	9,00,000	6,60,000	3,96,000	3,12,000	2,20,000	2,04,000	1,98,000	1,56,000	2,76,000
Nature of Employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent

(Contd.,)

Qualifications	MBA	MBA	B.Com	B.Com	Interme diate	X Std	X Std	V Std	X Std	M.Com, ACS
Experience (years)	11	5	28	13	31	13	13	11	16	7
Date of commence-ment of the employment	01.06.2016	01.04.2019	03.07.1995	27.02.2007	07.06.1994	20.02.2012	22.11.2007	15.05.2008	07.07.2010	17.12.2018
Age (Years)	32	30	53	35	56	37	37	30	46	27
Previous Employment	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Percentage of equity shares held in the Company along with his spouse and dependent children	2.76	0.75	NIL	NIL	NIL	NIL	0.20	NIL	NIL	NIL
Whether relative of Director or Manager	Son of Mr. Gajraj Jain, JMD	Son of Mr. Gajraj Jain, JMD	NO	NO	NO	NO	NO	NO	NO	NO

b) List of employees of your Company employed throughout the Financial Year 2019-20 and were paid remuneration not less than one crore and two lakh rupees:

During the year under review, there were no employees of the Company drawing remuneration of 1.2 Crore and above p.a.

c) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month

During the year under review, there were no employees of the Company drawing remuneration of 8.5 Lakhs per month and above being employed for the part of the year.

FOR AND ON BEHALF OF THE BOARD
RAINBOW FOUNDATIONS LIMITED

ANOP CHAND JAIN
Managing Director
DIN: 02215110

GAJRAJ JAIN
Joint Managing Director
DIN: 01182117

Place : Chennai
Date : 04/12/2020

ANNEXURE D

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

of

RAINBOW FOUNDATIONS LIMITED

[Pursuant to Section 92(1) *of the Companies Act, 2013 and* rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L55101TN1994PLC027739
Registration Date	07/06/1994
Name of the Company	Rainbow Foundations Limited
Category / Sub-Category of the Company	Company limited by shares/ Non-Govt Company
Address of the Registered Office and contact details	No. 4, Thanikachalam Road,T. Nagar, Chennai- 600017, Tamil Nadu, India Telephone: 044 24344647/24354647 Email id:- rainbowfoundations@gmail.com
Whether listed company Yes/ No	Yes
Name, Address and contact details of Registrar & Transfer Agents (RTA)	M/s Cameo Corporate Services Limited "Subramaniam Building", #1, Club House Road, Chennai 600002, Tamil Nadu, India Telephone: 044 28460390 Website:- www.cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Descriptionof main products / services	NIC Code of theProduct/ service	% to total turnoverof the company
1.	Construction of buildings carried out on own-account basis or on a fee or contract basis & Real estate activities with own or leased property	68100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.No	Name And Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
	Nil	NA	NA	NA	NA

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	18,43,327	Nil	18,43,327	33.44	18,43,327	Nil	18,43,327	33.44	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total(A)(1):	**18,43,327**	**Nil**	**18,43,327**	**33.44**	**18,43,327**	**Nil**	**18,43,327**	**33.44**	**Nil**
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other….	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total(A)(2):	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total shareholding of Promoters(A)=(A)(1)+(A)(2)	**18,43,327**	**Nil**	**18,43,327**	**33.44**	**18,43,327**	**Nil**	**18,43,327**	**33.44**	**Nil**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify) –	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non Institutions									
a) Bodies CorporateIndian	6,82,324	15,000	6,97,324	12.65	6,76,935	15,000	6,91,935	12.55	-0.10
Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i.Individual shareholders holding nominal sh. Capital upto Rs.1 lakh	6,11,158	2,92,120	9,03,278	16.38	6,21,610	2,67,720	8,89,330	16.13	-0.25
ii.Individual shareholders holding nominal sh. Capital in excess of Rs.1 lakh	15,70,371	25,200	15,95,571	28.94	16,02,459	14,000	16,16,459	29.32	0.38
c) Others (specify)	4,73,600	Nil	4,73,600	8.59	4,72,049	Nil	4,72,049	8.56	-0.03
Sub-total (B)(2):-	**33,37,453**	**3,32,320**	**36,69,773**	**66.56**	**33,73,053**	**2,96,720**	**36,69,773**	**66.56**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**33,37,453**	**3,32,320**	**36,69,773**	**66.56**	**33,73,053**	**2,96,720**	**36,69,773**	**66.56**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**51,80,780**	**3,32,320**	**55,13,100**	**100**	**52,16,380**	**2,96,720**	**55,13,100**	**100**	**Nil**

(ii) Shareholding of Promoters

Sl No.	Shareholder'sName	Shareholding at the beginning of the year			Share holding at the end of theYear			% change In share Holding duringthe year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	N Anitha Jain	2,72,808	4.95	0.00	2,72,808	4.95	0.00	0.00
2	Sapna	2,11,334	3.83	0.00	2,11,334	3.83	0.00	0.00
3	Gajraj Jain	2,00,000	3.63	0.00	2,00,000	3.63	0.00	0.00
4	Anopchand Jain	1,85,584	3.37	0.00	1,85,584	3.37	0.00	0.00
5	Navin Kumar Jain	1,81,957	3.30	0.00	1,81,957	3.30	0.00	0.00
6	Nitesh Jain	1,52,000	2.76	0.00	1,52,000	2.76	0.00	0.00
7	Vikash Kumar Jain	1,57,850	2.86	0.00	1,57,850	2.86	0.00	0.00
8	Sarala Jain	1,34,694	2.44	0.00	1,34,694	2.44	0.00	0.00
9	Anop Chand Jain Huf	1,15,000	2.09	0.00	1,15,000	2.09	0.00	0.00
10	Gajraj Jain Huf	1,25,000	2.27	0.00	1,25,000	2.27	0.00	0.00
11	Lalitha Jain	66,000	1.20	0.00	66,000	1.20	0.00	0.00
12	Ashish Jain	41,100	0.75	0.00	41,100	0.75	0.00	0.00

(ii) Change in Promoters' Shareholding (please specify, if there is no change)

N Anitha Jain	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	No. of Shares	**% of total Shares of the company**	**No. of Shares**	**% of total Shares of the company**
At the beginning of the year	2,72,808	4.95	2,72,808	4.95
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	2,72,808	4.95	2,72,808	4.95

Sapna	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	No. of Shares	**% of total Shares of the company**	**No. of Shares**	**% of total Shares of the company**
At the beginning of the year	2,11,334	3.83	2,11,334	3.83
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	2,11,334	3.83	2,11,334	3.83

(Contd.,)

(ii) Change in Promoters' Shareholding (please specify, if there is no change)

Gajraj Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	2,00,000	3.63	2,00,000	3.63
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	2,00,000	3.63	2,00,000	3.63

Anopchand Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,85,584	3.37	1,85,584	3.37
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	1,85,584	3.37	1,85,584	3.37

Nitesh Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,52,000	2.76	1,52,000	2.76
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	1,52,000	2.76	1,52,000	2.76

Navin Kumar Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,81,957	3.30	1,81,957	3.30
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	1,81,957	3.30	1,81,957	3.30

(Contd.,)

(ii) Change in Promoters' Shareholding (please specify, if there is no change)

Vikash Kumar Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,57,850	2.86	1,57,850	2.86
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	1,57,850	2.86	1,57,850	2.86

Sarala Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,34,694	2.44	1,34,694	2.44
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	1,34,694	2.44	1,34,694	2.44

Anop Chand Jain HUF	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,15,000	2.09	1,15,000	2.09
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	1,15,000	2.09	1,15,000	2.09

Gajraj Jain HUF	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,25,000	2.27	1,25,000	2.27
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	1,25,000	2.27	1,25,000	2.27

(Contd.,)

(ii) Change in Promoters' Shareholding (please specify, if there is no change)

Lalitha Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	66,000	1.20	66,000	1.20
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	66,000	1.20	66,000	1.20

Ashish Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	41,100	0.75	41,100	0.75
Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/sweat equity, etc.)	NO CHANGE			
At the end of the year	41,100	0.75	41,100	0.75

(iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Particulars	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Arrowspace Advisors Private Limited		2,53,627	4.60	2,53,627	4.60
	Total				**2,53,627**	**4.60**
2.	Suruchi Tie Up Private Limited		2,36,603	4.29	2,36,603	4.29
	Total				**2,36,603**	**4.29**
3.	Dinesh Kumar Bora		1,47,000	2.67	1,47,000	2.67
	Total				**1,47,000**	**2.67**
4.	Anil Bohra		69,346	1.25	69,346	1.25
	Total				**58,346**	**1.06**
5.	Rajgharana Housing Limited		66,000	1.20	66,000	1.20
	Total				**66,000**	**1.20**
6.	Madan Chand Nahar		53,000	0.96	53,000	0.96
	Total				**53,000**	**0.96**
7.	Anupam Bothra		51,709	0.94	51,709	0.94
	Total				**51,709**	**0.94**
8.	Karan SundeepJt. Poonam Sundeep Karan		51,237	0.93	51,237	0.93
	Total				**51,237**	**0.93**
9.	Mahaveer Chand Nahar		50,625	0.92	50,625	0.92
	Total				**50,625**	**0.92**
10.	Madan Chand Mahaveer Chand HUF		50,000	0.91	50,000	0.91
	Total				**50,000**	**0.91**
11.	G RAMESH KUMAR AND SONS HUF					
	At the beginning of the year		0	00	0	00
	Purchase on 08-11-2019	Purchase	50,000	0.91	50,000	0.91
	Total		**50,000**	**0.91**	**50,000**	**0.91**

(v). Shareholding of Directors and Key Managerial Personnel:

The provisions of Section 203 of the Companies Act, 2013 with regard to appointment of Key Managerial Personnel are applicable to the Company, and accordingly, the Shareholding of Key Managerial Personnel is captured herein.

Following is the shareholding details of the Directors and Key Managerial Personnel:

S. No.: 1 GAJRAJ JAIN (Managing Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		2,00,000	3.63	2,00,000	3.63
Changes During the Year					
Increase					
Date	**Reason for Increase**				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	**Reason for Decrease**				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		2,00,000	3.63	2,00,000	3.63

S. No.: 2 SAMPAT RAJ SINGHVI (Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		27	0.0005	27	0.0005
Changes During the Year					
Increase					
Date	**Reason for Increase**				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	**Reason for Decrease**				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		27	0.0005	27	0.0005

(Contd.,)

S. No.: 3 ANOP CHAND JAIN (Managing Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		1,85,584	3.37	1,85,584	3.37
Changes During the Year					
Increase					
Date	**Reason for Increase**				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	**Reason for Decrease**				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		1,85,584	3.37	1,85,584	3.37

S. No.: 4 NITESH JAIN (CFO)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		1,52,000	2.76	1,52,000	2.76
Changes During the Year					
Increase					
Date	**Reason for Increase**				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	**Reason for Decrease**				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		1,52,000	2.76	1,52,000	2.76

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,09,28,348.85	1,53,79,34,489.00	Nil	1,69,88,62,837.85
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	16,09,28,348.85	1,53,79,34,489.00	Nil	1,69,88,62,837.85
Change in Indebtedness during the financial year				
• Addition (Net)	12,52,82,721.57	25,57,53,602.00	Nil	38,10,36,323.57
• Reduction	(12,85,61,950.56)	(11,52,92,807.50)	Nil	(24,38,54,758.06)
Net Change	(32,79,228.99)	14,04,60,794.50	Nil	13,71,81,565.51
Indebtedness at theend of the financial year				
i) Principal Amount	15,76,49,119.86	1,67,83,95,283.50	Nil	1,83,60,44,403.36
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**15,76,49,119.86**	**1,67,83,95,283.50**	**Nil**	**1,83,60,44,403.36**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Anop Chand Jain (MD)	Gajraj Jain (JMD)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	13,20,000	13,20,000	26,40,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961			
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify…	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	**13,20,000**	**13,20,000**	**26,40,000**
	Ceiling as per the Act	84,00,000	84,00,000	84,00,000

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors					
	• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	NA	NA	NA		NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Niroshaa Kathiravan (CS)	Nitesh Jain CFO	Total
1	Gross salary			
	(a) Salary as per provisionscontained in Section 17(1) of the Income-tax Act, 1961	2,76,000	9,00,000	11,76,000
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salaryunder section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify…	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	**2,76,000**	**9,00,000**	**11,76,000**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (giveDetails)
A.COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and On behalf of the Board
Rainbow Foundations Limited

Anop Chand Jain
Managing Director
DIN: 02215110

Gajraj Jain
Joint Managing Director
DIN: 01182117

Place : Chennai
Date : 04/12/2020

ANNEXURE E

MANAGEMENT DISCUSSION AND ANALYSIS

IIndustry Structure and Development

The real estate sector continues to grow at a scorching pace. With the entering of new global property developers into Indian market during the past few years, India offers a good opportunity in the real estate sector.

Construction, being the second largest employmentgenerator after agriculture, has seen a lot of structuralreforms over the last decade. The government hasbeen responding positively to the concerns anddemands of the industry. This is evident in the reliefmeasures announced which include those for thesector as well. These have facilitated organizedplayers in the listed space to consolidate and improvetheir performance parameters in the years to come.

The challenges faced by the real estate sectorduring these troubled times have been efficientlyhandled by industry leaders in an appropriate andtimely manner. The way forward for the industry isaligning its activities to a changing environment. Useof technology, optimum utilization of available digitaltools and platforms and innovation and designingof custom made tools should cater to the changingneeds and challenges thrown up by the unforeseencircumstances like what we are witnessing today.

Real Estate Sector

The Indian real estate sector has been trying to get back onits feet and come to terms with multiple reforms and changesbrought in by demonetization, RERA, GST, IBC, NBFC crisisand the subvention scheme ban. While it was a tough taskfor the sector to align itself with these new regulations, themeasures have been instrumental to bring transparency,accountability and fiscal discipline over the last few years.

Prior to COVID-19, the real estate sector was expected to growto USD 650 billion and contribute around 13% of India's GDPby 2025 (from around 6-7% in 2017), according to analyst.

While the pandemic outbreak could temporarily disrupt the sector, there are certain green shoots in this adverse situation.

The recent liquidity crisis has worsened the situation for smaller players which were anyway finding it difficult to adhere to new norms laid by RERA leading to a new wave of consolidation. Industry consolidation is likely to get accelerated further with the COVID19 outbreak and many weak players may cease to exist. Larger established players with strong access to funding are expected to gain market share. Also, the current situation is expected to open up a lot of business development opportunities for well capitalized developers.

Government Initiatives

In the Union Budget for fiscal year 2020-21, theFinance Minister of India laid down the foundationfor increasing consumption while ensuring thatthe government's investment is deployed to buildinfrastructure leading to a USD 5 trillion economyby Fiscal 2024-25. Further, the Government of Indiaannounced a series of measures for supporting allsections of society with a view to cushioning the impact and threats posed by the COVID-19 pandemic.

Liberalisation of FDI policies and regulatory framework have attracted the interest of global investors, which gave fillip to the sector this year. Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform. This allows investors to invest in the Indian realty industry.

This regulatory approval is expected to bring massive liquidity infusion into the commercial real estate market

Operational Review

During the year under review, the Revenue of the company has decreased to Rs. 2,58,493.78 thousand as compared to previous year revenue Rs. 3,77577.81 thousand. The company's net profit has increased to Rs.17,012.58 thousand as against Rs. 6412.26 thousand in the previous years. The Earning per share of the company is 3.09 Increased from Rs. 1.16.

Opportunities

The Indian real estate sector has been in a consolidation phase from the past few years and picked up pace resulting from several reforms and disruptions in the sector. Affordable housing continues to remain a significant opportunity for players and key focus area of government, asmajor short supply of housing lies in the economically weak and low-

income segments. The government's constant push for affordable housing has shifted the focus from high-end and luxury segments to the affordable segment

Your Company's strategic project locations and through the management adopting new reforms, technologies and by focusing on new standalone redevelopment projects at superior locations, the management contemplates growth and better prospects/ demand for real estate in the near future

Risk and Threats:

The real estate market is inherently a cyclical market and is affected by macroeconomic conditions, changes in applicable governmental schemes, changes in supply and demand for projects, availability of consumer financing and illiquidity.

Further, the real estate sector in India is heavily regulated by the central, state and local governments. Real estate developers are required to comply with a number of laws and regulations, including policies and procedures established and implemented by local authorities in relation to land acquisition, transfer of property, registration and use of land. These laws often vary from state to state. Several of your Company's projects are in preliminary stages of planning and any delay in obtaining approvals could warrant revised scheduling of project timelines

Your Company through a blend of caution, proper due diligence and estimation of varied prospects, maintains primary and key focus on speedy execution of projects in hand, aims at reducing the debt and keeping cost under control.

Segment Wise or Product Wise Performance

The Company is operating in a single segment and has only domestic sales. Therefore the requirement of segment wise reporting is not applicable.CX

Internal Control Systems and Adequacy:

The Company has an appropriate internal control system for its various functions with the ultimate objective of improving efficiency in its operations, better financial management and Compliance with regulations and applicable laws and providing protection against misuse or losses from unauthorized use or deposition.

An internal control framework to ensure all assets are safeguarded and protected against loss from unauthorized use or disposition, and transactions are authorized, recorded and reported correctly. The framework includes internal controls over financial reporting, which ensures the integrity of financial statements of the company and reduces the possibility of frauds

Human Resources

The Company provides a work environment that encourages free expression of opinion, decision making and responsible execution of the task. We are committed to attract, retain and recognise talent. Being entrepreneurial in spirit, we encourage fresh minds and innovative ideas. We believe that our integrated yet decentralised way of working provides our employees with the opportunity to develop leadership capabilities and business acumen. They gain valuable insights by balancing professional knowledge with perspectives learned through industry experience and customer relationships

Business Outlook

As the real estate sector continues to tackle the existing issues created by the aftershocks of the liquidity crisis and resulting disruption of COVID19, we see an opportunity for well established players in the industry. The start of FY 2021 may be muted due to the lockdown and subsequent impact on economy, but we believe our strong project pipeline and healthy balance sheet will help maintain operational performance going ahead. The pace of consolidation in the sector is also expected to accelerate further and we expect to gain market share. Also, amidst CODIV19 and prevailing liquidity crunch, the visibility on business development is getting stronger.

Cautionary Statement

Statement in the management discussion and analysis describing the company's objectives, estimates, projections and expectation may be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially due to economic conditions effecting demand, supply, prices, change in government policies, tax laws and other incidental factors.

INDEPENDENT AUDITOR'S REPORT

To

The Members of M/s Rainbow Foundations Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Rainbow Foundations Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. 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 statements under the provisions of the Act and the Rules made 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 audit opinion on the financial statements.

Emphasis of Matter

We draw your attention to Note 33 of the financial statements, which describes that certain estimates and judgments were made related to the COVID-19 pandemic, wherein, the eventual outcome of the impact of this global health pandemic may be different from those estimated by the management.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) Accounting for construction contracts is considered as a Key Audit Matter as there are significant accounting judgements in estimating revenue to be recognised on contracts with customers, including estimation of costs to complete and determining the timing of revenue recognition.The Company recognises revenue and profit/ loss based on stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract	**Principal Audit Procedures** Our audit process included to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing. Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of operations of these controls.

Key Audit Matter	
at completion. The recognition of revenue is thus dependent on estimates in relation to total estimated costs of each contract.Cost contingencies are included in these estimates to take in to account specific uncertain risks, or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate. The revenue on contracts may also include variable consideration (variations and claims). Variable consideration is recognised when the probability of reversal of such revenue is low.	

Other Matters

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting

Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Company's ability 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 financial statements 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 statements.

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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The balance sheet, the statement of profit and loss, Statement of cash flow and Statement of changes in Equity dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
      b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For GASM DANSR AND CO
Chartered Accountants
Firm Registration No 005986S

Ananddevkumar
Partner
Membership No. 023631
UDIN : 20023631AAAABC6615

Place : Chennai
Date : 30/06/2020

Annexure-A

ANNEXURE TO THE AUDITORS REPORT

The Annexure referred to in Paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors Report to the shareholders of M/s **RAINBOW FOUNDATIONS LIMITED**, for the year ended 31st March 2020 and in terms of the information and explanations given to us and also on the basis of such checks as we considered appropriate we further state that:

(i) In respect of the Company's property, plant and equipment

a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, Management has represented that the title deeds of immovable properties are held in the name of the Company.

(ii) a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b. The discrepancies noticed on physical verification of inventory as compared to books of accounts and the records, has been properly dealt with in the books of accounts and were not material.

(iii) According to the information and explanations given to us and in our opinion, the company has not granted any loans, secured or unsecured to Companies, Firms LLPs or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, provisions of clause 4(iii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company and hence not commented upon.

(iv) According to the information and explanations given to us and in our opinion, in respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of Company Act, 2013 have been complied with.

(v) According to the information and explanations given to us and in our opinion, the company has not accepted any deposits from public and hence the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder with regards to the deposits accepted from the public are not applicable and no order have been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

(vi) In our opinion, and according to the information and explanations given to us, the maintenance of cost records has not been specified by the central Govt. under sub section (1) of section 148 of the Act, in respect of activities carried on by the company.

(vii) a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, and the records, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Good and Service Tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of the above were in arrears as at March 31,2020 for a period of more than six months from the date when they became payable.

B. According to the information and explanation given to us, there are no dues of sale tax, duty of customs, duty of excise, value added tax, Good and Service Tax have not been deposited on account of any dispute. The particulars of Income Tax as at 31st March 2020 which have not been deposited on account of dispute are as follows

Name of the Statue	Nature of Dues	Amount under dispute not yet deposited Rs.	Period to which amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income tax including interest till the date of Assessment	Rs. 2,85,218/-	AY 2002-03	The Hon'ble Madras High court, Chennai
Income Tax Act 1961	Income Tax Along with Interest till the date of Assessment	Rs. 73,01,330/-	AY 2013-14	The Commissioner of Income Tax (Appeals) Chennai
Income Tax Act 1961	Income Tax Along with Interest till the date of Assessment	Rs. 1,15,43,103/-	AY 2011-12	The Commissioner of Income Tax (Appeals) Chennai
Income Tax Act 1961	Income Tax Along with Interest till the date of Assessment	Rs. 8,09,29,010/-	AY 2012-13	The Commissioner of Income Tax (Appeals) Chennai

(viii) According to the information and explanations given to us and in our opinion, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank and company has no loans or borrowing from Government or dues to debenture holders.

(ix) Based on the audit procedures performed and according to the information and explanation given to us and in our opinion, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.

(x) Based on the audit procedures performed and according to the information and explanations given to us and in our opinion, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

(xi) Based on the audit procedures performed and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(xii) According to the information and explanations given to us and in our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xiii) All transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, during the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) Based on the audit procedures performed and according to the information and explanations given to us and in our opinion, the Company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company and hence not commented upon.

(xvi) According to the information and explanations given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company and hence not commented upon.

For GASM DANSR AND CO
Chartered Accountants
Firm Registration No 005986S

Ananddevkumar
Partner
Membership No. 023631
UDIN : 20023631AAAABC6615

Place : Chennai
Date : 30/06/2020

Annexure-B

Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/S. **RAINBOW FOUNDATIONS LIMITED** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Chennai
Date : 30/06/2020

For M/s. GASM DANSR AND CO.
(Ananddevkumar)
(Partner)
(Mem No: 023631)
2-G, II floor, J. P. Tower, 1/1,Dr.Thirumurthy Nagar
Main Road, Chennai 600034
Firm Reg No: 005986S
UDIN : 20023631AAAABC6615

Balance Sheet as at 31st March, 2020

(Rs. In thousands)

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
I. Assets			
Non-current assets			
Property, Plant & Equipment	4	19,933.30	10,508.45
Other Non-Current Assets	5	429.15	827.44
Total Non-Current Assets		**16,362.45**	**11,335.89**
Current Assets			
Inventories	6	2,148,353.43	1,950,928.60
Financial Assets			
Investments	7	2.97	52.97
Trade receivables	8	72,299.96	58,615.74
Cash and cash equivalents	9	2,776.76	6,058.43
Loans	10	532,841.88	467,463.90
Other current assets	11	6,472.82	17,606.27
Total Current Assets		**2,762,747.83**	**2,500,725.91**
Total Assets		**2,779,110.28**	**2,512,061.80**
II. EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	12	510,131.00	510,131.00
Other Equity	13	121,854.57	104,841.99
Total Equity		**631,985.57**	**614,972.99**
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	125,190.12	2,183.24
Deferred Tax Liability (Net)	15	799.11	177.10
Total Non-Current Liabilities		**125,989.23**	**2,360.34**
Current Liabilities			
Financial Liabilities			
Borrowings	16	706,017.27	875,308.41
Trade payables	17		
Micro and Small Enterprises		-	-
Other than Micro and Small Enterprises		286,680.82	167,709.44
Other Financial Liabilities	18	1,004,837.01	821,371.20
Other Current liabilities	19	23,600.38	28,144.74
Provisions	20	-	2,194.68
Total Current Liabilities		**2,021,135.48**	**1,894,728.47**
Total		**2,779,110.28**	**2,512,061.80**
"See accompanying Notes to the financial statements"	2	-	-

As per our report of even date attached
for GASM DANSR AND CO
Firm Reg No: 005986S
(Chartered Accountants)

For and on behalf of the Board

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/06/2020

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. In thousands)

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	21	258,493.77	377,577.81
II. Other Income	22	33,103.38	19,045.60
Total Income		**291,597.16**	**396,623.41**
IV. EXPENSES			
Purchase of Stock-in-Trade	23	74,125.50	450,072.23
Changes in inventories of Stock-in-Trade	24	113,298.44	(138,492.34)
Employee benefit expense	25	7,104.98	5,655.20
Financial costs	26	59,248.60	57,392.15
Depreciation and amortization expense	4	928.38	1,157.57
Other expenses	27	13,633.87	9,196.86
Total Expenses		268,339.77	384,981.67
V. Profit before exceptional items and tax		23,257.39	11,641.74
VI. Exceptional Items		-	-
VII. Profit before tax		23,257.39	11,641.74
VIII. Tax expense:	28		
Current tax		5,622.80	5,407.44
Deferred tax		622.01	(177.96)
IX. Profit(Loss) from the perid from continuing operations (IX-X)		17,012.58	6,412.26
X. Profit/(Loss) from discontinuing operations			
XI. Tax expense of discounting operations			
XII. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XIII. Profit/(Loss) for the period (XII+XIV)		17,012.58	6,412.26
XIV. Earning per equity share:			
(1) Basic	29	3.09	1.16
(2) Diluted	30	3.09	1.16
"See accompanying Notes to the financial statements"	2	-	-

As per our report of even date attached
for GASM DANSR AND CO
Firm Reg No: 005986S
(Chartered Accountants)

For and on behalf of the Board

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/06/2020

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary

CASH FLOW STATEMENT

	2019-2020 (Amount in Rs. Thousands)		2018-2019 (Amount in Rs. Thousands)	
A. Cash Flow from Operating Activities				
Net Profit before Tax and Exceptional items from Statement of Profit and Loss		23,257.39		11,641.74
Adjustments for:				
Depreciation/Amortisation	928.38		1,157.57	
Interest income	(32,485.38)		(18,172.50)	
(Profit) / Loss on Sale / Discard of Property, Plant & Equipment (Net)	-		(156.03)	
Interest expense(net)	56,989.81	25,432.81	57,109.08	39,938.12
Operating Profit before Working Capital Changes		48,690.20		51,579.86
Adjustments for:				
Trade and Other Receivables	(2,152.40)		(21,103.46)	
Inventories	(197,424.83)		(542,131.86)	
Trade and Other Payables	295,698.15		(19,464.79)	
Total		96,120.83		(582,700.11)
Cash generated from operations		144,811.03		(531,120.25)
Income Taxes paid net of refund		(5,622.8)		(3,212.76)
Net Cash from operating activities		139,188.23		(534,333.01)
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment	(6,353.23)		(117.61)	
Proceeds from disposal of Property, Plant and Equipment	-		200.00	
Loans & Deposits Given	(166,271.37)		(483,019.31)	
Repayment of Loans & Deposits	100,893.38		63,088.15	
Disposal of Investments	50.00		-	
Interest Income	32,485.38		18,172.50	
Net Cash Flow from Investing Activities		(39,195.84)		(401,676.27)
C. Cash Flow from Financing Activities				
Proceeds from Issue of Equity Share Capital	-		455,000.00	
Proceeds from Borrowings – Non-Current	123,783.16		-	
Repayment of Borrowings – Non-Current	(776.28)		-	
Borrowings – Current (Net)	(169,291.14)		4,599.46	
Net increase/(decrease) in other borrowings			532,484.45	
Interest Paid	(56,989.81)		(57,109.08)	
Net Cash from financing activities		(103,274.07)		934,974.83
Net Increase/(Decrease) in Cash and Cash Equivalents		(3,281.68)		(1,034.45)
Opening Balance of Cash and Cash Equivalents		6,058.44		7,092.88
Closing Balance of Cash and Cash Equivalents		2,776.76		6,058.43

The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 issued by ICAI

As per our report of even date attached
for GASM DANSR AND CO
Firm Reg No: 005986S
(Chartered Accountants)

For and on behalf of the Board

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/06/2020

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary

1. Company Information

i. The company is in the business of Real estate development in India. It is engaged in the building of Flats, Commercial Complex's and Resorts. The company is also engaged in the development and marketing of plots and pieces of land.

2. Significant Accounting Policies

Basis of Preparation and Presentation

a. The Financial Statements have been prepared on the historical cost basis, except for certain items that are measured at fair values, as explained in the accounting policies.

b. The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

c. The Company's Financial Statements are presented in Indian Rupees (Rs.), which is also its functional currency.

Summary of Significant Accounting Policies

2. **Current and Non-Current Classification**

i. The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

ii. An asset is treated as Current when it is –

1. Expected to be realised or intended to be sold or consumed in normal operating cycle;
2. Held primarily for the purpose of trading;
3. Expected to be realised within twelve months after the reporting period, or
4. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

iii. All other assets are classified as non-current.

iv. A liability is current when:

1. It is expected to be settled in normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

v. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. **Use of estimates**

i. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

4. **Property, Plant and Equipment and depreciation**

i. Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets. In case of land the Company has availed fair value as deemed cost on the date of transition to Ind AS.

ii. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

iii. Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

iv. Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

v. Depreciation on Property, Plant and Equipment is provided using Straight Line method on depreciable amount. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

5. **Cash and Cash Equivalents**

i. Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6. **Finance Costs**

i. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as

part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

ii. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

7. **Inventories**

Inventories are valued as under

i. Land and Plots which are registered in the name of the company are valued at cost.

ii. Constructed properties includes the cost of land, internal development costs, external development charges, construction costs, development/ construction materials, and is valued at cost or net realisable value, whichever is lower.

iii. Work in progress includes internal development costs, external development charges, construction costs, and development / construction materials in respect to the unsold square footage.

8. **Provision**

i. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

9. **Investments**

i. Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, separately for each individual non-current investment.

ii. Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as "Current investments".

iii. All other investments are classified as "Non-current investments".

10. **Revenue recognition**

i. Sale of Land & Undivided Share of Land (UDS)

1. Sale of land and UDS (excluding land under agreement to sell) is recognised in the financial year in which the sale deed is executed.

ii. Revenue from Construction Contracts:

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, with effect from 01 April 2018.

1. The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

2. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

3. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit and Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

iii. Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract.

iv. Amounts due from contract customers represents the amount expected to be collected from customers for completed contract work.

v. Interest Income

1. Interest from various Short Term/ Long Term investments is recognised on time proportion basis, taking into account the amount outstanding and the rate applicable

11. **Interest from customers under agreements to sell**

i. Interest from customers under agreements to sell/construction is accounted for on actual receipt. (Cash basis.)

12. **Cost of revenue**
    i. Land and plots development costs include land acquisition cost, internal development costs and external development charges, which are not charged to the Statement of Profit and Loss. They are carried forward as work in progress.
    ii. Cost of constructed properties and properties under construction includes cost of land (excluding land under agreements to purchase), internal development costs, external development charges, construction costs and development/ construction materials, which is charged to the Statement of Profit and Loss based on the percentage of revenue recognised as per accounting policy (7) above, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the applicable project.
13. **Segment Reporting**
    i. The Company is managed as a single operating unit that provides Property Development Services only and therefore, has only one reportable business segment. Further, the operations of the Company are limited within one geographical segment. Hence the disclosure required by this standard is presently not applicable to the Company.
14. **Tax Expenses**
    i. The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.
    ii. Current Tax
    Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.
    iii. Deferred Tax
    Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.
    Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.
15. **Employee Benefits**
    i. Defined Contribution Plan
    The company is not liable for contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme.
    ii. Short-term Benefits
    Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered.
16. **Contingent liabilities**
    i. Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are not provided for.
17. **Earnings per share**
    i. Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events including a bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).
    ii. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.
18. **Impact on COVID-19**
    i. The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its investments, intangible assets, trade receivable, project work-in-progress and inventories. The Company will continue to monitor the future economic conditions and update its assessment.

Notes to changes in Equity

A. Equity Share Capital

(Rs. In thousands)

Particulars	Mar '2020 (in Rs.)	Mar '2019 (in Rs.)
Opening Balance	**55,131.00**	**55,131.00**
Additional equity share issued during the year		
Closing Balance	**55,131.00**	**55,131.00**

B. 0.01% Non-Convertible Redeemable Cumulative Preference Shares.

Particulars	Mar '2020 (in Rs.)	Mar '2019 (in Rs.)
Opening Balance	455,000.00	-
0.01% Non-Convertible Redeemable Cumulative Preference Shares issued during the year	-	455,000.00
Closing Balance	**455,000.00**	**455,000.00**

C. Other Equity

Particulars	Reserves and Surplus		
	General Reserves	Shares Forfeited	Retained Earnings
Balance at 1 April 2018	**108.06**	**1,984.50**	**96,337.17**
Total comprehensive income for the year ended 31 Mar 2019			
Profit for the year			6,412.26
Other comprehensive income (net of tax)			
Total comprehensive income	-	-	6,412.26
Transactions with owners in their capacity as owners:			
Dividends Paid			
Appropriations during the year			
Balance as at 31 March 2019	**108.06**	**1,984.50**	**102,749.43**

Particulars	Reserves and Surplus		
	General Reserves	Shares Forfeited	Retained Earnings
Balance as at 1 April 2019	**108.06**	**1,984.50**	**102,749.43**
Total comprehensive income for the year ended 31 Mar 2020			
Profit for the year			17,012.58
Other comprehensive income (net of tax)			
Total comprehensive income	-	-	17,012.58
Transactions with owners in their capacity as owners:			
Dividends Paid			
Appropriations during the year			
Balance as at 31 March 2020	**108.06**	**1,984.50**	**119,762.01**

(Rs. In thousands)

Fixed Asset

4	Tangible asset	Gross Value				Depreciation				Closing balance	
		Opening balance	Additions	Deletions	Total	upto 31/03/2019	Current Year	Deletions	upto 31/03/2020	as on 31/03/2020	as on 31/03/2019
4.1	Building	2,549.31			2,549.31	1,392.41	19.62		1,412.03	1,137.28	1,156.90
4.2	Office Equipments	864.89	6.50		871.39	663.58	49.69		713.27	158.12	201.31
4.3	Electrical Installation	29.32			29.32	17.55	0.72		18.27	11.05	11.77
4.4	Furniture & Fixtures	772.54			772.54	454.24	49.19		503.43	269.11	318.30
4.5	Vehicles	13,034.72	6,267.73		19,302.45	4,271.74	779.41		5,051.15	14,251.30	8,762.98
4.6	Computers	161.38	79.00		240.38	104.19	29.75		133.94	106.44	57.19
	Total	**17,412.16**	**6,353.23**	**-**	**23,765.39**	**6,903.71**	**928.38**	**-**	**7,832.09**	**15,933.30**	**10,508.45**
Figures for the previous year		**18,173.88**	**117.61**	**879.33**	**17,412.17**	**6,581.51**	**1,157.57**	**835.36**	**6,903.72**	**10,508.45**	**11,592.38**

Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2020	As at 31 Mar 2019
5	**Other Non-Current Assets**		
	Other Loans and Advances		
	Unsecured Considered Good		
5.1	Sales Tax Recoverable	-	305.80
5.2	Rental Deposit	345.00	345.00
5.3	Electricity Deposit	19.63	19.63
5.4	Telephone Deposit	52.02	52.02
5.5	Other Deposits	12.50	12.50
5.6	TDS Recoverable	-	92.49
	Total taken to Balance Sheet	**429.15**	**827.44**
6	**Inventories**		
6.1	Work in progress	2,052,502.30	1,741,779.03
6.2	Stock in trade - Finished Flats	95,851.13	209,149.57
	Total taken to Balance Sheet	**2,148,353.43**	**1,950,928.60**
a)	Work in Progress: This is values based on cost of completion		
b)	Stock in Trade: This is values based on cost of completion or Net Realisable value which ever is lower		
7	**Current Investments**		
	In Membership Share in LLP, Unquoted		
7.1	Annai Rainbow Foundations LLP	2.97	52.97
		2.97	**52.97**
8	**Trade receivables**		
8.1	Trade receivables Unsecured and Considered Good	72,299.97	58,615.74
	Total taken to Balance Sheet	**72,299.97**	**58,615.74**
a)	Trade Receivables balances are subject to confirmation.		
9	**Cash and Cash Equivalents**		
9.1	Cash in hand	1,770.54	1,385.33
9.2	Balance with Banks	1,006.22	4,673.10
	Total taken to Balance Sheet	**2,776.76**	**6,058.43**
a)	Bank deposits have been given as security for the secured loan from a Bank as disclosed in Note 16.1		
10	**Short-term loans and advances**		
	Other Loans and Advances		
	Unsecured - Considered Good	-	
10.1	Staff Advances	110.00	251.15
10.2	Advance to Suppliers	15.10	15.10
10.3	Loans & Deposits	532,716.78	467,197.65
	Total taken to Balance Sheet	**532,841.88**	**467,463.90**

Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2020	As at 31 Mar 2019
11	**Other Current Assets**		
11.1	Income Tax Refundable	1,325.51	1,166.27
11.2	Prepaid Expenses	156.83	130.41
11.3	TDS Receivable	533.23	6,277.33
11.4	Rent Receivable	459.76	384.86
11.5	GST Credit	-	6,814.52
11.6	Bank Deposits with more than 12 months Maturity	3,017.28	2,832.88
11.7	Registration Deposit	980.21	-
	Total taken to Balance Sheet	**6,472.82**	**17,606.27**
a)	Bank deposits have been given as security for the secured loan from a Bank as disclosed in Note 16.1		
13	**Other Equity**	**As at 31 Mar 2020**	**As at 31 Mar 2019**
13.1	**General Reserve**		
	Opening balance	108.06	108.06
	Add: Current year surplus		
	Closing Balance	108.06	108.06
	Shares Forfeited		
	Opening balance	1,984.50	1,984.50
	Add: Current year surplus	-	-
	Closing Balance	1,984.50	1,984.50
	Surplus from Profit & Loss account		
	Opening balance	102,749.43	96,337.17
	Add: Current year surplus	17,012.58	6,412.26
	Closing Balance	**119,762.01**	**102,749.43**
	Total taken to Balance Sheet	**121,854.57**	**104,841.99**

Notes to and forming part of Financial Statements

(Rs. In thousands)

No	Paticulars	As at 31 Mar 2020		As at 31 Mar 2019	
		Number	Amount	Number	Amount
12	**SHARE CAPITAL**				
	Authorised Capital				
	Equity Shares of Rs. 10 each	20,000	200,000.00	20,000	200,000.00
	0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	50,000	500,000.00	50,000	500,000.00
	Total	**70,000**	**700,000.00**	**70,000**	**700,000.00**
	Issued, Subscribed and fully paid up Share Capital				
	Equity Shares of Rs. 10 each	5,513.10	55,131.00	5,513.10	55,131.00
	Total	**5,513.10**	**55,131.00**	**5,513.10**	**55,131.00**
	Preference Share Capital				
	Issued, Subscribed and fully paid up Share Capital				
	0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	45,500.00	455,000.00	45,500.00	455,000.00
	Total taken to Balance Sheet	**51,013.00**	**510,131.00**	**51,013.00**	**510,131.00**
12.1	**RECONCILIATION OF SHARE CAPITAL**	**Number**	**Amount**	**Number**	**Amount**
	Equity Shares (Face Value Rs 10.00)				
	Shares outstanding at the beginning of the year	5,513.10	55,131.00	5,513.10	55,131.00
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	5,513.10	55,131.00	5,513.10	55,131.00
	0.01% Non-Convertible Redeemable Cumulative Preference Shares (Face Value Rs 10.00)				
	Shares outstanding at the beginning of the year	45,500.00	455,000.00	-	-
	Shares Issued during the year	-	-	45,500.00	455,000.00
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	45,500.00	455,000.00	45,500.00	455,000.00

12.2 **RIGHTS PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES**

The company has two class of shares with equiy shares have a face value of Rs. 10 Per share and 0.01% Non-Convertible Redeemable Cumulative Preference shares have a face value of Rs. 10 per share

Each holder of equity shares is entitled to one vote per share.

Each preferential holder had preferential rights in payment of dividend and repayment in case of winding up.

The Preferential holder have voting rights as per the provisions of Sec 47 (2) of the Act

The company declares and pays dividends in Indian Rupees.

The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except for Interim Dividend

Rs. 55,656.00 is arrears of dividend on Cumalative Preference Shares issued by the company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to and forming part of Financial Statements

(Rs. In thousands)

14 Non-Current Financial Liabilities - Borrowings

Particulars	Non-current Portion as at		Current Maturities as at *		Total as at	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
(Carried at Amortised Cost, except otherwise stated)						
Secured						
From Banks	1,406.96	2,183.24	722.58	615.17	2,129.54	2,798.41
From NBFC	123,783.16	-	1,216.84	475.37	125,000.00	475.37
Total	**125,190.12**	**2,183.24**	**1,939.42**	**1,090.54**	**127,129.54**	**3,273.78**

14.1 Nature of Security, Repayment Terms

Name	Note	Rate of Interest	End of Tenure	As at 31/03/2020		As at 31/03/2019	
				Gross	Carrying Value	Gross	Carrying Value
Term Loan from Banks							
ICICI Bank	14.2	7.75%	01 Jan 2023	2,129.54	2,129.54	2,798.41	2,798.41
Total Term Loan from Banks				**2,129.54**	**2,129.54**	**2,798.41**	**2,798.41**
Term Loan from NBFC							
Bajaj Housing Finance Ltd	14.3	12.50%	15 Dec 2023	120,000.00	120,000.00	-	-
Daimler Financial Services India Pvt Ltd	14.4	8.00%	04 Mar 2025	5,000.00	5,000.00	-	-
Kotak Mahindra Prime Ltd	14.5	9.15%	02 Aug 2019	-	-	237.60	237.60
Kotak Mahindra Prime Ltd	14.6	9.25%	05 Mar 2019	-	-	237.77	237.77
Total Term Loan from NBFC				**125,000.00**	**125,000.00**	**475.37**	**475.37**

14.2 Term Loan secured by charge on the Movable Motor Vehicles of the company. Repayment terms are Monthly Installment of Rs. 71,860 starting from 01st Feb 2018 to 01st Jan 2023

14.3 Term Loan secured by charge on the Project of the Company. 18 Months Moratorium on the Principal Repayment.Repayment terms are Monthly payment of Interest starting from 15th Dec 2019 and Monthly payment of Principal of Rs. 40,00,000 starting from 15th July 2021. Both payable up to 15th Dec 2023.

14.4 Term Loan secured by charge on the Movable Motor Vehicles of the company. Repayment terms are Monthly Installment of Rs. 1,01,403 starting from 04th April 2020 to 04th March 2025

14.5 Term Loan secured by charge on the Movable Motor Vehicles of the company. Repayment terms are Monthly Installment of Rs. 60,552 starting from 02nd Aug 2016 to 02nd Aug 2019

14.6 Term Loan secured by charge on the Movable Motor Vehicles of the company. Repayment terms are Monthly Installment of Rs. 31,913.00 starting from 05th Apr 2016 to 05th March 2019

Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2020	As at 31 Mar 2019
15	**Deferred Tax Liability (Net)**		
15.1	The composition of Deferred Tax Liability relating to timing difference on account of depreciation		
	At the start of the year	177.10	355.06
	Charge to Statement of Profit and Loss on account of Property, Plant and Equipment	622.01	(177.96)
	At the end of year	**799.11**	**177.10**
16	**Short Term Borrowings**		
	Loans repayable on Demand		
16.1	From Banks	30,351.68	28,077.69
16.2	From NBFC	-	129,576.89
	Unsecured Indian Rupee Borrowings		
	Loans repayable on Demand		
16.3	From other Parties	675,665.59	717,653.83
	Total taken to Balance Sheet	**706,017.27**	**875,308.41**
	Secured Borrowings:		
a	**Secured Loan from Banks:** Secured by the Term Deposit held in the name of the company,Land and Building owned by the company, and properties owned by the directors and their relatives and personal guarantees given by the directors.		
b	All Short Term Borrowings are Indian Rupees Borrowings		
17	**Trade Payables**		
17.1	Trade Payables		
	Micro and Small Enterprises		
	Other than Micro and Small Enterprises	286,680.82	167,709.44
	Total taken to Balance Sheet	**286,680.82**	**167,709.44**
a	There are no Micro and Small Scale Business Enterprises, to whom Company owes, dues which are outstanding for more than 45 days as at 31/03/2020. This information as required to be disclosed under the Mirco, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company		
b	Balances due to various parties are subject to confirmation/ reconciliation thereof. Management does not consider any adjustment on completion of reconciliation/confirmation.		
18	**Other Current Financial Liabilities**		
18.1	Others	1,939.42	1,090.54
18.2	Advances from Related Parties	1,002,729.69	820,280.66
18.3	Interest Accrued but not Due on Borrowings	167.90	
	Total taken to Balance Sheet	**1,004,837.01**	**821,371.20**
a	Refer to Note 32 for related party disclosures		

Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2020	As at 31 Mar 2019
19	**Other Current Liabilities**		
	Others		
19.1	Expense Payable	4,545.34	11,004.72
19.2	Rental Deposit	-	569.42
19.3	TDS Payable	17,154.54	16,570.60
19.4	GST Payable	1,900.50	-
	Total taken to Balance Sheet	**23,600.38**	**28,144.74**
20	**Short-term provisions**		
20.1	Provision for Income Tax	-	2,194.68
	Total taken to Balance Sheet	**-**	**2,194.68**

For and on behalf of the Board

As per our report of even date attached
for GASM DANSR AND CO
Firm Reg No: 005986S
(Chartered Accountants)

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/06/2020

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary

Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2020	As at 31 Mar 2019
21	**Revenue from operations**		
	Sale of		
21.1	Flats/Houses/Shops	251,747.78	209,939.60
21.2	Plots/Land / UDS Land	6,746.00	167,638.21
	Total	**258,493.78**	**377,577.81**
22	**Other Income**		
22.1	Interest Income	32,485.38	18,172.50
	Other Non Operating Income		
22.2	Rental Income	618.00	541.56
22.3	Profit on sale of Assets	-	156.03
22.4	Miscelleneous Income	-	175.51
		33,103.38	**19,045.60**
23	**Purchase of Stock-in-Trade**		
	Cost of		
23.1	Flats/Houses/Shops	73,984.50	128,812.52
23.2	Plots/Land / UDS Land	141.00	321,259.71
	Total	**74,125.50**	**450,072.23**
24	**Changes in inventories of stock-in-trade**		
	Opening Balance	209,149.57	70,657.23
	Less: Closing Balance	95,851.13	209,149.57
	Total	**113,298.44**	**(138,492.34)**
25	**Employee benefit expense**		
25.1	Salaries & Wages	7,041.50	5,599.30
25.2	Staff Welfare Expenses	63.48	55.90
	Total	**7,104.98**	**5,655.20**
a	Refer to Note 32 for related party disclosures		
26	**Financial costs**		
26.1	Interest Expenses	56,989.81	57,109.08
26.2	Other borrowing costs	2,258.79	283.07
	Total	**59,248.60**	**57,392.15**
a	Refer to Note 32 for related party disclosures		

Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2020	As at 31 Mar 2019
27	**Other Expenses**		
	Payment to Auditors		
27.01	for Audit	125.00	125.00
27.02	for Tax Representations	-	-
27.03	for Reimbursement of expenses	2.15	4.45
27.04	Electricity Charges	105.48	94.36
27.05	Rent	580.40	538.00
27.06	Repairs to buildings	3,371.92	651.93
27.07	Repairs to machinery	83.01	210.38
27.08	Insurance	181.82	139.69
27.09	Rates & Taxes	4,262.46	42.56
27.10	Compensation paid	-	910.80
27.11	Sales Promotion	231.86	236.12
27.12	Telephone Expenses	128.52	101.35
27.13	Travelling Expenses	70.38	15.09
27.14	Vehicle Maintenance	891.90	685.10
27.15	Listing Fee	443.35	297.75
27.16	Professional Charges	579.24	372.76
27.17	Conveyance Charges	23.62	31.52
27.18	Commission	1,280.00	-
27.19	ROC Filing Fee	-	4,350.00
27.20	Donation	305.10	52.00
27.21	Miscellaneous expenses	967.66	338.00
	Total	**13,633.87**	**9,196.86**
28	**Income Tax Recognised In Statement Of Profit And Loss**		
	Current Tax	5,623	5,407
	Deferred tax	622	(178)
	Total	**6,245**	**5,229**
	The income tax expenses for the year can be reconciled to the accounting profit as follows		
	Accounting Profit before income tax	23,257	11,642
	Applicable Tax Rate	25.168%	27.82%
	Computed Tax Expense	5,852	3,238
	Tax Effect of:		
	Timing Difference of Depreciation	(331)	(97)
	Expenses Disallowed	(3)	1,132
	Tax relating to earlier years	104	1,134
	Current Tax Provision (A)	**5,622**	**5,407**
	Incremental Deferred tax Liability on account of Property, Plant and Equipment and IntangibleAssets	622	(178)
	Deferred Tax Provision (B)	**622**	**(178)**
	Tax Expenses Recognised in Statement of Profit and Loss (A+B)	**6,244**	**5,229**
	Effective Tax Rate	26.847%	44.920%

Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2020	As at 31 Mar 2019
29	**Earnings per Equity Share - Basic**		
	Net profit / (loss) for the year from continuing operations	17,012.58	6,412.26
	Weighted average number of equity shares	5,513.10	5,513.10
	Earnings per share from continuing operations - Basic	3.09	1.16
30	**Earnings per Equity Share - Diluted**		
	Net profit / (loss) for the year from continuing operations	17,012.58	6,412.26
	Weighted average number of equity shares	5,513.10	5,513.10
	Earnings per share from continuing operations - Diluted	3.09	1.16

For and on behalf of the Board

As per our report of even date attached
for GASM DANSR AND CO
Firm Reg No: 005986S
(Chartered Accountants)

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/06/2020

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary

31 **Disclosure as per Ind AS 115**

(Rs. In thousands)

(a) The Company undertakes Engineering, Procurrement and Construction business. The type of work in the contracts with the customers involve construction, engineering, designing, supply of materials, development of system, installation, project management, operations and maintenance etc. The effect of initially applying Ind AS 115 on the Company's revenue from contracts with customers is described in Note 1. The Company has recognised the cumulative effect of applying Ind AS 115 as an adjustment to the opening balance at 1 April 2018. Due to the transition method chosen in applying Ind AS 115, comparative information has not been restated to reflect the new requirements.

(b) Disaggreagtion of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

in Rupees

Particulars	31-Mar-20	31-Mar-19
Primary geographical markets		
India	258,493.78	377,577.81
Total	**258,493.78**	**377,577.81**

(c) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

in Rupees

Particulars	31-Mar-19	31-Mar-18
Receivables which are included in Trade and other receivables		
Contract assets		
- Amount due from customers on construction contract	72,299.97	58,615.74
- Accrued value of work done net off provision	0.00	0.00
Contract liabilities		
- Amount due to customers under construction contracts	286,680.82	167,709.44
- Advance from clients	0.00	0.00

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The amount of contract assets during the period ended 31 March 2020 was impacted by an impairment charge of INR NIL. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time. Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred. Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activity based on normal operating capacity.

Notes to and forming part of Financial Statements

(Rs. In thousands)

No.	Description of relationship		Name(s) of related partie(s)	
32	Key Management Personnel (KMP)	1	Pushpala Motiram Manjith -Director	
		2	Maithri Jayakkar-Director	
		3	Gajraj Jain-Joint Managing Director	
		4	Sampat Raj Singhvi-Director	
		5	Anop Chand Jain-Managing Director	
		6	Nitesh Jain-CFO	
		7	Niroshaa Kathiravan - Company Secretary	
32.1	**Related Party Transaction**		**31/03/2020**	**31/03/2019**
	Unsecured Loan - Taken			
	Unsecured Loan - Taken			
	Anoop Chand Jain	1	211,613.48	10,000.00
	Gajraj Jain	2	791,116.21	810,280.66
	Total		**1,002,729.69**	**820,280.66**
	Salary			
	Anoop Chand Jain	1	1,320.00	1,200.00
	Gajraj Jain	2	1,320.00	1,200.00
	Krishnasamy Pranatharthiharan	3	-	108.00
	Nitesh Jain	4	900.00	720.00
	Niroshaa Kathiravan	5	276.00	80.50
	Ashish Jain	6	900.00	-
	Total		**4,716.00**	**3,308.50**
	Interest			
	Anop Chand Jain	1	20,792.75	-
	Gajraj Jain	2	91,728.39	103,813.40
	Total		**112,521.14**	**103,813.40**

a List of related parties are provided by the Management and relied upon by the Auditors

33 The World Health Organization has declared the outbreak of COVID-19, a novel strain of Coronavirus, a pandemic. The extent of the impact of the outbreak on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. The Company is monitoring the developments and are taking necessary measures to mitigate the impact on the Company, if any. Further the directors consider that the Company have adequate financial resources to continue in operational existence for the foreseeable future and therefore, continue to adopt the going concern basis of accounting in preparing the financial statements.

34 **Contingent Liabilities And Commitments**The total outstanding demand of Income Tax is Rs. 10,00,58,661 as on date. The matter is pending at various stages of appeal. Based on the interpretations of relevant provisions of the Income tax Act, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

35 Corresponding figures for the previous period have been regrouped wherever necessary to confirm the current period classification.

For and on behalf of the Board

As per our report of even date attached
for GASM DANSR AND CO
Firm Reg No: 005986S
(Chartered Accountants)

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/06/2020

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary