



Rainbow Foundations Ltd.

30<sup>th</sup> October, 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 2020-21**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are enclosing herewith Annual Report of the Company for the Financial Year 2020-21.

The aforesaid documents are being dispatched electronically to those Members whose email IDs are registered with the Company /Cameo Corporate Services Limited, Registrar and Transfer Agents of the Company and the Depositories viz. the National Securities Depository Limited and Central Depository Services (India) Limited.

The Notice of the AGM and Annual Report is also being uploaded on the Company's website and can be accessed at [www.rainbowfoundations.in](http://www.rainbowfoundations.in)

This is for your information and records please.

Thanking you,

Yours faithfully,  
For **RAINBOW FOUNDATIONS LIMITED**



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

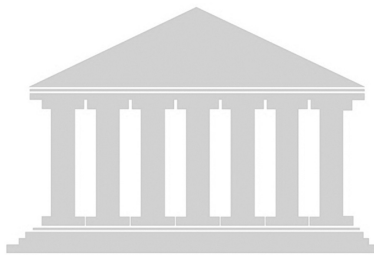


Encl: As above





# **RAINBOW FOUNDATIONS LIMITED**



**Twenty Seventh Annual Report 2020-21**

**BOARD OF DIRECTORS**

- **Mr. Anop Chand Jain**, Managing Director
- **Mr. Gajraj Jain**, Joint Managing Director
- **Mr. Navin Jain**, Executive Director
- **Mr. P.M. Manjith**, Independent Director
- **Mr. Sampat Raj Singhvi**, Independent Director
- **Mrs. Maithri Jayakkar**, Independent Director

**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 Seventh Annual General Meeting of **Rainbow Foundations Limited** will be held on Wednesday, 24<sup>th</sup> November, 2021 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 31<sup>st</sup> March, 2021 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gajraj Jain (DIN:01182117), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **Re - appointment and payment of Remuneration to Mr. Anop Chand Jain (DIN: 02215110) as the Managing Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the other approvals, if any, as may be necessary, the consent of the members of the company be and is hereby accorded for the re-appointment of Mr. Anop Chand Jain (DIN: 02215110) as Managing Director of the Company for a period of 3 years commencing from December 17, 2021 at a remuneration as stated below:

Salary	Rs. 2,00,000 /- p.m.
Perquisites	<ol style="list-style-type: none"> <li>1. One Company maintained car with driver for use of Company's business and personal use.</li> <li>2. Fees / Expenses of clubs used for business purpose not exceeding Rs.2,00,000/- p.a.</li> <li>3. Entertainment expenses up to Rs. 1,00,000/- p.a.</li> <li>4. Medical Re-imbursment Expenses incurred for the Managing 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.</li> <li>5. Leave travel Allowance For the Managing Director and his family subject to a maximum limit of one month salary and this includes travel to abroad also.</li> <li>6. Personal Mediclaim insurance - Premium not to exceed Rs.50,000 p.a.</li> </ol>

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits during the tenure of service of the managing 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.”

4. **Re - appointment and payment of Remuneration to Mr. Gajraj Jain (DIN: 01182117) as the Managing Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the other approvals, if any, as may be necessary, the consent of the members of the company be and is hereby accorded for the re-appointment of Mr. Gajraj Jain (DIN: 01182117) as Managing Director of the Company for a period of 3 years commencing from February 14, 2022 at a remuneration as stated below:

Salary	Rs. 2,00,000 /- p.m.
Perquisites	<ol style="list-style-type: none"> <li>1. One Company maintained car with driver for use of Company's business and personal use.</li> <li>2. Fees / Expenses of clubs used for business purpose not exceeding Rs.2,00,000/- p.a.</li> <li>3. Entertainment expenses up to Rs. 1,00,000/- p.a.</li> <li>4. Medical Re-imburement Expenses incurred for the Managing 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.</li> <li>5. Leave travel Allowance For the Managing Director and his family subject to a maximum limit of one month salary and this includes travel to abroad also.</li> <li>6. Personal Mediclaim insurance - Premium not to exceed Rs.50,000 p.a.</li> </ol>

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits during the tenure of service of the managing 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. Anop Chand Jain (DIN: 02215110), Managing Director of the Company be and is hereby authorised to take all necessary steps to give effect to the said resolution.”

**5. To consider and approve the variation in terms w.r.t redemption of Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs)**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of sections 48, 55 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification/s or re-enactment/s thereof for the time being in force the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the consent of members of the Company, be and is hereby accorded to vary the rights, terms and conditions of the Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) as under:

1. Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) shall be redeemed at any time at the option of the Company but not later than 1 (One) year from the date of allotment of NCRCPs.
2. All other terms and conditions associated with the aforesaid NCRCPs shall remain same.

**RESOLVED FURTHER THAT** the consent of the sole Preference Shareholder of the Company, i.e. Avance Technologies Limited has been given to the Company for the variation of the rights, terms and conditions of NCRCPs issued to them.”

**RESOLVED FURTHER THAT** Mr. Gajraj Jain (DIN: 01182117), Joint Managing Director and/or the Company Secretary and Compliance Officer of the Company be and are hereby authorized, severally or jointly, to take all actions as may be necessary, proper, expedient and to do all such acts, deeds, matters and other things in connection therewith and incidental thereto.”

**6. Increase in Authorised Share Capital of the Company and consequently approve the alteration of capital clause of Memorandum of Association**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules made there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 70,00,00,000 (Rupees Seventy Crores) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- each amounting to Rs. 20,00,00,000 (Rupees Twenty Crores only) and 5,00,00,000 (Five Crore) Preference Shares of Rs. 10/- each amounting to Rs. 50,00,00,000 (Rupees Fifty Crores Only) to Rs. 1,10,00,00,000 (Rupees One Hundred Ten Crores) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10/- each amounting to Rs. 60,00,00,000 (Rupees Sixty Crores) and 5,00,00,000 (Five Crore) Preference Shares of Rs. 10/- each amounting to Rs. 50,00,00,000 (Rupees Fifty Crores Only)”

Consequently, the Memorandum of Association of the Company be and is hereby altered by substituting the existing Capital Clause (Clause V) with the following:

*V. The Authorized Share Capital of the Company is Rs. 1,10,00,00,000 (Rupees One Hundred Ten Crores) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10/- each amounting to Rs. 60,00,00,000 (Rupees Sixty Crores) and 5,00,00,000 (Five Crore) Preference Shares of Rs. 10/- each amounting to Rs. 50,00,00,000 (Rupees Fifty Crores Only)”*

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized severally, on behalf of the Company, to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution, including to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company but not limited to settle any questions or resolve difficulties that may arise in this regard.”

**By Order of the Board of Directors  
For Rainbow Foundations Limited**

**GajrajJain  
Joint Managing Director  
DIN:01182117**

**Registered Office:**

**Place:** Chennai  
**Date:** 14<sup>th</sup> October, 2021

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

**NOTES:**

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming Annual General Meeting (AGM) will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- 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.**
- In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM and the Financial Statements for the year ended 31<sup>st</sup> March, 2021 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 2020-21 will also be available on the Company's website [www.rainbowfoundations.in](http://www.rainbowfoundations.in), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL <https://www.evotingindia.com>.
- 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](mailto: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](mailto:rainbowfoundations@gmail.com).
- 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 15<sup>th</sup> November, 2021 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 18<sup>th</sup> November, 2021 to 24<sup>th</sup> November, 2021 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. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

19. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.rainbowfoundations.in](http://www.rainbowfoundations.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
20. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
21. In continuation of this Ministry's General Circular No. 20/2020, dated 05<sup>th</sup> May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.
- 22. THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on Sunday, 21<sup>st</sup> November, 2021 at 9.00 AM and ends on Tuesday, 23<sup>rd</sup> November, 2021 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 17<sup>th</sup> November, 2021 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) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service</p>



	<p>provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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.</li> </ul>
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. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN: 211028003 'Rainbow Foundations Limited'
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto: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](mailto:mail@saspartners.com) and to the Company at [rainbowfoundations@gmail.com](mailto: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.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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](mailto: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](mailto: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.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. 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.
10. 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.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:**

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 update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.  
If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.  
All grievances connected with the facility for voting by electronic means may be addressed to Mr.RakeshDalvi, Sr. 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.
23. 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 17th November, 2021. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
24. Mr. Soy Joseph, Company Secretary (Membership No. 13852) Partner, M/s. JM & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
25. 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 forthwith.
26. 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.
27. The Company shall simultaneously forward the results to BSE limited ("BSE") where the shares of the Company are listed.
28. 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**

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No: 3**

Upon recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 30th June, 2021 had re-appointed Mr. Anop Chand Jain (DIN : 02215110) as the Managing Director, for a period of three years with effect from 17th December, 2021, subject to the approval of the members at this Annual General Meeting.

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

Salary	Rs. 2,00,000 /- p.m.
Perquisites	<ol style="list-style-type: none"> <li>1. One Company maintained car with driver for use of Company's business and personal use.</li> <li>2. Fees / Expenses of clubs used for business purpose not exceeding Rs.2,00,000/- p.a.</li> <li>3. Entertainment expenses up to Rs. 1,00,000/- p.a.</li> <li>4. Medical Re-imbusement Expenses incurred for the Managing 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.</li> <li>5. Leave travel Allowance For the Managing Director and his family subject to a maximum limit of one month salary and this includes travel to abroad also.</li> <li>6. Personal Mediclaim insurance - Premium not to exceed Rs.50,000 p.a.</li> </ol>

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.

Mr. Anop Chand Jain will attain the age of 70 years in 2022 and hence continuation of his employment as Managing Director requires the approval of members by way of a special resolution.

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution.

Keeping in view that Mr. Anop Chand Jain has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Anop Chand Jain as Managing Director.

The Board of Directors of your Company recommends the special resolution in relation to re-appointment of Mr. Anop Chand Jain, Managing Director for the approval by the shareholders of the Company.

Except Mr. Anop Chand Jain Managing Director and his relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in this Resolution except to the extent of their shareholding.

**Item No. 4**

Upon recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 30th June, 2021 had re-appointed Mr. Gajraj Jain (DIN : 01182117) as the Managing Director, for a period of three years with effect from 14th February, 2022, subject to the approval of the members at this Annual General Meeting.

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

Salary	Rs. 2,00,000 /- p.m.
Perquisites	<ol style="list-style-type: none"> <li>1. One Company maintained car with driver for use of Company's business and personal use.</li> <li>2. Fees / Expenses of clubs used for business purpose not exceeding Rs.2,00,000/- p.a.</li> <li>3. Entertainment expenses up to Rs. 1,00,000/- p.a.</li> <li>4. Medical Re-imbusement Expenses incurred for the Managing 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.</li> <li>5. Leave travel Allowance For the Managing Director and his family subject to a maximum limit of one month salary and this includes travel to abroad also.</li> <li>6. Personal Mediclaim insurance - Premium not to exceed Rs.50,000 p.a.</li> </ol>

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 of your Company recommends the special resolution in relation to re-appointment of Mr. Gajraj Jain, Managing Director for the approval by the shareholders of the Company.

Except Mr. Gajraj Jain Managing Director and his relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in this Resolution except to the extent of their shareholding.

#### Item No: 5

The Company had allotted 4,55,00,000 (Four Crore Fifty Five Lakhs only) Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs) at the face value of Rs.10 each amounting to Rs.45,50,00,000/- (Rupees Forty Five Crores Fifty Lakhs only) at the Board meeting held/ Circular resolution passed on 17th December, 2018, 08th February 2019, 14th February,2019 and 11th March, 2019. Based on the terms approved by passing a special resolution on December 05, 2018 with certain terms and conditions including a condition for redemption that such NCRCPs shall be redeemed within a period of not exceeding 20 (Twenty) years and not before completion of 15 (Fifteen) years from the date of allotment with a call option as may be determined by the Board. The Redemption shall be done at par or at premium as may be decided by the Board.

With a view to enable the Company to redeem such NCRCPs at any time at the option of the Company and before completion of 15 (Fifteen) years, it is proposed to vary the terms and conditions w.r.t redemption of said NCRCPs.

It is to be taken into consideration that the provisions of section 48 of the Companies Act, 2013 provides that the rights attached to the shares of any class may be varied with the consent in writing of the holders of not less than three-fourths (3/4th) of the issued shares of that class or by means of a special resolution passed at a separate meeting of the holders of the issued shares of that class and if such variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths (3/4th) of such other class of shareholders shall also be obtained. Therefore, the proposed variation in the terms and conditions associated with the NCRCPs set out in the resolution is subject to approval of the equity shareholders of the Company.

The Sole Preference Shareholder of the Company, i.e. Avance Technologies Limited, a company incorporated under the Companies Act, 1956 having its registered office at Office NO:7, 5th Floor, Block-A, Aidun Building, 1st Dhobi Talao Lane, Mumbai – 400002, Maharashtra, India, has already given its consent and approval for the variation of the rights, terms and conditions of NCRCPs issued to them.

Therefore, the Board of Directors of your Company recommends the passing of special resolution as set out at item no. 5 in this notice.

None of the directors or key managerial personnel of the Company or their relatives is/are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their respective shareholding in the Company, if any.

**Item No: 6**

The present Authorised Share Capital of the Company is Rs. 70,00,00,000 (Rupees Seventy Crores) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- each amounting to Rs. 20,00,00,000 (Rupees Twenty Crores only) and 5,00,00,000 (Five Crore) Preference Shares of Rs. 10/- each amounting to Rs. 50,00,00,000 (Rupees Fifty Crores Only).

The company proposes to increase its Authorized Share Capital to Rs. 1,10,00,00,000 (Rupees One Hundred Ten Crores) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10/- each amounting to Rs. 60,00,00,000 (Rupees Sixty Crores) and 5,00,00,000 (Five Crore) Preference Shares of Rs. 10/- each amounting to Rs. 50,00,00,000 (Rupees Fifty Crores Only) to facilitate raising of funds for redemption of Preference Shares

The increase in the Authorized Share Capital of the Company will require consequential amendment in Clause V of the Memorandum of Association (MOA) of the Company.

Pursuant to provisions of Sections 13 and 61 of the Companies Act, 2013, alteration in the Capital Clause and consequent alteration in the MOA requires approval of the members of the Company by way of passing a Special Resolution to that effect.

The Directors recommend the Resolution set out at Item no. 6 in the Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are interested in this resolution to the extent of their shareholding in the Company.

## Annexure-1

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

Name of the Director	Mr. Anop Chand Jain
Age	69 years
DIN	02215110
Category	Managing Director
Date of first appointment on the Board as Director	07 <sup>th</sup> June, 1994
Qualification(s)	Intermediate
Expertise in Specific Functional Area	Finance, Real Estate & Property Development
Terms & conditions of re-appointment	As per resolution mentioned in Item No.3 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	As per resolution mentioned in Item No.3 of the Notice. For the FY 13.20 Lakhs
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Anop Chand Jain is brother of Mr. Gajraj Jain, father of Mr. Navin Jain and Paternal uncle 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	7
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2021	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2021	NIL
Number of shares held in the Company as on 31st March, 2021	1,92,891 equity shares of Rs.10/-each

Name of the Director	Mr. Gajraj Jain
Age	60 years
DIN	01182117
Category	Managing Director
Date of first appointment on the Board as Director	07 <sup>th</sup> June, 1994
Qualification(s)	B.Com.
Expertise in Specific Functional Area	Real Estate & Property Development
Terms & conditions of re-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. For the FY 13.20 Lakhs
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Gajraj Jain is brother of Mr. Anop Chand Jain, father of Mr. Nitesh Jain and Paternal uncle of Mr. Navin Jain. 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	7
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2021	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2021	NIL
Number of shares held in the Company as on 31st March, 2021	2,00,000 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:**

Particulars	Rs. In Thousands	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Revenue from operations	3,46,187.83	2,58,493.78
Profit/(loss) before tax	15,235.14	23,257.39
Profit/(loss) after tax	11,438.27	17,012.58

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

**II Information about Mr. Anop Chand Jain:**

Particulars	
Background details	Mr. Anopchand Jain, took to his family business quite early after his studies. He has immense experience lasting over 4 decades in the field of Real Estate, Finance and construction.
Past remuneration	FY 2020-21 Rs. 13.20 Lakhs
Recognition or awards	<b>NA</b>
Job profile and his suitability	Mr. Anop Chand Jain being Executive Director of the Company provides leadership, strategic vision and direction to the Company's business operations. He is steering the Company for more than 20 years and has rich and varied experience in the Real Estate Industry. Under his leadership, the Company has made enormous progress and today.
Remuneration proposed	As stated in Item No.3 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. Anop Chand 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. 3 of the notice
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Anop Chand Jain is promoter of the company and brother of Mr. Gajraj Jain, father of Mr. Navin Jain and Paternal uncle 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.

**II B Information about Mr. Gajraj Jain**

<b>Particulars</b>	
Background details	<b>Mr. Gajraj Jain</b> , opted for a business career very early in life for over two decades, he was a Proprietor of a textile showroom till 90's and later on changed to Real estate business joining hands with his elder brother Mr. Anopchand Jain, Managing Director of Rainbow Foundations Ltd.
Past remuneration	FY 2020-21 Rs. 13.20 Lakhs
Recognition or awards	<b>NA</b>
Job profile and his suitability	Mr. Gajraj Jain being Executive Director of the Company provides leadership, strategic vision and direction to the Company's business operations. He is steering the Company for more than 20 years and has rich and varied experience in the Real Estate Industry. Under his leadership, the Company has made enormous progress and today.
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. Gajraj 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. Gajraj Jain is promoter of the company and brother of Mr. Anop Chand Jain, father of Mr. Nitesh Jain, CFO. and Paternal uncle of Mr. Navin Jain. 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. Anop Chand Jain & Mr. Gajraj Jain is provided in Corporate Governance Report forming part of the Annual Report for FY 2020-21.

**By Order of the Board of Directors  
For Rainbow Foundations Limited**

**Gajraj Jain  
Managing Director  
DIN: 01182117**

**Place** : Chennai  
**Date** : 14<sup>th</sup> October, 2021

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

**BOARD'S REPORT**

To,

The Members,

**Rainbow Foundations Limited**

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report on the business and operations of your Company, along with the Audited financial statements for the year ended 31<sup>st</sup> March, 2021.

**1. FINANCIAL RESULTS**

Particulars	Amount in Thousands	
	For Financial Year ended 31/03/2021	For Financial Year ended 31/03/2020
Total Income	3,76,831.65	2,91,597.16
Total Expenditure	3,61,596.51	2,68,339.77
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	94,500.52	83,434.37
Finance Charges	77,831.77	59,248.60
Depreciation	1,433.61	928.38
Profit/(loss) before Tax	15,235.14	23,257.39
Tax Expense	3,796.87	6,244.81
Net Profit/(Loss) After Tax	11,438.27	17,012.58
Profit/(Loss) carried to Balance Sheet	11,438.27	17,012.58
<b>The proposed appropriations are</b>		
Proposed Dividend	0	0
Corporate dividend tax	0	0
General reserve	0	0
Balance carried forward	11,438.27	17,012.58
Earnings Per Share		
Basic	2.07	3.09
Diluted	2.07	3.09

**2. ECONOMIC REVIEW:**

The outbreak of the COVID-19 pandemic adversely impacted the sectorial performance during FY21. However, in the second half, the Company reported a turnaround in performance. The recent surge in cases following the second COVID-19 wave could impact demand in the first half of FY22.

While the pandemic may have affected the industry at large, the operational momentum of your company is likely to be sustained by its healthy Balance Sheet and robust project Pipeline. Your company will focus on opportunistic growth in the current environment to create a healthy project pipeline.

**3. OPERATIONAL AND FINANCIAL PERFORMANCE HIGHLIGHTS:**

During the year under review, the turnover of the company has increased to Rs. 3,76,831.65 thousand as compared to previous year turnover of Rs. 2,91,597.16 thousand. However, there is an increase in turnover but due to increase in total expenditure as well, the profits of the company have reduced by 32.77%. The Earnings per Share ('EPS') for the year also reduced to Rs. 2.07 as compared to Rs. 3.09 in the previous year due to increase in expenditure.

**4. CHANGE IN NATURE OF BUSINESS:**

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

**5. 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)".

**6. 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.

**7. 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

**8. 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.

**9. SHARE CAPITAL:**

During the year under review the 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 31.03.2021	YEAR ENDED 31.03.2020
(a)	Authorised share Capital: 20,000,000 Equity Shares of Rs. 10/-each 50,000,000 Preference Shares of Rs. 10 each	200,000,000 500,000,000	200,000,000 500,000,000
(b)	Issued Share Capital: 5,513,100 Equity Shares of Rs. 10/- each 45,500,000 0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	55,131,000 455,000,000	55,131,000 455,000,000
(c)	Subscribed and Paid up Capital : 5,513,100 Equity Shares of Rs. 10/- each 45,500,000 0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	55,131,000 455,000,000	55,131,000 455,000,000

**10. DIVIDEND:**

No Dividend is recommended for the current financial year due to inadequate profit earned by the Company.

However, the company paid a sum of Rs. 55,656.00 to the preference shareholders which is the arrears of dividend on Cumulative Preference Shares issued by the company as at 31/03/2020 in accordance with the terms and conditions approved by the shareholders of the Company in its Extraordinary General Meeting held on 05<sup>th</sup> December, 2018.

**11. TRANSFER TO RESERVES:**

No amount was transferred to reserves during the FY 2020-21.

**12. 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.

**13. 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.

**14. 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.

**15. 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](http://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.

**16. 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.

**17. 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.

**18. 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).

**19. 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 for the financial year 2020-21. The Practicing Company Secretary has submitted his Report on the

Secretarial Audit conducted by him which is annexed herewith as “Annexure (B)”.

The following Observation was given in his Secretarial Audit Report

- The Company has not filed the initial disclosure upon becoming the member of the promoter group with the Stock Exchange within the timeline prescribed under Regulation 7(1)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015. However, as on date the Disclosure has been filed with Stock Exchange.

**Management Explanation:**

The Company was not aware of this acquisition by the promoter group and their shareholding was reflecting under the public category.

Immediately upon realization of this on 24th February, 2021, the Company has intimated the Registrar and Share Transfer Agent (RTA) to include their shareholding into promoter group category.

Also, as on date the Company has filed the requisite disclosure as per SEBI (Prohibition of Insider Trading) Regulations, 2015 to the Bombay Stock Exchange (BSE).

**20. 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.

**21. 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.

**22. 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.

**23. 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.Navin Jain (DIN: 02213825), was appointed as an Additional Director with effect from June 30, 2020. Further, the approval of the members of the company was sought in the Annual General Meeting (AGM) held on December 28, 2020 for his appointment as Executive Director.

Further the Board has approved the re-appointment of Managing Director in its Board Meeting held on 30<sup>th</sup> June, 2021

- Mr. Anop Chand Jain (DIN: 02215110), was re-appointed as the Managing Director of the company for a period of 3 years commencing from December 17, 2021.
- Mr. Gajraj Jain (DIN: 01182117), was re-appointed as the Managing Director of the company for a period of 3 years commencing from February 14, 2022.

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

- Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr.Gajraj Jain (DIN: 01182117), 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.

**24. 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.

**25. 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](http://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.

**26. 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 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the Company during the 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.

**27. 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)".

**28. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

**29. ANNUAL RETURN:**

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at ([www.rainbowfoundations.in](http://www.rainbowfoundations.in)).

**30. 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.

**31. 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](http://www.rainbowfoundations.in)).



**32. 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.

**33. 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 D**.

**34. 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.

**35. 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, 2021, 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, 2021 and of the profit of the company for the period ended March 31, 2021;
- (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.

**36. 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**

Place: Chennai  
Date: 14<sup>th</sup> October, 2021

**ANOP CHAND JAIN**  
Managing Director  
DIN: 02215110

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

## ANNEXURE A

## REPORT ON CORPORATE GOVERNANCE

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by conducting business with a firm commitment to values, while at the same time, meeting stakeholders' expectations

The Company firmly believes that maintaining the highest standards of Corporate Governance is the implicit rule that determines a management's ability to make sound decisions and to perform efficiently and ethically in the best interest of its shareholders and other stakeholders to create value for all.

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, 2021 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, 2021, the Board comprised of six directors out of whom 3 are Non-Executive Independent Directors (Consisting of one women Director) and 3 are Executive Directors.

None of the Directors on the Board are members of 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 Director	DIN	Category	% of Share holding as of March 31, 2021	No. of Directorship held*		Committees~	
				Public	Private	Chairman	Member
Anop Chand Jain	02215110	Managing Director, Executive Director	3.50	1	-	-	-
Gajraj Jain	01182117	Managing Director, Executive Director	3.63	1	-	-	-
Pushpala Motiram Manjith	02161987	Non-Executive Independent Director	-	1	2	-	2
Sampat Raj Singhvi	01786782	Non-Executive Independent Director	0.0005	1	-	-	2
Maithri Jayakkar	07155574	Non-Executive Independent Director	-	1	-	2	-
@Navin Jain	02213825	Executive Director	3.30	2	-	-	-

\*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 June 30, 2020 and as an Executive Director w.e.f December 28, 2020

There is no inter-se relationship between the Directors except Mr. Anop Chand Jain, brother of Mr. Gajraj Jain and Mr. Navin Jain, son and nephew of Mr. Anop Chand Jain and Mr. Gajraj Jain respectively

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 7(Seven) times, i.e. on June 30<sup>th</sup>, 2020, September 4<sup>th</sup>, 2020, October 24<sup>th</sup>, 2020, November 12<sup>th</sup>, 2020, December 4<sup>th</sup>, 2020, January 4<sup>th</sup>, 2021 and February 12<sup>th</sup>, 2021. The first meeting was held with a gap of more than 120 days from the date of its previous Board Meeting in accordance with the relaxation provided by the Ministry of Corporate Affairs (MCA) vide Circular No. 11 /2020 dated 24th March, 2020 due to the global pandemic caused due to Corona Virus. Apart from this, 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 2020-21		Whether attended last AGM held on 28/12/2020	Sitting fee (In Rs. Lakhs)*
	Held	Attended		
Gajraj Jain	7	7	Yes	-
Anop Chand Jain	7	7	Yes	-
Pushpala Motiram Manjith	7	7	Yes	-
Sampat Raj Singhvi	7	7	Yes	-
Maithri Jayakkar	7	7	Yes	-
# Navin Jain	7	6	Yes	-

\* The company is not paying any sitting fees to any Director for attending Board and other Committee meetings.

# Mr. Navin Jain was appointed as Additional Director on June 30, 2020 and as an Executive Director w.e.f December 28, 2020.

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 RajSinghvi	Maithri Jayakkar	Pushpala Motiram Manjith	Navin Jain
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 Jain, Managing Director and Mr. Gajraj Jain, Joint Managing Directors of the Company have drawn Rs. 1,320 Thousand each and Mr. Navin Jain, Executive Director of the Company has drawn Rs. 1,200 Thousand 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, 2021, 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
- Valuation of undertakings or assets of the listed entity, wherever it is necessary

#### **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 and monitoring the auditor's independence and performance, and effectiveness of audit process
- 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, 2021, 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, Six (6) Audit Committee Meetings were held i.e on June 30<sup>th</sup>, 2020, September 4<sup>th</sup>, 2020, October 23<sup>rd</sup>, 2020, November 12<sup>th</sup>, 2020, January 4<sup>th</sup>, 2021 and February 12<sup>th</sup>, 2021. In view of the global pandemic caused due to Corona Virus, Securities and Exchange Board of India (SEBI) vide its circular dated March 19, 2020 has provided relaxation to the listed entity from observing the maximum stipulated time gap between two meetings. In

accordance with the above relaxation, the company convened first meeting at a gap of more than 120 days from the date of its previous Audit Committee Meeting. Apart from this, 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 is as follows:

Directors	Category	No. of Audit Committee Meeting during 2020-21	
		Held	Attended
Maithri Jayakkar	Non-Executive - Independent Director	6	6
Sampat Raj Singhvi	Non-Executive - Independent Director	6	6
Pushpala Motiram Manjith	Non-Executive – Independent Director	6	6

### 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, 2021, the Nomination & Remuneration Committee comprises of 3 Members, all are Independent Directors.

During the year under review, One (1) Nomination & Remuneration Committee Meetings was held i.e on June 30<sup>th</sup>, 2020. Quorum was present at the meeting.

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

Directors	Category	No. of Nomination and Remuneration Committee Meeting during 2020-21	
		Held	Attended
Maithri Jayakkar	Non-Executive - Independent Director	1	1
Sampat Raj Singhvi	Non-Executive - Independent Director	1	1
Pushpala Motiram Manjith	Non-Executive - Independent Director	1	1

### 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.e on June 30<sup>th</sup>, 2020, September 04<sup>th</sup>, 2020, November 12<sup>th</sup>, 2020 and February 12<sup>th</sup>, 2021. Quorum was present at all the meetings.

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

Directors	Category	No. of Stakeholders Relationship Committee Meeting during 2020-21	
		Held	Attended
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	4

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
2020	Registered office of the Company (Through VC)	December 28, 2020, 11:00 A.M	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Navin Jain (DIN: 02213825) as Director of the company;</li> <li>2. Appointment of Mr. Navin Jain (DIN: 02213825) as an Executive Director of the company;</li> <li>3. Investment in other Company for an amount exceeding the limit specified under section 186 of the Companies Act, 2013</li> </ol>
2019	The Grand Sweets & Snacks, 2nd Floor No.18, Dr. Nair Road, T.Nagar, Chennai-600017	September 30, 2019, 10.00 A.M	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Sampat Raj Singhvi (DIN:01786782) as an Independent Director.</li> <li>2. Re - appointment and payment of Remuneration to Mr. Anop Chand Jain (DIN: 02215110) as the Managing Director of the Company.</li> <li>3. Re - appointment and payment of Remuneration to Mr. Gajraj Jain (DIN: 01182117) as the Managing Director of the Company.</li> </ol>
2018	Registered office of the Company	September 28, 2018, 9.30 A.M	None

All Directors attended the last AGM held on December 28, 2020.

### Extraordinary General Meeting

No Extraordinary General Meeting was 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 “Trinity Mirror” and in “Makkal Kural” 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](http://www.bseindia.com).

#### General Shareholders’ information

##### i. Annual General Meeting:

**Day & Date: Wednesday, 24<sup>th</sup> November, 2021**

**Time: 11.00 A.M.**

**Venue:** through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

**Financial Year:** 1<sup>st</sup> April to 31<sup>st</sup> March

##### ii. Tentative Financial Calendar (For Financial Year 2021-22) for approval of:

Financial Result for 1 <sup>st</sup> quarter 2021-22 (Unaudited)	On or before 14-08-2021
Financial Result for 2 <sup>nd</sup> quarter 2021-22(Unaudited)	On or before 14-11-2021
Financial Result for 3 <sup>rd</sup> quarter 2021-22(Unaudited)	On or before 14-02-2022
Financial Result for 4 <sup>th</sup> quarter and year ended 2021-22(Audited)	On or before 30-05-2022

##### iii. Dividend Payment

The company has not declared any dividend during the year to the equity Shareholders.

However, the Company has paid the arrears of dividend on Cumulative Preference Shares issued by the company to the preference shareholders.

##### iv. Date of Book Closure: 18<sup>th</sup> November, 2021 to 24<sup>th</sup> November, 2021 both days inclusive

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

##### vi. Listing Fees:

The Company has paid Listing Fees till the year 2021-2022 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 2020-2021.

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

INE230F01014

##### ix. Corporate Identity Number (CIN): L55101TN1994PLC027739

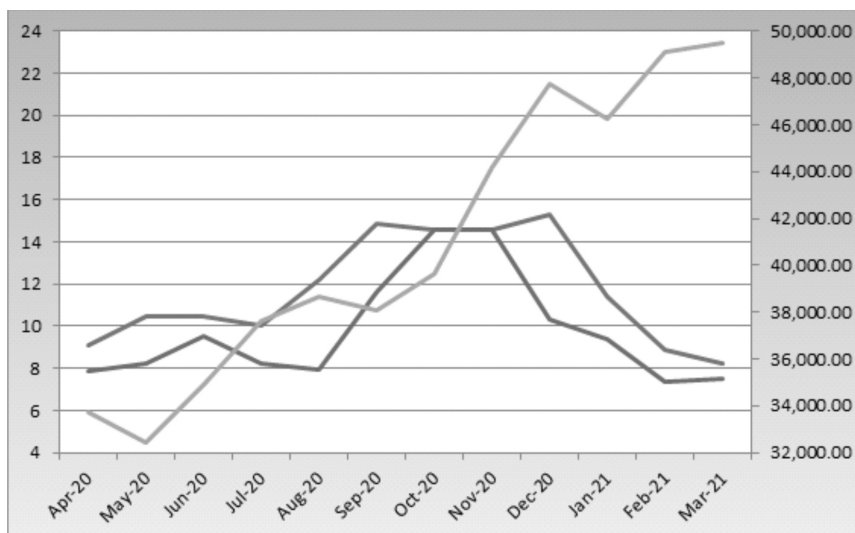


**Market Price Data**

The monthly high and low quotations of the closing price and volume of shares traded at BSE Ltd. (BSE) from April, 2020 to March, 2021 are as under

Month	BSE Limited		
	High	Low	Volume
April, 2020	9.09	7.88	1037
May, 2020	10.48	8.21	3836
June, 2020	10.48	9.5	3372
July, 2020	10.00	8.20	1295
August, 2020	12.21	7.91	6776
September, 2020	14.83	11.6	3978
October 2020	14.54	14.54	2
November 2020	14.54	14.54	26
December 2020	15.26	10.30	7274
January 2021	11.38	9.36	3348
February 2021	8.90	7.35	334
March 2021	8.26	7.50	2570

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](http://www.cameoindia.com) Email: [investor@cameoindia.com](mailto: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, 2021

No of Equity Shares	No. of Share holders	% of Shareholders	No. of Share held	% of Shareholding
1-100	1371	63.1506	19342	0.3508
101-500	347	15.9834	130482	2.3667
501-1000	221	10.1796	202486	3.6728
1001-2000	63	2.9018	104038	1.8871
2001 – 3000	23	1.0594	60620	1.0995
3001-4000	12	0.5527	45007	0.8163
4001-5000	16	0.7369	75595	1.3711
5001-10000	35	1.6121	285264	5.1742
10001 - & above	83	3.8231	4590266	83.2610
<b>Total</b>	<b>2171</b>	<b>100.00</b>	<b>5513100</b>	<b>100.00</b>

## Shareholding Pattern as on March 31, 2021

Category of Shareholder		No. of Equity Share of face value of Rs. 10/- each	As a percentage of total paid up share capital
<b>A.</b>	<b>Shareholding of Promoter and Promoter Group (A)</b>		
	Individual/ HUF	1870634	33.93
	<b>Total (A)</b>	<b>1870634</b>	<b>33.93</b>
<b>B.</b>	<b>Public Shareholding</b>		
	Individuals	2495348	45.26
	Bodies Corporate	695369	12.61
	Trust	0	0.00
	Clearing Member	50	0.00
	Financial Institution/ Banks	0	0.00
	Mutual Funds	0	0.00
	Others	451699	8.19
	<b>Total (B)</b>	<b>3642466</b>	<b>66.07</b>
	<b>Grand Total (A+ B)</b>	<b>5513100</b>	<b>100.00</b>

## Dematerialisation of Shares and Liquidity

The equity shares of the company are available for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (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, 2021, 52,17,180 Equity Shares of the company constituting 94.63% of the issued, subscribed and paid-up share capital of the Company are held in dematerialized form and 2,95,920 Equity Shares of the Company constituting 05.37% 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, 2021 are as under:

Shares held in	Number of shares	% of total equity
NSDL	29,47,345	53.46
CDSL	22,69,835	41.17
Physical Mode	2,95,920	5.37
<b>Grand Total</b>	<b>55,13,100</b>	<b>100.00</b>

**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, 2021.

**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](mailto:rainbowfoundations@gmail.com)  
Website: [www.rainbowfoundations.in](http://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](http://www.cameoindia.com)  
Email: [investor@cameoindia.com](mailto: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](http://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](http://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, 2021.

**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](http://www.rainbowfoundations.in)).

**Annual Secretarial Compliance Report:** The Company has undertaken an audit for the financial year 2020-21 for all applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder.

The Company has duly complied with Corporate Governance requirements specified in Regulation 17 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.

On behalf of the Board of Directors  
Rainbow foundations Limited

Place : Chennai  
Date : 14.10.2021

**Gajraj Jain**  
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 2021.

For **Rainbow Foundations Limited**

**Gajraj Jain**  
Managing Director  
DIN: 01182117

**Nitesh Jain**  
CFO

Place : Chennai  
Date : 14.10.2021

**INDEPENDENT AUDITORS 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, 2021. 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, 2021, 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.

**For M/s. GASM DANSR AND CO.**

Place: Chennai  
Date: 30/06/2021

(GANESAN)  
(Partner)  
(Mem No: 218179)  
2-G, II floor, J. P. Tower, 1/1, Dr.Thirumurthy Nagar Main Road,  
Chennai 600034  
Firm Reg No: 005986S  
UDIN: 21218179AAAACF1045

**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](http://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<sup>st</sup> March, 2021, 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
6.	Navin Jain	02213825	Executive 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  
Practising Company Secretary

Place: Chennai  
Date :13/08/2021

Soy Joseph  
Partner  
(ACS No.13852, CP No.5612)  
UDIN:A013852C000780277

## Annexure B

## Form No. MR-3

## Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March 2021

[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 and lockdown, 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 31<sup>st</sup> March 2021 ("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 financial year ended 31<sup>st</sup> March 2021, 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.**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable during the Audit Period.**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable during the Audit Period.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - **Not applicable during the Audit Period.**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable during the Audit Period.**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable during the Audit Period.**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

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) The Building and other Construction Workers Welfare Cess Act, 1996
- f) 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 above subject to the following observations:

1. *Disclosure upon becoming the member of the promoter group with the Stock Exchange has not been submitted within the timeline prescribed under the Regulation 7(1)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015*

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. Navin Jain (DIN: 02213825) was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> June, 2020. Further, approval of the member for his appointment as Executive Director was sought in the Annual General Meeting held on 28<sup>th</sup> December, 2020

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**

Place: Chennai  
Date: 13<sup>th</sup> August, 2021

Soy Joseph  
Partner  
(ACS-13852, CP-5612)  
UDIN: A013852C000780233

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



**'Annexure -1'**

To,

The Members,

**M/S. Rainbow Foundations Limited**

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. Our responsibility 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 reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the 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 of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of 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 of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For JM & Associates,  
Company Secretaries**

Place: Chennai  
Date: 13<sup>th</sup> August, 2021

Soy Joseph  
Partner  
(ACS-13852, CP-5612)  
UDIN:A013852C000780233

## 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	7.33:1
Mr. Gajraj Jain	7.33:1
Mr. Navin Jain	5:1

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

Name of person	% Increase in remuneration
Mr. Anopchand Jain	0.00%
Mr. Gajraj Jain	0.00%
Mr. Navin Jain*	NA
Mr. Nitesh Jain	0.00%
Ms. Niroshaa Kathiravan	0.00%

\* Appointed w.e.f 30<sup>th</sup> June, 2020

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 2020-21 was Rs. 1,80,000 in comparison with the financial year 2019-20 as Rs. 1,98,000. Hence, there is decrease of 9.09% in median remuneration in the financial year 2020-21.

4. The number of permanent employees on the rolls of the Company as on March 31, 2021 was 20.
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 average percentage decrease made in the salaries of total eligible employees other than the Key Managerial Personnel for FY 2020-21 was 12.89% whereas Key Managerial Personnel have seen an average decrease of 1.13 % in remuneration of FY 2021 over FY 2020.

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 2020-21**

Sr. No	1	2	3	4	5	6	7	8	9	10
Name	Nitesh Jain	Ashish Jain	K.Vetrivel	R.Yuvaraja	A.Rajan	Niroshaa Kathiravan	M.Dhana sekar	P.Kishan Kumar	R Gopala Krishnan	K. Vicky
Designation	CFO	Marketing Manager	Manager-Admin	Site Engineer	Accountant	Company Secretary	Office Assistant	Driver	Site Engineer	Front Office In-charge
Remuneration Paid	9,00,000	9,00,000	6,60,000	6,02,430	3,96,000	2,76,000	2,04,000	1,98,000	1,91,400	1,80,000
Nature of Employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Probation

Qualifications	MBA	MBA	B.Com	Diploma in Civil	B.Com	M.Com, ACS	X Std	V Std	Diploma in Civil	B.Com
Experience (years)	12	6	29	10	14	8	14	12	2	5
Date of commencement of the employment	01.06.2016	01.04.2019	03.07.1995	01.06.2014	27.02.2007	17.12.2018	22.11.2007	15.05.2008	02.12.2019	01.07.2020
Age (Years)	32	30	53	36	36	28	38	31	29	35
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	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

- a) List of employees of your Company employed throughout the Financial Year 2020-21 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.

- b) **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**

Place : Chennai  
Date : 14<sup>th</sup> October 2021

**ANOP CHAND JAIN**  
Managing Director  
DIN: 02215110

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

## ANNEXURE D

**MANAGEMENT DISCUSSION AND ANALYSIS****Economic Review**

Financial year 2020-21 was one of the most challenging years of our lifetime. Innumerable lives, jobs and growth prospects were lost due to the corona virus induced pandemic. The world has lost 4-5 per cent of its GDP output amounting to a US dollar value of 4 trillion approximately. The unprecedented health hazard continued to disrupt the lives and livelihoods of millions of people across the globe throughout the year. Demand-supply situation remained unstable for most part of the year, impacted further by the second wave of pandemic across the nation. Bringing the economy back from the brink of catastrophe and maintaining steady growth has been the greatest challenge of all time. However, it is refreshing to know that with great collaboration between all nations, the fiscal stimuli announced by the various governments and central banking systems, and rapid testing and vaccination the situation is being managed efficiently across the globe.

India's GDP growth stands at -7.3 per cent for financial year 2020-21. However, we need to review and monitor with great caution, the short-to-medium term impact of the second and a probable third wave of the pandemic while continuing to work on more efficient ways of tackling its economic impact.

The challenging phase we are living through is unprecedented in nature. Its impact on business operations has thrown light on sectors and related businesses which are well positioned to adopt to ever changing needs of the marketplace.

**Real Estate Sector**

Construction, a key contributor to the core sector, has always been a focus area for successive governments. Policy decisions taken in recent years have had a reflective impact on the real estate sector. The Indian real estate sector was expected to start recovering in 2020 after few lackluster years wherein the sector was impacted by multiple reforms and the changes brought about by Demonetisation, RERA, GST and the NBFC crisis. It has been a tough task for the sector to align itself with these externalities, but the measures have resulted in much needed transparency, accountability and fiscal discipline for the sector. Prior to the pandemic, the real estate sector was expected to contribute around 13% of India's GDP by 2025 (from around 6-7% in 2017).

The pandemic nearly stalled the markets in H1 2020 and the sector was virtually written off at the early stages of the pandemic on the expectations of a subsequent economic fallout. However, during this unprecedented crisis, the real estate sector exhibited remarkable resilience and recovered ahead of expectations. After grappling with initial labor shortages and demand deferment, both the residential and office markets witnessed signs of revival from Q3 2020 onwards. Also, the current situation has opened up a lot of business development opportunities for well capitalised developers. The uncertainties of the second COVID-19 wave and its impact will need to be assessed and tracked closely.

**Government Initiatives**

Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies. Below are some of the other major Government initiatives:

- The Atmanirbhar Bharat 3.0 package which included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to Rs. 2 crore from November 12, 2020 to June 30, 2021).
- The Ministry of Housing and Urban Affairs (MoHUA) launched an affordable rental housing complex portal.
- Under Pradhan Mantri Awas Yojana (Urban) (PMAY (U)), 1.12 crore houses have been sanctioned in urban areas, creating 1.20 crore jobs.
- Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of Rs. 10,000 crore (US\$ 1.43 billion) using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.

The growing flow of FDI in Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards. Indian real estate is expected to attract a substantial amount of FDI in the next two years with US\$ 8 billion capital infusion by FY22.

Residential real estate in the country's top seven property markets has staged a comeback with sales exceeding pre-pandemic levels, driven by record-low interest rates, discounts offered by developers, lower prices and stamp duty cuts in key areas. The improved sales momentum has lifted confidence among realty developers, pushing them to launch more projects as indicated by the rise in new offerings across market.

**Operational Review**

During the year under review, the Revenue of the company has increased to Rs. 3,76,831.65 thousand as compared to previous year turnover of Rs. 2,91,597.16 thousand. The company's net profit has decreased to Rs. 11,438.27 thousand

as against Rs. 17,012.58 thousand in the previous years. The Earning per Share ('EPS') for the year also reduced to Rs. 2.07 as compared to Rs. 3.09 in the previous year due to increase in expenditure.

### **Opportunities**

As India awaits policy reforms to pick up speed, your Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term. 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:**

While the management of your Company is confident of creating and exploiting the opportunities, it also finds the following challenges:

- Unanticipated delays in project approvals;
- Availability of accomplished and trained labour force;
- Concern due to ongoing pandemic situation;
- Increased cost of manpower;
- Rising cost of construction;
- Growth in auxiliary infrastructure facilities; and
- Over regulated environment.

### **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.

### **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 disposition.

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**

FY 2020-21 was an eventful year for the real estate sector which witnessed pandemic led disruption in H1 FY 2020-21 and a strong bounce back during the second half of the year. The pandemic has forced the developers to change their legacy business models and the players who focus on innovation and digital transformation in realty will lead the way for the sector.

We expect FY 2021-22 to start with weakness in the first quarter due to the significant impact of the second wave followed by a strong recovery thereafter and this will set the base for a multi-year growth cycle for the real estate sector. Financially strong and reputed developers with greater focus on delivering quality apartments and customised experiences for customer will benefit disproportionately from the likely cyclical upturn. Prevailing low interest rates, rising affordability and stable home prices have improved the consumer sentiment and will facilitate buoyant demand for the residential real estate sector.

The subsequent waves of COVID-19 and the resultant containment measures could delay the real estate recovery and will need to be tracked closely. Despite the crisis, our sales performance strengthened significantly in FY 2020- 21 and we expect to further scale our sales momentum in FY 2021-22, given our exciting launch pipeline and robust balance sheet.

### **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, 2021, 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 2021, 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
<p><b>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)</b></p> <p>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</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit process included to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing.</p> <p>Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation</p>

Key Audit Matter	Auditor's Response
<p>estimation of costs to complete and determining the timing of revenue recognition.</p> <p>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 at completion. The recognition of revenue is thus dependent on estimates in relation to total estimated costs of each contract.</p> <p>Cost contingencies are included in these estimates to take into 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.</p>	<p>process through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of operations of these controls.</p>

#### 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, 2021, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 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.

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.

Place: Chennai  
Date: 30.06.2021

**For M/s. GASM DANSR AND CO.**

(GANESAN)

(Partner)

(Mem No: 218179)

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

Firm Reg No: 005986S

UDIN: 21218179AAAACE6498

**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 2021 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, Goods 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 31,2021 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 2021 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	AY2002-03	The Commissioner of Income Tax (Appeals) Chennai
Income Tax Act 1961	Income Tax Along with Interest till the date of Assessment	Rs. 73,01,330/-	AY2013-14	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/-	AY2012-13	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.

Place: Chennai  
Date: 30.06.2021

**For M/s. GASM DANSR AND CO.**

(GANESAN)

(Partner)

(Mem No: 218179)

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

Firm Reg No: 005986S

UDIN: 21218179AAAACE6498

**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 2021 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 2021, 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: 30.06.2021

**For M/s. GASM DANSR AND CO.**

(GANESAN)

(Partner)

(Mem No: 218179)

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

Firm Reg No: 005986S

UDIN: 21218179AAAACE6498

## Balance Sheet as at 31st March, 2021

(Rs. In thousands)

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
<b>I. Assets</b>			
<b>Non-current assets</b>			
Property, Plant & Equipment	4	14,700.57	15,933.30
Other Non-Current Assets	5	429.15	429.15
<b>Total Non-Current Assets</b>		<b>15,129.72</b>	<b>16,362.45</b>
<b>Current Assets</b>			
Inventories	6	2,375,963.94	2,148,353.43
Financial Assets			
Investments	7	4,342.87	2.97
Trade receivables	8	31,611.80	72,299.97
Cash and cash equivalents	9	3,232.49	2,776.76
Loans	10	577,037.70	532,841.88
Other current assets	11	21,336.15	6,472.82
<b>Total Current Assets</b>		<b>3,013,524.95</b>	<b>2,762,747.83</b>
<b>Total Assets</b>		<b>3,028,654.67</b>	<b>2,779,110.28</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	510,131.00	510,131.00
Other Equity	13	133,237.18	121,854.57
<b>Total Equity</b>		<b>643,368.18</b>	<b>631,985.57</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	135,942.94	125,190.12
Deferred Tax Liability (Net)	15	1,129.00	799.11
<b>Total Non-Current Liabilities</b>		<b>137,071.94</b>	<b>125,989.23</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	539,524.44	706,017.27
Trade payables	17	-	-
Micro and Small Enterprises		-	-
Other than Micro and Small Enterprises		500,071.91	286,680.82
Other Financial Liabilities	18	1,185,162.36	1,004,837.01
Other Current liabilities	19	23,455.84	23,600.38
Provisions	20	-	-
<b>Total Current Liabilities</b>		<b>2,248,214.55</b>	<b>2,021,135.48</b>
<b>Total</b>		<b>3,028,654.67</b>	<b>2,779,110.28</b>

"See accompanying Notes to the financial statements"

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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 DirectorSd/-  
(Gajraj Jain)  
Joint Managing DirectorSd/-  
(Ganesan)  
Partner  
Membership No: 218179Place: Chennai  
Date: 30/06/2021Sd/-  
(Nitesh Jain)  
CFOSd/-  
(Niroshaa Kathiravan)  
Company Secretary

## Statement of Profit and Loss for the year ended 31st March, 2021

(Rs. In thousands)

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	21	346,187.83	258,493.78
II. Other Income	22	30,643.82	33,103.38
<b>III. Total Income</b>		<b>376,831.65</b>	<b>291,597.16</b>
<b>IV. EXPENSES</b>			
Purchase of Stock-in-Trade	23	263,233.91	74,125.50
Changes in inventories of Stock-in-Trade	24	3,440.16	113,298.44
Employee benefit expense	25	8,393.63	7,104.98
Financial costs	26	77,831.77	59,248.60
Depreciation and amortization expense	4	1,433.61	928.38
Other expenses	27	7,263.43	13,633.87
<b>Total Expenses</b>		<b>361,596.51</b>	<b>268,339.77</b>
V. Profit before exceptional items and tax		15,235.14	23,257.39
VI. Exceptional Items		-	-
VII. Profit before tax		<b>15,235.14</b>	<b>23,257.39</b>
VIII. Tax expense:	28		
Current tax		3,466.98	5,622.80
Deferred tax		329.89	622.01
IX. Profit(Loss) from the period from continuing operations (IX-X)		<b>11,438.27</b>	<b>17,012.58</b>
X. Profit/(Loss) from discontinuing operations			
XII. Tax expense of discounting operations			
XII. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XII. Profit/(Loss) for the period (XII+XIV)		<b>11,438.27</b>	<b>17,012.58</b>
XIV. Earning per equity share:			
(1) Basic	29	2.07	3.09
(2) Diluted	30	2.07	3.09

"See accompanying Notes to the financial statements"

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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 DirectorSd/-  
(Gajraj Jain)  
Joint Managing DirectorSd/-  
(Ganesan)  
Partner  
Membership No: 218179Place: Chennai  
Date: 30/06/2021Sd/-  
(Nitesh Jain)  
CFOSd/-  
(Niroshaa Kathiravan)  
Company Secretary

## CASH FLOW STATEMENT

	2020-2021 (Amount in Rs. Thousands)		2019-2020 (Amount in Rs. Thousands)	
<b>Cash Flow from Operating Activities</b>				
Net Profit before Tax and Exceptional items from Statement of Profit and Loss		15,235.14		23,257.39
Adjustments for:				
Depreciation/Amortisation	1,433.61		928.38	
Interest income	(30,126.91)		(32,485.38)	
(Profit) / Loss on Sale on Redemption of Mutual Funds	(53.20)		-	
Interest expense(net)	77,380.51	48,634.01	56,989.81	25,432.81
Operating Profit before Working Capital Changes		63,869.15		48,690.20
Adjustments for:				
Trade and Other Receivables	25,824.84		(2,152.49)	
Inventories	(227,610.51)		(197,424.83)	
Trade and Other Payables	393,571.90		295,698.15	
Total		191,786.23		96,120.83
<b>Cash generated from operations</b>		255,655.38		144,811.03
Income Taxes paid net of refund		(3,467.00)		(5,622.80)
Net Cash from operating activities		252,188.38		139,188.23
<b>Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(200.88)		(6,353.23)	
Proceeds from disposal of Property, Plant and Equipment	-		-	
Loans & Deposits Given	(110,237.23)		(166,271.37)	
Repayment of Loans & Deposits	66,041.41		100,893.38	
Purchase of Mutual Funds	(5,699.72)			
Redemption of Mutual Funds	1,413.01			
Advances to subsidiaries/ firms	-		50.00	
Interest Income	30,126.91		32,485.38	
Net Cash Flow from Investing Activities		(18,556.49)		(39,195.84)
<b>Cash Flow from Financing Activities</b>				
Proceeds from Issue of Equity Share Capital	-		-	
Preference Dividend Paid	(55.66)			
Proceeds from Borrowings – Non-Current	370,000.00		123,783.16	
Repayment of Borrowings – Non-Current	(359,247.15)		(776.28)	
Borrowings – Current (Net)	(166,492.83)		(169,291.14)	
Net increase/(decrease) in other borrowings	-		-	
Interest Paid	(77,380.51)		(56,989.81)	
Net Cash from financing activities		(233,176.15)		(103,274.07)
Net Increase/(Decrease) in Cash and Cash Equivalents		455.73		(3,281.68)
Opening Balance of Cash and Cash Equivalents		2,776.76		6,058.44
Closing Balance of Cash and Cash Equivalents		3,232.49		2,776.76

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

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/-  
**(Ganesan)**  
Partner  
Membership No: 218179

Place: Chennai  
Date: 30/06/2021

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****1. 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, and all values are rounded to the nearest thousand except when otherwise indicated.

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 goods 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 up to 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

(Rs. In thousands)

## A. Equity Share Capital

Particulars	Mar ' 2021 (in Rs.)	Mar ' 2020 (in Rs.)
<b>Opening Balance</b>	<b>55,131.00</b>	<b>55,131.00</b>
Additional equity share issued during the year	-	-
<b>Closing Balance</b>	<b>55,131.00</b>	<b>55,131.00</b>

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

Particulars	Mar ' 2021 (in Rs.)	Mar ' 2020 (in Rs.)
<b>Opening Balance</b>	<b>455,000.00</b>	<b>455,000.00</b>
0.01% Non-Convertible Redeemable Cumulative Preference Shares issued during the year	-	-
<b>Closing Balance</b>	<b>455,000.00</b>	<b>455,000.00</b>

## C. Other Equity

Particulars	Reserves and Surplus		
	General Reserves	Shares Forfeited	Retained Earnings
<b>Balance at 1 April 2019</b>	<b>108.06</b>	<b>1,984.50</b>	<b>102,749.43</b>
<b>Total comprehensive income for the year ended 31 Mar 2020</b>			
Profit for the year			17,012.58
Other comprehensive income (net of tax)			
Total comprehensive income	0.00	0.00	17,012.58
<b>Transactions with owners in their capacity as owners:</b>			
Dividends Paid			
Appropriations during the year			
<b>Balance at 31 March 2020</b>	<b>108.06</b>	<b>1,984.50</b>	<b>119,762.01</b>

Particulars	Reserves and Surplus		
	General Reserves	Shares Forfeited	Retained Earnings
<b>Balance at 1 April 2020</b>	<b>108.06</b>	<b>1,984.50</b>	<b>119,762.01</b>
<b>Total comprehensive income for the year ended 31 Mar 2021</b>			
Profit for the year			11,438.27
Other comprehensive income (net of tax)			
Total comprehensive income	0.00	0.00	11,438.27
<b>Transactions with owners in their capacity as owners:</b>			
Dividends Paid			55.66
Appropriations during the year			
<b>Balance at 31 March 2021</b>	<b>108.06</b>	<b>1,984.50</b>	<b>131,144.62</b>

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 DirectorSd/-  
(Gajraj Jain)  
Joint Managing DirectorSd/-  
(Ganesan)  
Partner  
Membership No: 218179Place: Chennai  
Date: 30/06/2021Sd/-  
(Nitesh Jain)  
CFOSd/-  
(Niroshaa Kathiravan)  
Company Secretary

(Rs. In thousands)

4	Tangible asset	Gross Value				Total	Depreciation				Closing balance		
		Opening balance	Additions	Deletions	upto 31/03/2020		Current Year	Deletions	upto 31/03/2021	ason 31/03/2021	ason 31/03/2020		
4.1	Building	2,549.31			1,412.03	2,549.31			23.46		1,435.49	1,113.82	1,137.28
4.2	Office Equipments	871.39	157.83		714.20	1,029.22			47.91		762.11	267.11	157.19
4.3	Electrical Installation	29.32	4.75		18.27	34.07			0.82		19.09	14.98	11.05
4.4	Furniture & Fixtures	772.54			503.43	772.54			14.54		517.97	254.57	269.11
4.5	Vehicles	19,302.45			5,050.22	19,302.45			1,300.72		6,350.94	12,951.51	14,252.23
4.6	Computers	240.38	38.30		133.94	278.68			46.16		180.10	98.58	106.44
	<b>Total</b>	<b>23,765.39</b>	<b>200.88</b>	<b>-</b>	<b>7,832.09</b>	<b>23,966.27</b>	<b>-</b>	<b>-</b>	<b>1,433.61</b>	<b>-</b>	<b>9,265.70</b>	<b>14,700.57</b>	<b>15,933.30</b>
	<b>Figures for the previous year</b>	<b>17,412.16</b>	<b>6,353.23</b>	<b>-</b>	<b>6,903.71</b>	<b>23,765.39</b>	<b>-</b>	<b>-</b>	<b>928.38</b>	<b>-</b>	<b>7,832.09</b>	<b>15,933.30</b>	<b>10,508.45</b>

## Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2021	As at 31 Mar 2020
5	<b><u>Other Non-Current Assets</u></b>		
	Other Financial Assets		
	Unsecured Considered Good		
5.1	Rental Deposit	345.00	345.00
5.2	Electricity Deposit	19.63	19.63
5.3	Telephone Deposit	52.02	52.02
5.4	Other Deposits	12.50	12.50
	<b>Total taken to Balance Sheet</b>	<b>429.15</b>	<b>429.15</b>
6	<b><u>Inventories</u></b>		
6.1	Work in progress	2,283,552.97	2,052,502.30
6.2	Stock in trade - Finished Flats	92,410.97	95,851.13
	<b>Total taken to Balance Sheet</b>	<b>2,375,963.94</b>	<b>2,148,353.43</b>
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	<b><u>Current Investments</u></b>		
	<b>In Membership Share in LLP, Unquoted</b>		
7.1	Annai Rainbow Foundations LLP	2.97	2.97
7.2	In Mutual Funds	4,339.90	-
		<b>4,342.87</b>	<b>2.97</b>
8	<b><u>Trade receivables</u></b>		
8.1	Trade receivables Unsecured and Considered Good	31,611.80	72,299.97
	<b>Total taken to Balance Sheet</b>	<b>31,611.80</b>	<b>72,299.97</b>
a)	Trade Receivables balances are subject to confirmation.		
9	<b><u>Cash and Cash Equivalents</u></b>		
9.1	Cash in hand	2,030.92	1,770.54
9.2	Balance with Banks	1,201.57	1,006.22
	<b>Total taken to Balance Sheet</b>	<b>3,232.49</b>	<b>2,776.76</b>
a)	Bank deposits have been given as security for the secured loan from a Bank as disclosed in Note 16.1		

## Notes to and forming part of Financial Statements

(Rs. In thousands)

	As at 31 Mar 2021	As at 31 Mar 2020
10		
10.1	143.00	110.00
10.2	3,063.07	15.10
10.3	573,831.63	532,716.78
	<b>577,037.70</b>	<b>532,841.88</b>
11		
11.1	3,353.57	1,325.51
11.2	403.72	156.83
11.3	1,035.49	533.23
11.4	258.04	459.76
11.5	7,007.42	-
11.6	8,894.45	3,017.28
11.7	383.46	980.21
	<b>21,336.15</b>	<b>6,472.82</b>
a)		

## Notes to and forming part of Financial Statements

(Rs. In thousands)

No	Particulars	As at 31 Mar 2021		As at 31 Mar 2020	
		Number	Amount	Number	Amount
12	<b>SHARE CAPITAL</b>				
	<b>Authorised Capital</b>				
	Equity Shares of Rs. 10 each	20,000,000	200,000.00	20,000,000	200,000.00
	0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	50,000,000	500,000.00	50,000,000	500,000.00
	<b>Total</b>	<b>70,000,000</b>	<b>700,000.00</b>	<b>70,000,000</b>	<b>700,000.00</b>
	<b>Issued, Subscribed and fully paid up Share Capital</b>				
	Equity Shares of Rs. 10 each	55,131,000	55,131.00	55,131,000	55,131.00
	<b>Total</b>	<b>55,131,000</b>	<b>55,131.00</b>	<b>55,131,000</b>	<b>55,131.00</b>
	<b>Preference Share Capital</b>				
	<b>Issued, Subscribed and fully paid up Share Capital</b>				
	0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	45,500,000	455,000.00	45,500,000	455,000.00
	<b>Total taken to Balance Sheet</b>	<b>45,500,000</b>	<b>510,131.00</b>	<b>45,500,000</b>	<b>510,131.00</b>
12.1	<b>RECONCILIATION OF SHARE CAPITAL</b>	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
	<b>Equity Shares (Face Value Rs 10.00)</b>				
	Balance at the beginning of the current reporting period	5,513,100	55,131	5,513,100	55,131
	Changes in Equity Share Capital due to prior period errors				
	Restated balance at the beginning of the current reporting period				
	Changes in equity share capital during the current year	-	-	-	-
	Balance at the end of the current reporting period	5,513,100	55,131	5,513,100	55,131
	<b>0.01% Non-Convertible Redeemable Cumulative Preference Shares (Face Value Rs 10.00)</b>				
	Balance at the beginning of the current reporting period	45,500,000	455,000	45,500,000	455,000
	Changes in Equity Share Capital due to prior period errors	-	-	-	-
	Restated balance at the beginning of the current reporting period				
	Changes in equity share capital during the current year	-	-	-	-
	Balance at the end of the current reporting period	45,500,000	455,000	45,500,000	455,000

## 12.2 RIGHTS PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

The company has two class of shares with equity 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

The company paid a sum of Rs. 55,656.00 to the preference shareholders which is the arrears of dividend on Cumulative Preference Shares issued by the company as at 31/03/2020.

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)

13	<b>Other Equity</b>	<b>As at 31 Mar 2021</b>	<b>As at 31 Mar 2020</b>
13.1	<b>General Reserve</b>		
	Opening balance	108.06	108.06
	Add: Current year surplus		
	Closing Balance	108.06	108.06
	<b>Shares Forfeited</b>		
	Opening balance	1,984.50	1,984.50
	Add: Current year surplus	-	-
	Closing Balance	1,984.50	1,984.50
	<b>Surplus from Profit &amp; Loss account</b>		
	Opening balance	119,762.01	102,749.43
	Add: Current year surplus	11,438.27	17,012.58
		131,200.28	119,762.01
	Less: Preference Dividend paid	55.66	-
	Closing Balance	<b>131,144.62</b>	<b>119,762.01</b>
	<b>Total taken to Balance Sheet</b>	<b>133,237.18</b>	<b>121,854.57</b>

## 14 Non-Current Financial Liabilities - Borrowings

(Rs. In thousands)

Particulars	Non-current Portion as at		Current Maturities* as at		Total as at	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
(Carried at Amortised Cost, except otherwise stated)						
Secured						
From Banks	626.34	1,406.96	780.62	722.58	1,406.96	2,129.54
From NBFC	135,316.60	123,783.16	922.96	1,216.84	136,239.56	125,000.00
<b>Total</b>	<b>135,942.94</b>	<b>125,190.12</b>	<b>1,703.58</b>	<b>1,939.42</b>	<b>137,646.52</b>	<b>127,129.54</b>

\*Current Maturities of non-current borrowings have been disclosed under 'Other Current Financial Liabilities' (Note 18.1)

## 14.1 Nature of Security, Repayment Terms

Name	Note	Rate of Interest	End of Tenure	As at 31/03/2021		As at 31/03/2020	
				Gross	Carrying Value	Gross	Carrying Value
<b>Term Loan from Banks</b>							
ICICI Bank	14.2	7.75%	01 Jan 2023	1,406.96	1,406.96	2,129.54	2,129.54
<b>Total Term Loan from Banks</b>				<b>1,406.96</b>	<b>1,406.96</b>	<b>2,129.54</b>	<b>2,129.54</b>
<b>Term Loan from NBFC</b>							
Aditya Birla Housing Finance Ltd -Loan 1	14.6	14.50%	15 Jan 2024	14,839.77	14,839.77	-	-
Aditya Birla Housing Finance Ltd - Loan 2	14.7	12.00%	15 Sep 2023	46,008.50	46,008.50	-	-
Bajaj Housing Finance Ltd-Loan 2	14.5	12.50%	15 Nov 2024	19,970.12	19,970.12	-	-
Bajaj Housing Finance Ltd -Loan 1	14.3	12.50%	15 Dec 2023	51,334.77	51,334.77	120,000.00	120,000.00
Daimler Financial Services India Pvt Ltd	14.4	8.00%	04 Mar 2025	4,086.40	4,086.40	5,000.00	5,000.00
<b>Total Term Loan from NBFC</b>				<b>136,239.56</b>	<b>136,239.56</b>	<b>125,000.00</b>	<b>125,000.00</b>



## Notes to and forming part of Financial Statements

14.2	Term Loan from ICICI Bank secured by charge on the Movable Motor Vehicles of the company. Repayment terms are Monthly Installment of Rs. 71,860 starting from 01st February 2018 to 01st January 2023.		
14.3	Term Loan from Bajaj Housing Finance Ltd -Loan 1 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 December 2023.		
14.4	Term Loan from Daimler Financial Service India Pvt Ltd 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	The Term loan from Bajaj Housing Finance Ltd-Loan 2 secured Charge on Inventory of the Company of Rs.2,00,00,000 is acquired on 31st October 2020 repayable starting from 15th Dec 2021 and the monthly principal repayment of Rs. 5,55,556 upto 15th November 2024.		
14.6	The Term Loan from Aditya Birla Housing Finance Ltd -Loan 1 secured by Charge on the on going project of the company of Rs. 25,00,00,000 is relating to the Project Construction cost by Aditya Birla Housing Finance Limited with the EMI amount of Rs. 266,602.		
14.7	The Term Loan from Aditya Birla Housing Finance Ltd - Loan 2 is secured by Charge on the on going project of the company of Rs. 10,00,00,000 is relating to the Project Construction cost by Aditya Birla Housing Finance Limited starting from 25th January 2021 with the EMI amount of Rs. 759,647.		
15	<b>Deferred Tax Liability (Net)</b>	<b>As at 31 Mar 2021</b>	<b>As at 31 Mar 2020</b>
15.1	The composition of Deferred Tax Liability relating to timing difference on account of depreciation		
	At the start of the year	799.11	177.10
	Charge to Statement of Profit and Loss on account of Property, Plant and Equipment	329.89	622.01
	At the end of year	<b>1,129.00</b>	<b>799.11</b>
16	<b>Short Term Borrowings</b>		
	Loans repayable on Demand		
16.1	From Banks	14,229.25	30,351.68
	Unsecured Indian Rupee Borrowings		
	Loans repayable on Demand		
16.2	From other Parties	525,295.19	675,665.59
	<b>Total taken to Balance Sheet</b>	<b>539,524.44</b>	<b>706,017.27</b>
	Secured Borrowings:		
	a <b>Secured Loan from Banks:</b> 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		

## Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2021	As at 31 Mar 2020
17	<b><u>Trade Payables</u></b>		
17.1	Trade Payables		
	Micro and Small Enterprises	-	-
	Other than Micro and Small Enterprises	500,071.91	286,680.82
	<b>Total taken to Balance Sheet</b>	<b>500,071.91</b>	<b>286,680.82</b>
	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 31/03/2021. This information as required to be disclosed under the Micro, 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	<b><u>Other Current Financial Liabilities</u></b>		
18.1	Current Maturities of Long-Term Debts (Note 14)	1,703.58	1,939.42
18.2	Advances from Related Parties	1,182,691.53	1,002,729.69
18.3	Interest Accrued but not Due on Borrowings	767.25	167.90
	<b>Total taken to Balance Sheet</b>	<b>1,185,162.36</b>	<b>1,004,837.01</b>
	a Refer to Note 32 for related party disclosures		
19	<b><u>Other Current Liabilities</u></b>		
	Others		
19.1	Expense Payable	8,302.30	4,545.34
19.2	Rental Deposit	369.42	-
19.3	TDS Payable	12,907.64	17,154.54
19.4	GST Payable	1,876.48	1,900.50
	<b>Total taken to Balance Sheet</b>	<b>23,455.84</b>	<b>23,600.38</b>
20	<b><u>Short-term provisions</u></b>		
20.1	Provision for Income Tax	-	-
	<b>Total taken to Balance Sheet</b>	<b>-</b>	<b>-</b>

For and on behalf of the Board

Sd/-  
(Anop Chand Jain)  
Managing Director

Sd/-  
(Gajraj Jain)  
Joint Managing Director

Place: Chennai  
Date: 30/06/2021

Sd/-  
(Nitesh Jain)  
CFO

Sd/-  
(Niroshaa Kathiravan)  
Company Secretary

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

Sd/-  
(Ganesan)  
Partner  
Membership No: 218179

## Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2021	As at 31 Mar 2020
21	<b><u>Revenue from operations</u></b>		
	Sale of		
21.1	Flats/Houses/Shops	207,983.83	251,747.78
21.2	Plots/Land / UDS Land	138,204.00	6,746.00
	Total	<b>346,187.83</b>	<b>258,493.78</b>
22	<b><u>Other Income</u></b>		
22.1	Interest Income	30,126.91	32,485.38
	Other Non Operating Income		
22.2	Rental Income	408.76	618.00
22.3	Profit on sale of Mutual Funds	53.20	-
22.4	Bad Debts Recovered	32.17	-
22.5	Insurance Claim	15.70	-
22.6	Miscellaneous Income	7.08	-
	Total	<b>30,643.82</b>	<b>33,103.38</b>
23	<b><u>Purchase of Stock-in-Trade</u></b>		
	Cost of		
23.1	Flats/Houses/Shops	134,923.96	73,984.50
23.2	Plots/Land / UDS Land	128,309.95	141.00
	Total	<b>263,233.91</b>	<b>74,125.50</b>
24	<b><u>Changes in inventories of stock-in-trade</u></b>		
	Opening Balance	95,851.13	209,149.57
	Less: Closing Balance	92,410.97	95,851.13
	Total	<b>3,440.16</b>	<b>113,298.44</b>
25	<b><u>Employee benefit expense</u></b>		
25.1	Salaries & Wages	8,334.50	7,041.50
25.2	Staff Welfare Expenses	59.13	63.48
	Total	<b>8,393.63</b>	<b>7,104.98</b>
	a Refer to Note 32 for related party disclosures		
26	<b><u>Financial costs</u></b>		
26.1	Interest Expenses	77,380.51	56,989.81
26.2	Other borrowing costs	451.26	2,258.79
	Total	<b>77,831.77</b>	<b>59,248.60</b>
	a Refer to Note 32 for related party disclosures		

## Notes to and forming part of Financial Statements

(Rs. In thousands)

		As at 31 Mar 2021	As at 31 Mar 2020
27	<b><u>Other Expenses</u></b>		
	Payment to Auditors		
27.01	for Audit	125.00	125.00
27.02	for Tax Representations	-	-
27.03	for Reimbursement of expenses	1.14	2.15
27.04	Electricity Charges	86.71	105.48
27.05	Rent	615.50	580.40
27.06	Repairs to buildings	796.72	3,371.92
27.07	Repairs to machinery	486.37	83.01
27.08	Insurance	211.83	181.82
27.09	Rates & Taxes	2,470.60	4,262.46
27.10	Sales Promotion	74.84	231.86
27.11	Telephone Expenses	80.42	128.52
27.12	Travelling Expenses	-	70.38
27.13	Vehicle Maintenance	760.07	891.90
27.14	Listing Fee	407.10	443.35
27.15	Professional Charges	979.37	579.24
27.16	Conveyance Charges	6.36	23.62
27.17	Commission	-	1,280.00
27.18	Bad Debts	32.17	-
27.19	Donation	-	305.10
27.20	Miscellaneous expenses	129.23	967.66
	Total	<b>7,263.43</b>	<b>13,633.87</b>
29	<b><u>Earnings per Equity Share - Basic</u></b>		
	Net profit / (loss) for the year from continuing operations	11,438.27	130,311.02
	Weighted average number of equity shares	5,513.10	5,513.10
	Earnings per share from continuing operations - Basic	2.07	23.64
30	<b><u>Earnings per Equity Share - Diluted</u></b>		
	Net profit / (loss) for the year from continuing operations	11,438.27	130,311.02
	Weighted average number of equity shares	5,513.10	5,513.10
	Earnings per share from continuing operations - Diluted	2.07	23.64

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 DirectorSd/-  
**(Gajraj Jain)**  
Joint Managing DirectorSd/-  
**(Ganesan)**  
Partner  
Membership No: 218179Place: Chennai  
Date: 30/06/2021Sd/-  
**(Nitesh Jain)**  
CFOSd/-  
**(Niroshaa Kathiravan)**  
Company Secretary

31 **Disclosure as per Ind AS 115**

- (a) The Company undertakes Engineering, Procurement 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) Disaggregation of revenue from contracts with customers**

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

Particulars	in Rupees	
	31-Mar-21	31-Mar-20
<b>Primary geographical markets</b>		
India	346,187.83	258,493.78
<b>Total</b>	<b>346,187.83</b>	<b>258,493.78</b>

**(c) Contract balances**

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

Particulars	in Rupees	
	31-Mar-21	31-Mar-20
<b>Receivables which are included in Trade and other receivables</b>		
<b>Contract assets</b>		
- Amount due from customers on construction contract	31,611.80	72,299.97
- Accrued value of work done net off provision	0.00	0.00
<b>Contract liabilities</b>		
- Amount due to customers under construction contracts	500,071.91	286,680.82
- 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

No.	Description of relationship		Name(s) of related partie(s)	
32	Key Management Personnel (KMP)		1	Mothiram P M - 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	Krishnasamy Pranatharthiharan - Company Secretary
			8	Niroshaa Kathiravan - Company Secretary
32.1	<b>Related Party Transaction</b>			
	<b>Unsecured Loan - Taken</b>			
	Anoop Chand Jain	1	229,656.20	211,613.48
	Gajraj Jain	2	795,104.72	791,116.21
	Navin Jain	3	157,930.61	
	<b>Total</b>		<b>1,182,691.53</b>	<b>1,002,729.69</b>
	<b>Salary</b>			
	Anoop Chand Jain	1	1,320.00	1,320.00
	Gajraj Jain	2	1,320.00	1,320.00
	Nitesh Jain	3	900.00	900.00
	Niroshaa Kathiravan	4	276.00	276.00
	Ashish Jain	5	900.00	900.00
	Navin Jain	7	900.00	
	<b>Total</b>		<b>5,616.00</b>	<b>4,716.00</b>
	<b>Interest</b>			
	Anop Chand Jain	1	29,235.37	20,792.75
	Gajraj Jain	2	84,311.91	91,728.39
	Navin Jain	3	8,573.63	
	<b>Total</b>		<b>122,120.91</b>	<b>112,521.14</b>
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	<b>Contingent Liabilities And Commitments</b> The total outstanding demand of Income Tax is Rs. 8,85,15,558 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 GASMS DANSR AND CO  
Firm Reg No: 005986S  
(Chartered Accountants)Sd/-  
**(Anop Chand Jain)**  
Managing DirectorSd/-  
**(Gajraj Jain)**  
Joint Managing DirectorSd/-  
**(Ganesan)**  
Partner  
Membership No: 218179Place: Chennai  
Date: 30/06/2021Sd/-  
**(Nitesh Jain)**  
CFOSd/-  
**(Niroshaa Kathiravan)**  
Company Secretary