



# **RAINBOW FOUNDATIONS LIMITED**



**Twenty Eighth Annual Report 2021-22**

**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

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

Bombay Stock Exchange Ltd., Mumbai

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**REGISTERED OFFICE**

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

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**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 Eighth Annual General Meeting of **Rainbow Foundations Limited** will be held on **Friday, 30<sup>th</sup> September, 2022 at 10.15 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, 2022 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Navin Jain (DIN: 02213825), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint **M/s. GASM DANSR and Co.** Chartered Accountants, as the Statutory Auditors of the Company

**RESOLVED THAT** pursuant to Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the audit committee and the Board of Directors of the Company, M/s. GASM DANSR and Co, Chartered Accountants (Firm registration number: 005986S) be and are hereby reappointed as the Statutory Auditors of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 28<sup>th</sup>AGM till the conclusion of the 32<sup>nd</sup> AGM to be held in the year 2027, at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).

**SPECIAL BUSINESS**

4. **To increase the borrowing powers under Section 180(1)(c) of the Companies Act, 2013 upto Rs.1000 Crores;**

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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder and provisions of Articles of Association of the Company, consent of the members of the Company be and are hereby accorded to the Board of Directors of the Company or Committee thereof (the “Board”) for borrowing from time to time, as it may think fit, any sum or sums of money in any currency on such terms and conditions as the Board may deem fit, by way of loans, issuance of bonds, notes, debentures or other securities whether convertible into equity/ preference shares or not, from banks, financial or other institution(s), investors, mutual fund(s), or any other persons, up to an aggregate amount of **Rupees 1000 Crores** (Rupees One Thousand Crores only) notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

**RESOLVED FURTHER THAT** any Director be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deeds, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution.”

5. **Creation of charges, mortgages, hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013**

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

**“RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereof) and any rules and regulations made thereunder, consent of the members of the Company be and is hereby accorded to the Board of Directors (“Board”) of the Company to pledge, mortgage, lien, hypothecate and/or create charge, whether fixed or floating (in addition to any other hypothecation, pledge, lien, mortgage, charges created/to be created by the Company), in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the immovable properties and movable assets (both tangible and intangible) of the Company, both present and future, and the whole or

substantially the whole of the undertaking(s) or any properties of the Company where so ever situated, in favour of banks, financial institutions, investors, debenture holders or any other lenders and their agents or trustees (together, the “Lenders”) to secure any borrowings, debentures, financial assistance or financial indebtedness availed by the Company or any third party from time to time (including without limitation, the due payment of the principal and/or together with interest, at the respective agreed rates, additional interest, compound interest, accumulated interest, liquidated damages, commitment charges, remuneration of the agent(s), trustee(s), prepayment premium, all other costs, charges and expenses and all other monies payable by the Company) (together, the “Financial Indebtedness”) in terms of the financing documents, or any other documents, entered into or to be entered into between the Company and any Lender(s) in respect of the Financial Indebtedness, on such terms and conditions as may be agreed between the Company and any Lender(s), provided that the maximum extent of the Financial Indebtedness secured by the assets of the Company does not exceed Rupees 1000 Crores (Rupees One Thousand Crores) at any time.

**RESOLVED FURTHER THAT** the pledge, mortgage, lien, hypothecation and/or charge created or to be created and all agreements, deeds, instruments or documents executed or to be executed and all acts necessary in terms of this resolution required to be done by the Company or the Board are hereby approved, confirmed and ratified.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to sign and execute all such deed, documents and instruments as may be necessary, expedient and incidental thereto to give effect to this resolution.”

#### 6. Approval for Amendment to the Articles of Association of the Company

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

**“RESOLVED THAT** pursuant to Section 14 of the Companies Act, 2013 and other applicable provisions, (including any amendments thereto or re-enactment thereof) and other approvals, permission and consents as may be required, the Articles of Association of the Company be and are hereby altered in the manner tabulated hereunder, to capture the requirements of the debenture holders/debenture trustee, inter alia, to provide for appointment of nominee director upon happening of an event of default in terms of the issuance of debentures:

S. No.	Reference to the AOA	
1.	Addition to the provisions of the AOA (i.e. to be added in Article 2(1))	<ol style="list-style-type: none"> <li>1. <b>“Debenture Trust Deed”</b> shall mean the debenture trust deed to be entered into between the Company and Debenture Trustee setting out the terms of the Debentures.</li> <li>2. <b>“Debentures”</b> shall mean listed, secured, redeemable, non-convertible debentures issued or proposed to be issued by the Company pursuant to the terms of the Debenture Trust Deed.</li> <li>3. <b>“Debenture Trustee”</b> shall mean the debenture trustee appointed by the debenture holders in connection with the issuance of the Debentures.</li> </ol>
2.	Addition to the provisions of the AOA (i.e. Article 2A to be added)	The Company shall not amend, modify or alter these Articles in any manner which would be inconsistent with the provisions of the Debenture Trust Deed or documents entered pursuant thereto.
3.	Addition to the provisions of the AOA (i.e. Article 61(1)(A) be amended)	The Debenture Trust Deed shall govern the provisions for meetings and powers of the debenture holders of the Company.
4.	Addition to the provisions of the AOA (i.e. Article 89A be amended)	Notwithstanding anything contained in these Articles, Debenture Trustee shall be entitled to appoint a nominee

	<p>director of the Board, in accordance with the terms of the Debenture Trust Deed, and such Nominee Director(s) shall exercise such powers and duties as may be approved by the Debenture Trustee and have such rights as are usually exercised by or are available to a whole-time Director in the management of the affairs of the Company. Such whole-time Nominee Director(s) shall not be required to hold qualification shares nor be liable to retire by rotation and shall be entitled to receive such remuneration, fees, commission and monies. Such Nominee Director(s) shall be member of all the committees appointed by the Company and shall have the right to receive notices of and attend all general meetings and meetings of the Board or any committee(s) of the Company. Any expenses that may be incurred by the Debenture Trustee or such Nominee Director(s) in connection with their appointment or directorship shall be paid or reimbursed by the Company to the Debenture Trustee or, as the case may be, to such Nominee Director(s). Such Nominee Director(s) shall not be responsible to any of the director or to any officer or other employee of the Company or for any loss or expenses resulting to the Company or for any wrongful act of the Company or to any debtor or to any person except the Debenture Trustee in the execution of the duties of his office or in relation thereto; such Nominee Director(s) shall be indemnified by the Company against all losses and expenses including but not limited to all the litigation costs and advocate fees, incurred by him in, or in relation to, the discharge of his duties; and such Nominee Director(s) shall not be responsible for any suit or other legal proceedings or for any loss or damage caused or likely to be caused by anything which is done in good faith or intended to be done by such a Nominee Director.</p>
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**RESOLVED FURTHER THAT** certified true copies of this resolution be furnished to the debenture holders/debenture trustee/lenders legal counsel/any other person(s) as may be required, under the signatures of any one of the directors/key managerial personnel of the Company.”

**RESOLVED FURTHER THAT** certified true copies of this resolution be filed with the relevant governmental/regulatory authorities such as Registrar of Companies, under the signatures of any one of the directors of the Company.

#### 7. Private Placement of Non-Convertible Debentures amounting to INR 175 Crores.

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

“**RESOLVED THAT** pursuant to the provisions of Section 42, 179(3)(c) and other applicable provisions, if any, of the Companies Act, 2013 read along with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other Rules, circular and clarifications, issued in this regards (including any amendment(s), modification(s) or re-enactment thereof, for the time being in force) and the Memorandum and Articles of Association of the Company, and other applicable laws, if any and such other approvals, consents and sanctions, as may be required the Company do raise finance by the issue and allotment of senior, listed, rated, secured, redeemable non-convertible debentures, aggregating to not more than INR 175 Crores (referred to as “the Debentures”), to be issued on private placement basis in one or more tranches, more particularly on the terms and conditions to be set out in the information memorandum and the debenture trust deed entered inter alia between the Company and the Debenture Trustee, M/s IDBI Trusteeship Services Limited ( as the “Debenture Trustee”) (“Debenture Trust Deed”), as finalized and amended in accordance with this Resolution.”

**RESOLVED FURTHER THAT** all directors of the Company, be and are hereby severally authorized on behalf of the Company to take from time to time all decisions and steps necessary, expedient or proper, in respect of the

issuance and listing of the Debentures mentioned hereinabove including the timing, amount and other terms and conditions of such Debenture issue and also to take all other decisions including varying any of them, either in part or full, as it may, in its absolute discretion, deem appropriate, subject to the specific limits, take such actions and steps including delegation of authority, as maybe necessary and to settle all matters arising out of and thereto, and to sign and to execute deeds, applications, documents, agreements and writings that may be required, on behalf of the Company, in relation to the issue of debenture on private placement basis and take decisions on all matters concerning the same, including if necessary, delegate upon its issuance all or any activity pertaining to it any Committee or any person or persons so authorized by it in this behalf and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary for giving effect of this Resolution.”

**RESOLVED FURTHER THAT** the draft of the Offer Letter in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, be and is hereby approved.

**RESOLVED FURTHER THAT** the Company do record the name of the Debenture Holders (as defined in the Debenture Trust Deed) and maintain such record of private placement offer of the Subscription Shares in Form PAS-5 under the Companies (Prospectus and Allotment of Securities) Rules, 2014.

**RESOLVED FURTHER THAT** the Company be and is hereby authorised to make all the necessary filings with the relevant regulatory authorities and do all such acts, deeds and things as may be required in connection therewith, including but not limited to signing and sending the relevant Offer Letter to the Debenture Holders and to sign and maintain form PAS-5.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s) and/ or officer(s) of the Company, to give effect to the resolution, without being required to seek any further consent and approval of the members.

**8. To approve conversion of loan into equity or other capital of the Company in case of Event of Default and in this regard,**

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

“**RESOLVED THAT** in accordance with the provisions of Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules issued there under (as amended from time to time) and the applicable provisions of Companies Act, 1956, and in accordance with the Memorandum of Association and Articles of Association of the Company and applicable regulations, guidelines and/or rules issued by RBI, SEBI and/or any appropriate statutory, governmental and other authorities and departments from time to time in this regard, the consent of the members be and is hereby accorded to the Board of Directors of the Company (which expression shall be deemed to include any committee(s) thereof constituted or to be constituted by the Board of Directors to exercise its powers, including the powers conferred by this resolution and hereinafter referred to as the “Board”) to issue and allot Debentures in one or more tranches to the Debenture holders for part financing of the Projects on the terms and conditions contained in the debenture trust deed or any other debenture documents executed or to be executed in relation to the Debentures, inter-alia by giving an option to the Debenture holders (including their respective successors and substitutes), at their sole discretion in case of default under the Debentures (as more particularly described under the debenture trust deed or any other debenture document entered/ to be entered into in relation with the issuance of Debentures), to convert either whole or part of the Debentures, interest and any other outstanding secured obligation, in relation to the Debentures into fully paid up and voting equity shares of the Company at the valuation to be decided by the Debenture holders at the time of such conversion (whether under the rights of the Debenture holders as per the debenture documents for the Debentures or under the Revised Framework for Resolution of Stressed Assets issued by Reserve Bank of India (“RBI”) dated June 7, 2019 or any other guidelines issued by RBI and as amended from time to time), subject to the applicable laws on the date of conversion and in the manner specified in the written notice provided by the Debenture holders to the Company of their intention to convert such Debentures, in the event the Company commits a default under the terms of the debenture trust deed or any other debenture document entered/ to be entered into in relation with the Debentures until the repayment of the Debentures to the satisfaction of the Debenture holders. The conversion right reserved as aforesaid may be exercised by the Debenture holders on one or more occasions according to the provisions of the debenture trust deed or any other debenture documents executed in relation to the Debentures.



**RESOLVED FURTHER THAT** on receipt of the notice of conversion, the Company shall, subject to the provisions of the debenture trust deed and other debenture documents entered in connection with the Debentures, upon event of default under the debenture trust deed take all steps necessary to get the equity shares issued to the Debenture holders or such other person identified by them as a result of such conversion and allot and issue the requisite number of fully paid-up equity shares to the Debenture holders or such other person identified by the Debenture holders as from the date of conversion and the Debenture holders shall accept the same in satisfaction of the part of the Debentures so converted, the part of the Debentures so converted shall cease to carry interest/coupon as from the date of conversion and the outstanding Debentures shall stand correspondingly reduced. Upon such conversion, the redemption instalments payable after the date of conversion as per the debenture trust deed shall stand reduced proportionately by the amounts of the Debentures so converted.

**RESOLVED FURTHER THAT** the fully paid up equity shares so allotted and issued to the Debenture holders or any other person identified by the Debenture holders pursuant to their exercising the right of conversion and such conversion shall carry from the date of such conversion the right to receive proportionate dividends and other distributions declared or to be declared in respect of the equity share capital of the Company and shall rank pari passu in all respects with other equity shares of the Company, provided further that the Company shall increase, if required, the authorized capital of the Company to satisfy the conversion for the time being available to the Debenture holders.

**RESOLVED FURTHER THAT** the consent of members is hereby given for any amendment, change, modification to the Memorandum and Articles of Association of the Company to give effect to the above resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of shares to the Debenture holders or such other person identified by the Debenture holders on such terms and conditions as agreed between the Debenture holders and the Company for conversion of the Debentures, as may be required or as may be necessary in regard to such conversion.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board of Directors be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to create, offer, issue and allot the aforesaid fully paid up equity shares and to resolve and settle all questions and difficulties or doubts that may arise in this regard including in the proposed allotment, utilization of the proceeds and to do all acts, deeds and things in connection therewith as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors are also authorized to increase the Authorized Share Capital of the Company accordingly and to take necessary steps to complete the compliance in this regard.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to accept such modifications and to accept such terms and conditions as may be imposed or required by the Debenture holders arising from or incidental to the aforesaid term providing for such option and to do all such acts and things as may be necessary to give effect to the above resolution.”

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

**GajrajJain  
Joint Managing Director  
DIN:01182117**

**Registered Office:**

**Place:** Chennai  
**Date:** 05<sup>th</sup> September, 2022

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

**NOTES:**

1. Ministry of Corporate Affairs (the MCA) has, vide its circular dated 5<sup>th</sup> May, 2022 read with circulars dated 5<sup>th</sup> May, 2020, 8<sup>th</sup> April, 2020 & 13<sup>th</sup> April, 2020 (collectively referred to as the MCA Circulars) and the Securities and Exchange Board of India (SEBI) vide its circular No. SEBI/ HO/ CFD /CMD2 / CIR/P/2022/62 dated 13<sup>th</sup> May, 2022, read with circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Covid-19 pandemic' (the SEBI Circulars) permitted the holding of the Annual General Meeting (AGM/the Meeting) through VC/OAVM, without the physical presence of the Members at a common venue upto 31<sup>st</sup> December, 2022. In compliance with the said provisions of the Companies Act, 2013 (the Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations), the MCA Circulars and the SEBI Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue of meeting for the purpose of recording of the minutes of the proceedings of the AGM.
2. ***Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.***
3. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM and the Financial Statements for the year ended 31<sup>st</sup> March, 2022 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 2021-22 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](https://www.evotingindia.com).
4. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to RTA at [investor@cameoindia.com](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).
5. A statement pursuant to section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the Annual General Meeting is annexed hereto.
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 21<sup>st</sup> September, 2022 through email on [rainbowfoundations@gmail.com](mailto: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 24<sup>th</sup> September, 2022 to 30<sup>th</sup> September, 2022 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 INTRUCTIONS FOR SHAREHOLDRES FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**
  - Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.
  - Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.
    - (i) The voting period begins on Tuesday, 27<sup>th</sup> September, 2022 at 9:00 A.M and ends on Thursday, 29<sup>th</sup> September, 2022 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 23<sup>rd</sup> September, 2022 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.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (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 above said 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>	<ol style="list-style-type: none"> <li>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.</li> <li>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 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.</li> <li>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></li> <li>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</li> </ol>

	progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>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 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.</li> <li>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></li> <li>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</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	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 & voting during the meeting.

**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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
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 <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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)	<p>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.</p> <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 : **220830032 ‘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](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free No. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 22 55 33.

21. 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 23<sup>rd</sup> September, 2022. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
22. 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.
23. 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 for with.
24. 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](http://www.rainbowfoundations.in) and on the website of CDSL immediately after the result is declared.
25. The Company shall simultaneously forward the results to BSE limited ("BSE") where the shares of the Company are listed.
26. 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**

**GajrajJain  
Joint Managing Director  
DIN:01182117**

**Registered Office:**

**Place:** Chennai

**Date:** 05<sup>th</sup> September, 2022

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



**EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO: 4 & 5**

Keeping in view the Company's existing and future financial requirements and the business plan, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits upto Rs.1000 Crores (Rupees One Thousand Crores only) over and above paid up capital and Free Reserves of the Company. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors / any of its authorised Committee of the Company from time to time, in consultation with the lender(s). Section 180(1)(a) of the Companies Act, 2013, provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the prior approval of members in the General Meeting by way of special resolution.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, as set out at Item No. 4 and Item No. 5 of the Notice, to enable the Board of Directors to borrow money upto Rs.1000 Crores (Rupees One Thousand Crores only) and inter alia, authorised the Board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The Board recommends the Special Resolution set out in Item No. 4 and Item No. 5 as per the accompanying Notice, for approval by the Shareholders of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above resolution.

**ITEM NO: 6**

The Company is proposing to issue of listed, secured, redeemable, non-convertible debentures on private placement basis. In order to capture the requirements of the debenture holders/debenture trustee, inter alia, to provide for appointment of nominee director upon happening of an event of default in terms of the issuance of debentures it is proposed to amend the Articles of Association of the company.

Pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the rule 33 of the Companies (Incorporation) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and in order to comply with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Board proposes to alter and insert clauses in Articles of Association (AOA) of the Company towards terms of issue of debentures to capture the requirements of the debenture holders/debenture trustee, inter alia, to provide for appointment of nominee director upon happening of an event of default in terms of the issuance of debentures

In continuation of same, pursuant to SEBI Circular, an AOA of the Company should have an enabling provision for carrying out consolidation and re-issuance of debt securities. As Company is required to alter a clause of terms of issue of Debentures in AOA for the said reason, it is mandatory for the Company to amend AOA in compliance with the said SEBI Circular.

The above amendment would be subject to the approval of the Registrar of Companies, Chennai and any other statutory authority, as may be necessary. A copy of Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office during normal business hours on all working days up to the date of the Meeting.

The Directors recommend the passing of the Resolution under Item No. 6 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors of the Company or the Key Managerial Persons of the Company or their respective relatives, are concerned or interested in the passing of the above Resolution."

**ITEM NO 7**

Keeping in view the requirements of funds to meet the cost incurred/to be incurred towards land acquisition in respect of Rainbow Chetna & Ekanta - North Town, Stephenson Road, Perambur, Chennai ("Project 1") and Rainbow Crystal Heights - Purasawalkam High Road, Kilpauk, Chennai ("Project 2") (collectively referred to as "Projects"), the Company seeks the approval of the Members to enable the Board of Directors to raise resources through listed, secured, redeemable, non-convertible debentures (NCD) during the period of one year from the date of passing of the Special Resolution by the members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time on a private placement basis in one or more tranche.

The Board has at its meeting held on September 05, 2022, recommended to the shareholders to give their consent to the Board of Directors or any Committee of the Board for issue and allotment of listed, secured, redeemable, non-convertible debentures, aggregating to not more than INR 175 Crores in one or more tranches on private placement basis under section 42 and 71 read with section 179 of the companies Act, 2013. Such issue shall be subject to overall borrowing limits of as approved by Shareholders from time to time and will be issued in terms of the provisions of the Companies Act, 2013, Articles of Association of the Company and Securities and Exchange Board of India (Issue and Listing of non-convertible Securities) Regulations, 2021, as amended (the "SEBI Regulations") and other applicable laws.

The Directors recommend the passing of the Resolution under Item No. 7 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors of the Company or the Key Managerial Persons of the Company or their respective relatives, are concerned or interested in the passing of the above Resolution."

**ITEM NO 8**

In line the Companies Act and in line with various directives issued by Reserve Bank of India, from time to time, and in pursuance of the debenture trust deed and other debenture documents entered in connection with the Debentures of the Company, the Company is required to pass a Special Resolution under Section 62(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules under the Revised Framework for Resolution of Stressed Assets issued by Reserve Bank of India ("RBI") dated June 7, 2019 or any other guidelines issued by RBI and as amended from time to time made thereunder to convert the outstanding debt into equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable laws at the time of such conversion.

Further, Section 62(3) of the Companies Act, 2013, provides that nothing in Section 62 shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the Company; provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in General Meeting.

The Company hereby clarifies that this resolution is merely an enabling resolution and there are no proposals of conversion of loan into Equity, either pending or envisaged currently.

The Directors recommend the passing of the Resolution under Item No. 8 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors of the Company or the Key Managerial Persons of the Company or their respective relatives, are concerned or interested in the passing of the above Resolution."

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

**GajrajJain  
Joint Managing Director  
DIN:01182117**

**Registered Office:**

**Place:** Chennai  
**Date:** 05<sup>th</sup> September, 2022

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

## 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. Navin Jain
Age	45 years
DIN	02213825
Category	Executive Director
Date of first appointment on the Board as Director	30th June, 2020
Qualification(s)	Graduate in Business Administration
Expertise in Specific Functional Area	Field of marketing, public relations or liaison
Terms & conditions of re-appointment	As per resolution mentioned in Item No.2 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	Rs.12 Lakhs p.a.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Navin Jain is the son of Mr. Anop Chand Jain, MD and nephew of Mr. Gajraj Jain, MD and cousin brother of Mr. Nitesh Jain, CFO. Apart from this, he does not have any relationship with the Company, other Directors and Key Managerial Personnel of the Company.
Number of Board Meetings attended during the year	9
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2022	2
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2022	NIL
Number of shares held in the Company as on 31st March, 2022	181957 equity shares of Rs.10/- each

**BOARD'S REPORT**

To,

The Members,

**Rainbow Foundations Limited**

Your Directors have pleasure in presenting the 28<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, 2022.

**1. FINANCIAL RESULTS**

Particulars	Amount in Thousands	
	For Financial Year ended 31/03/2022	For Financial Year ended 31/03/2021
Total Income	3,95,555.19	3,76,831.65
Total Expenditure	3,83,059.10	3,61,596.51
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	76,340.50	94,500.51
Finance Charges	62,706.72	77,831.78
Depreciation	1,137.70	1,433.62
Profit/(loss) before Tax	12,496.08	15,235.11
Tax Expense	9,497.86	3,796.87
Net Profit/(Loss) After Tax	29,982.27	11,438.27
Profit/(Loss) carried to Balance Sheet	29,982.28	11,438.27
<b>The proposed appropriations are</b>		
Proposed Dividend	0	0
Corporate dividend tax	0	0
General reserve	0	0
Balance carried forward	2,998.23	11,438.24
Earnings Per Share Basic	0.54	2.07
Diluted	0.54	2.07

**2. ECONOMIC REVIEW:**

The Indian economy has been fairly resilient in the last year despite pandemic related challenges, however few headwinds could impact economic recovery in FY 2022-23. Global disruptions, shortages and escalating prices of commodities as a result of geopolitical tensions and sanctions have so far persisted which pose a substantial risk of unusually high inflation.

While the short-term outlook seems challenging given external supply shocks and geopolitical tension, we do believe the government is doing the right things to ensure a sustainable growth path for the country and 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.3,60,191.84 thousand as compared to previous year turnover of Rs. 3,46,187.83 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 73.779%. The Earning per Share ('EPS') for the year also reduced to Rs. 0.54 as compared to Rs. 2.07 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
- Mr. 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 31.03.2022	YEAR ENDED 31.03.2021
(a)	Authorised share Capital: 110,000,000 Equity Shares of Rs. 10/-each <i>(Previous year : 20,000,000 Equity Shares of Rs. 10/-each)</i> 50,000,000 Preference Shares of Rs. 10 each	1,100,000,000 500,000,000	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. 45,500/- to the preference shareholders which is the dividend on Cumulative Preference Shares issued by the company as at 31.03.2021 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 2021-22.

**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:**

The Company has allotted 4,41,04,800 (Four Crore Forty One Lakh Four Thousand and Eight Hundred) Equity Shares having face value of Rs. 10/- (Rupees Ten) on a right basis to the existing equity shareholders of the Company at a price of Rs. 11/- (Rupees Eleven only) per Equity Share in the ratio of 8:1 i.e. 8 (Eight) Equity Shares for every 1 (One) Equity Share on 27<sup>th</sup> April, 2022 for the purpose of redemption of preference shares.

Further, the Board of Directors in its meeting held on 06<sup>th</sup> May, 2022 has decided to redeem Non-convertible Redeemable Cumulative Preference Shares (NCRCPs) in multiple tranches and as on date the company has redeemed the 6000000 NCRCPs of Rs.10/- (Rupees Ten only) aggregating to Rs. 6,00,00,000/- .

Apart from the above, 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 28<sup>th</sup> Annual General Meeting.

The tenure of the Statutory Auditor expires in the ensuing Annual General Meeting and the Board proposes their reappointment for a period of another 5 years.

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).

The Board of Directors in its meeting held on 12<sup>th</sup> August, 2022, re-appointed M/s. BKJ & Co., as Internal Auditor of the Company for the period of three financial year (From 2022-23 to 2024-25).

**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 2021-22. The Practicing Company Secretary has submitted his Report on the Secretarial Audit conducted by him which is annexed herewith as "Annexure (B)".

**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.

**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 (C1)".

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 (C2)".

**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, 2022, 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, 2022 and of the profit of the company for the period ended March 31, 2022;
- (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:12/08/2022

**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, 2022 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, 2022, 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, 2022	No. of Directorship held*		Committees~	
				Public	Private	Chairman	Member
Gajraj Jain	01182117	Managing Director, Executive Director	3.63	1	-	-	-
Anop Chand Jain	02215110	Managing Director, Executive Director	3.50	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.*

*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 9 (Nine) times, i.e. on April 30<sup>th</sup>, 2021, June 30<sup>th</sup>, 2021, August 13<sup>th</sup>, 2021, September 11<sup>th</sup>, 2021, October 14<sup>th</sup>, 2021, November 13<sup>th</sup>, 2021, December 18<sup>th</sup>, 2021, February 14<sup>th</sup>, 2022 and March 07<sup>th</sup>, 2022. 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 2021-22		Whether attended last AGM held on 24/11/2021	Sitting fee (In Rs. Lakhs)*
	Held	Attended		
Gajraj Jain	9	9	Yes	-
Anop Chand Jain	9	9	Yes	-
Pushpala Motiram Manjith	9	9	Yes	-
Sampat Raj Singhvi	9	9	Yes	-
Maithri Jayakkar	9	9	Yes	-
Navin Jain	9	9	Yes	-

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

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

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

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

Skills/Expertise/ Competencies	Gajraj Jain	Anop Chand Jain	Sampat Raj Singhvi	Maithri Jayakkar	Pushpala Motiram Manjith	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 not annexed to the Notice convening the said meeting as no appointment/re-appointment is due.

### 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 Director 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, 2022, 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;
- Review of matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- Review of changes, if any, in accounting policies and practices and reasons for the same;

#### **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, 2022, 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, Seven (7) Audit Committee Meetings were held i.e on April 30<sup>th</sup> 2021, June 30<sup>th</sup>, 2021, August 13<sup>th</sup>, 2021, September 11<sup>th</sup>, 2021, October 14<sup>th</sup>, 2021, November 13<sup>th</sup>, 2021 and February 14<sup>th</sup>, 2022. 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 2021-22	
		Held	Attended
Maithri Jayakkar	Non-Executive - Independent Director	7	7
Sampat Raj Singhvi	Non-Executive - Independent Director	7	7
Pushpala Motiram Manjith	Non-Executive – Independent Director	7	7

### 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<sup>st</sup>, 2022, 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>, 2021. 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 2021-22	
		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, Two (2) Meeting of Stakeholders' Relationship Committee were held i.e on August 13<sup>th</sup> 2021, and February 14<sup>th</sup>, 2022. 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 2021-22	
		Held	Attended
Maithri Jayakkar	Non-Executive - Independent Director	2	2
Sampat Raj Singhvi	Non-Executive - Independent Director	2	2
Pushpala Motiram Manjith	Non-Executive - Independent Director	2	2

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
2021	Registered office of the Company (Through VC)	November 24, 2021, 11:00 A.M	<ol style="list-style-type: none"> <li>1. Re - appointment and payment of Remuneration to Mr. Anop Chand Jain (DIN: 02215110) as the Managing Director of the Company.</li> <li>2. Re - appointment and payment of Remuneration to Mr. Gajraj Jain (DIN: 01182117) as the Managing Director of the Company.</li> <li>3. To consider and approve the variation in terms w.r.t redemption of Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs).</li> <li>4. Increase in Authorised Share Capital of the Company and consequently approve the alteration of capital clause of Memorandum of Association.</li> </ol>
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>

All Directors attended the last AGM held on November 24th, 2021.

**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:** Friday, 30th September, 2022

**Time:** 10: 15 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 2022-23) for approval of:**

Financial Result for 1 <sup>st</sup> quarter 2022-23 (Unaudited)	On or before 14-08-2022
Financial Result for 2 <sup>nd</sup> quarter 2022-23 (Unaudited)	On or before 14-11-2022
Financial Result for 3 <sup>rd</sup> quarter 2022-23 (Unaudited)	On or before 14-02-2023
Financial Result for 4 <sup>th</sup> quarter and year ended 2022-23 (Audited)	On or before 30-05-2023

**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 :** 24<sup>th</sup> September, 2022 to 30<sup>th</sup> September, 2022 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 2022-2023 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 2021-2022.

**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, 2021 to March, 2022 are as under

Month	BSE Limited		
	High	Low	Volume
April, 2021	8.76	7.96	48,782.36
May, 2021	17.82	8.69	51,937.44
June, 2021	18.40	16.25	52,482.71
July, 2021	18.00	15.40	52,586.84
August, 2021	17.5	12.45	57,552.39
September, 2021	17.24	12.85	59,126.36
October 2021	17.00	14.65	59,306.93
November 2021	16.95	14.25	57,064.87
December 2021	34.8	14.01	58,253.82
January 2022	40.00	29.25	58,014.17
February 2022	32.70	20.55	56,247.28
March 2022	27.35	11.00	58,568.51

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, 2022

No of Equity Shares	No. of Share holders	% of Shareholders	No. of Share held	% of Shareholding
10-5000	2117	79.7663	193666	3.5128
5001-10000	268	10.0979	243002	4.4077
10001-20000	79	2.9766	124903	2.2655
20001-30000	34	1.2810	88449	1.6043
30001-40000	18	0.6782	64153	1.1636
40001-50000	22	0.8289	105879	1.9204
50001-100000	39	1.4694	326349	5.9195
100001 & above	77	2.9012	4366699	79.2058
<b>Total</b>	<b>2654</b>	<b>100.00</b>	<b>5513100</b>	<b>100.00</b>

## Shareholding Pattern as on March 31, 2022

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. 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. Public Shareholding</b>		
Individuals	2465584	44.72
Bodies Corporate	694518	12.60
Trust	0	0.00
Clearing Member	9542	0.17
Financial Institution/ Banks	0	0.00
Mutual Funds	0	0.00
Others	472822	8.58
<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, 2022, 52,17,680 Equity Shares of the company constituting 94.64% of the issued, subscribed and paid-up share capital of the Company are held in dematerialized form and 2,95,420 Equity Shares of the Company constituting 05.36% 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, 2022 are as under:

Shares held in	Number of shares	% of total equity
NSDL	30,10,260	54.6019
CDSL	22,07,420	40.0395
Physical Mode	2,95,420	5.3585
<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, 2022.

**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, 2022.

**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 2021-22 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 : 12.08.2022

**Gajraj Jain**  
Joint Managing Director  
DIN: 01182117

#### **DECLARATION**

In accordance with Clause D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We Gajraj Jain, Managing Director and Mr. Nitesh Jain, Chief Financial Officer of the Company, hereby declare that the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct for Board Members and Senior Management for the year ended 31 March 2022.

For **Rainbow Foundations Limited**

**Gajraj Jain**  
Joint Managing Director  
DIN: 01182117

**Nitesh Jain**  
CFO

Place : Chennai  
Date : 12.08.2022

**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, 2022. 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, 2022, referred to in paragraph 1 above.

**OTHER MATTERS AND RESTRICTION ON USE**

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

Place: Chennai  
Date: 13/06/2022

**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: 22218179AOQQMZ6519

**CERTIFICATION BY CEO/CFO TO THE BOARD**

To,  
The Board of Directors,  
**Rainbow Foundations Limited**

We, Gajraj Jain, Joint Managing Director and Nitesh Jain, Chief Financial Officer of Rainbow Foundations Limited, certify that:

1. We have reviewed the financial statements and cash flow statement for the year ending 31<sup>st</sup> March, 2022 and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material factor or contain statements that might be misleading.
  - b. These statements together present a true and fair view of the state of affairs of the Company and are in compliance with the existing accounting standards applicable laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
3. We accept responsibility for the Company's internal control system for financial reporting. We have periodically evaluated the effectiveness of the internal control system of the Company and have disclosed to the auditors and the audit committee, deficiencies in the designs or operations of the internal controls, if any. We have also taken effective steps to rectify those deficiencies.
4. We indicate to the Auditors and the Audit Committee that:
  - a. No significant changes in internal control over financial reporting during the year.
  - b. No significant change in accounting policies during the year.
  - c. No instances of significant fraud of which we have become aware of and which involve management or other employees, who have significant role in the Company's internal control system over financial reporting.

**Place:** Chennai  
**Date:** 12<sup>th</sup> August, 2022

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

**NITESH JAIN**  
Chief Financial Officer

**CERTIFICATE BY PRACTISING COMPANY SECRETARY**

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

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, 2022, 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  
Practicing Company Secretary

Place: Chennai  
Date : 12/08/2022

Soy Joseph  
Partner  
(ACS No.13852, CP No.5612)  
UDIN: A013852D000784853  
Peer Review No: 1100/2021

## Annexure B

## Form No. MR-3

## Secretarial Audit Report

For the Financial Year Ended 31<sup>st</sup> March 2022

[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"). 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 2022** ("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 2022, 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
- (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;
  - 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 (Regulation of Employment and Conditions of Service) Act, 1996
- f) The Building and other Construction Workers Welfare Cess Act, 1996
- g) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
- h) Contract Labour (Regulation and Abolition) Act, 1970
- i) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- j) 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.

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. Gajraj Jain was re-appointed as the Managing Director of the Company with effect from February 14, 2022 and the approval from the shareholders was sought in the Annual General Meeting held on November 24, 2021.
- Mr. Anop Chand Jain was re-appointed as the Managing Director of the Company with effect from December 17, 2021 and the approval from the shareholders was sought in the Annual General Meeting held on November 24, 2021.

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 during the audit period the company has carried out the following event/action having a major bearing on the Company's affairs and the same took place in pursuance of the above referred laws, rules, regulations and standards.

**a) Increase in the Authorised Share Capital of the Company:**

The Company has increased the limits of its Authorised Share Capital in Annual General Meeting convened on November 24, 2021 from INR 700,000,000 to INR 1,100,000,000 and consequent amendment has been carried out in the capital clause of Memorandum of Association of the Company.

**b) Variation in Terms on redemption of Non-Convertible Redeemable Cumulative Preference Shares:**

The Variation in terms w.r.t redemption of Non-Convertible Redeemable Cumulative Preference shares were approved by the preference shareholders in their meeting held on October 29, 2021; which was further approved by the Equity Shareholders in the Annual General Meeting held on November 24, 2021 and relevant e-forms were filed with the Registrar of Companies.

**c) Further Issue of Equity Shares:**

In the Board Meeting held on October 14, 2021, the Company has sought approval for raising of funds up to INR 50,00,00,000 by offering, issuing and allotting equity shares through Rights Issue. In the Board Meeting held on December 18, 2021 the approval was sought to issue 4,41,04,800 Equity Shares at a face value of INR 10 per share and a premium of INR 1 per share.

Further in the Board Meeting held on March 07, 2022 the Record Date for the Rights Issue was decided as March 11, 2022 and the Issue was opened on March 25, 2022 which was later closed on April 18, 2022.

**For JM & Associates,  
Company Secretaries**

Place: Chennai  
Date: 12.08.2022

Soy Joseph  
Partner  
(ACS-13852,CP-5612)  
UDIN:A013852D000785141  
Peer Review No: 1100/2021

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**

**CIN: L55101TN1994PLC027739**

NO. 4, Thanikachalam Road,

T. Nagar, Chennai, Tamil Nadu 600017

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

1. Maintenance of secretarial record is the responsibility of the management of the company. 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: 12.08.2022

Soy Joseph  
Partner  
(ACS-13852,CP-5612)  
UDIN: A013852D000785141  
Peer Review No: 1100/2021

## ANNEXURE C1

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:

- 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	7.44:1
Mr. Gajraj Jain	7.44:1
Mr. Navin Jain	6.76:1

- 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	25.00%
Mr. Nitesh Jain	0.00%
Ms. Niroshaa Kathiravan	0.00%

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

The Median remuneration of the employees in the financial year 2021-22 was Rs. 1,77,500 in comparison with the financial year 2020-21 as Rs.1,80,000. Hence, there is decrease of 1.41% in median remuneration in the financial year 2021-22.

- The number of permanent employees on the rolls of the Company as on March 31, 2022 was 20.
- 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 2021-22 was 13.25% whereas Key Managerial Personnel have seen an average increase of 6.36 % in remuneration of FY 2022 over FY 2021.

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

## Annexure C2

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	A.Rajan	Niroshaa Kathiravan	K. Vicky Krishnan	T. Ashok Kumar	M. Dhana Sekar	P. Kishan Kumar	Susheel S Golecha
Designation	CFO	Marketing Manager	Manager-Admin	Accountant	Company Secretary	Front Office In-charge	Site Engineer	Office Assistant	Driver	Site Supervisor
Remuneration Paid	9,00,000	9,00,000	6,60,000	3,96,000	2,76,000	2,40,000	2,12,500	2,04,000	1,98,000	1,17,000
Nature of Employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Probation
Qualifications	MBA	MBA	B.Com	B.Com	M.Com, ACS	B.Com	Diploma	X Std	V Std	Diploma
Experience (years)	12	6	29	14	8	5	5	14	12	2
Date of commencement of the employment	01.06.2016	01.04.2019	03.07.1995	27.02.2007	17.12.2018	01.07.2020	15.03.2020	22.11.2007	15.05.2008	01.09.2021
Age (Years)	34	31	54	37	29	36	30	39	32	28
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	NIL	0.20	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 2021-22 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 : 12<sup>th</sup> August 2022

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

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

## ANNEXURE D

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

It has been more than two years since the pandemic began but the world continues to face regular disruptions with several COVID-19 variants. However, the world is returning to normalcy on the health front, in large part due to rising vaccination. Concerted policy response from governments as well as central banks over the past two years has helped mitigate demand destruction and job losses inspite of this unprecedented pandemic. We are now faced with the challenge of spiraling inflation in many developed economies which is likely to lead to tighter monetary policy, crimping demand and giving rise to macro-economic uncertainty. To add to this, the Russian invasion of Ukraine has led to significant loss of life and large scale human suffering. Further, the war is continuing to cause damage to global supply chains, particularly in fuel and food, further exacerbating inflationary pressures and increasing pressure on emerging economies.

The Indian economy has been fairly resilient in the last year despite pandemic related challenges, however few headwinds could impact economic recovery in FY2022-23. India's GDP grew by 5.4% in Q3 FY2021-22 as against 8.5% growth in the previous quarter. The central bank also raised its FY2022-23 retail inflation estimate to 5.7% from 4.5% earlier. Global disruptions, shortages and escalating prices of commodities as a result of geopolitical tensions and sanctions have so far persisted which pose a substantial risk of unusually high inflation.

While the short-term outlook seems challenging given external supply shocks and geopolitical tension, we do believe the government is doing the right things to ensure a sustainable growth path for the country. The union budget presented this year was very supportive of the long-term growth of the real estate sector in India through its focus on urban infrastructure and the digital economy. The government's sharply expanded capital expenditure target for the year is expected to create job opportunities and higher economic activity.

**Real Estate Sector**

India's real estate sector in general and the housing segment in particular, has shown quick recovery from the Covid-induced crisis. The second wave was much more severe with a far higher number of casualties. However, its impact on the real estate sector was short-lived. With lessons learnt from the first wave, developers have dealt better with the second wave especially with respect to online real estate sales and managing worker shortages. The residential sector has shown healthy growth after several years of slowdown

At the same time, the pandemic has led to a paradigm shift in the attitude of customers towards residential properties. The uncertainty caused by the pandemic has reinstated the importance of home ownership. New trends emerged as a result of the pandemic such as preference for larger sized apartments, inclination towards reputed developers and a rising demand for township projects.

While the residential segment witnessed strong revival, the recovery for commercial sector has been moderate. The biggest challenge to office space demand has been the work from home trend, while local restrictions and delay in consumption recovery has been a challenge for the retail real estate sector

**Government Initiatives**

The union budget presented this year was supportive of the long-term growth of the real estate sector in India through its focus on urban infrastructure and the digital economy. The Government's rising focus on infrastructure capex will create a backdrop of opportunity for the real estate sector. Some of the key measures include Housing for all, Urban Development Plan, Digitalization of Land Records, Withdrawal of Interest Deduction Benefit for Affordable Housing etc

The Central Government continued its focus on boosting availability of affordable homes under the Pradhan Mantri Awas Yojana (PMAY). The establishment of the Special Window for Affordable and Mid-Income Housing (SWAMIH) fund proved beneficial in enabling completion of stuck projects by providing last mile funding for such projects. The completion and turnaround of such stuck projects may be a sentiment booster for the industry.

**Operational Review**

During the year under review, the Revenue of the company has increased to Rs. 3,60,191.84 thousand as compared to previous year turnover of Rs.3,46,187.83 thousand. The company's net profit has decreased to Rs. 2998.23 thousand as against Rs. 11,438.24 thousand in the previous years. The Earning per Share ('EPS') for the year also reduced to Rs. 0.54 as compared to Rs. 2.07 in the previous year due to increase in expenditure.



### Opportunities

The pandemic has nudged a lot of fence-sitters to convert into first-time home buyers and existing ones to upgrade to larger homes by re-establishing the security that homeownership offers, resulting in rising housing demand across segments. Demand for quality housing is immense in India and long-term structural drivers of consolidated supply and growing demand with moderate price growth are in place. An expected economic recovery along with the belief of housing prices bottoming out amongst consumers and rising income levels are some of the factors which will drive the housing demand going ahead.

### Risk and Threats:

Though the industry is in the early stages of a multi-year up cycle, we continue to keep a watchful eye for any of the following challenges which, if they fructify, will impact this upward trajectory:

- Any further pandemic induced lockdowns
- High input cost increase due to geopolitical tensions or otherwise
- Steep increase in interest rates in general and mortgage rates in particular
- Significant economic slowdown in India

### 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 deposition.

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

### Human Resources

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

### Business Outlook

FY 2021-22 was an exciting year for the real estate sector and GPL as well wherein we witnessed second wave led demand deferment in the first quarter, followed by a brisk sales recovery in the later part of the year.

Post-pandemic, developers have moved away from the traditional way of doing business and rightly focused on end-user customer demand with a strong focus on innovation and digital transformation. We believe FY2022- 23 will witness a healthy sales momentum backed by solid structural foundation, sustained demand and relatively affordable mortgage rates. Financially strong and reputed developers with superior execution capabilities stand to benefit disproportionately from the ongoing cyclical upturn.

We expect to further scale our sales momentum in FY 2022-23, given our exciting launch pipeline and robust balance sheet. We look forward to adding a projects to our portfolio in FY 2022-23, which is amongst our top priorities and which will enable us to grow rapidly going ahead.

### 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, 2022, 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 2022, 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.

#### **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.

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<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 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><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 process through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of operations of these controls.</p>

Key Audit Matter	Auditor's Response
<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>	

### 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 the Companies (Auditor's Report) Order, 2020 ("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.
2. 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, 2022, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 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.
  - d.
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - e.
    - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
    - (b) The company has not declared interim dividend during the year, accordingly section 123 of the Act, not applicable.
    - (c) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

Place: Chennai

Date: 13.06.2022

**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: 22218179AQOZ19291



Annexure-A**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of M/s **RAINBOW FOUNDATIONS LIMITED**, for the year ended 31st March 2022 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.
  - (a) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment. In our opinion and according to the information and explanations given to us, the Company does not have any intangible assets.
  - (b) The property, plant and equipment of the Company were physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to size of the company and nature of its assets.
  - (c) In our opinion and according to the information and explanations given to us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued its property, plant and equipment (including right of use asset) during the year. Accordingly, paragraph 3 (i) (d) of the Order is not applicable.
  - (e) In our opinion and according to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, paragraph 3 (i) (e) of the Order is not applicable.
- ii.
  - (a) The inventories have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
  - (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, the company is not required to file any quarterly return with such financial institution. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable.
- iii.
  - (a) In our opinion and according to information and explanation given to us, the Company has made investments in and granted loans or advances in the nature of loans, unsecured to companies, or other parties.
    - (A) The Company does not have any subsidiaries, joint ventures and associates. Accordingly, paragraph 3 (iii) (a)(A) of the Order is not applicable.
    - (B) The aggregate amount during the year and balance outstanding at the balance sheet date with respect to loans or advances to other than subsidiaries, joint ventures and associates are Rs.1,625 Lakhs and Rs.7,118 Lakhs respectively.
  - (b) In our opinion and according to information and explanation given to us, the investments made, and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
  - (d) In our opinion and according to information and explanation given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has not been stipulated. Accordingly, paragraph 3 (iii) (d) of the Order is not applicable.
  - (e) In our opinion and according to information and explanation given to us, there are no loan or advance in the nature of loan granted which has fallen due during the year and has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties. Accordingly, paragraph 3 (iii) (e) of the Order is not applicable.
  - (f) In our opinion and according to information and explanation given to us, the company has granted the loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment aggregating to Rs.7,118 Lakhs (100% to the total loans and advances in the nature of loans granted during the year). There are no loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- iv. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.



- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, paragraph 3 (v) of the Order is not applicable.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
- 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 Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added 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 31,2022 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 2022 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. 8,09,29,010/-	AY 2012-13	The Commissioner of Income Tax (Appeals) Chennai

- viii. In our opinion and according to the information and explanations given to us, there are no transactions which are not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, paragraph 3 (viii) of the Order is not applicable.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the term loans obtained during the year were applied for the purpose for which they were availed.
- (d) In our opinion and according to the information and explanations given to us, funds raised on short term basis have not been utilised for long term purposes.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of subsidiaries, associates, or joint ventures since it does not have any subsidiaries, associates, or joint ventures. Accordingly, paragraph 3 (ix) (e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in subsidiaries, joint ventures or associate companies as there are no subsidiaries/ associates/ joint-ventures and accordingly, paragraphs 3 (ix) (f) of the Order is not applicable.
- x. (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (x) (a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3 (x) (b) of the Order is not applicable.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year. Accordingly, paragraph 3 (xi) (a) of the Order is not applicable.
- (b) Since there is no fraud by the Company or no material fraud on the Company by any person has been noticed or reported during the year, paragraph 3 (xi) (b) of the Order is not applicable.

- (c) To the best of our knowledge and according to the information and explanations given to us, no whistle-blower complaints, have been received by the Company during the year. Accordingly, Paragraph 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and accordingly, Paragraphs 3 (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system, commensurate with the size and nature of its business.  
(b) The reports of the internal auditors for the year under audit were considered by us, as part of our audit procedures.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.  
(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (Cord) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.  
(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.  
(d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) and it does not have any other companies in the Group. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3 (xviii) of the Order is not applicable.
- xix. In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) In our opinion and according to the information and explanations given to us, provision of section 135 of the Act, not applicable to the company. Accordingly, paragraph 3 (xx) (a) of the Order is not applicable.  
(b) In our opinion and according to the information and explanations given to us, provision of section 135 of the Act, not applicable to the company. Accordingly, paragraph 3 (xx) (b) of the Order is not applicable.
- xxi. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

Place: Chennai  
Date: 13.06.2022

**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: 22218179AOQOZ19291

## 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 2022 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 2022, 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: 13.06.2022

**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: 22218179AOQOZ19291

## Balance Sheet as at 31st March, 2022

(Amount in 1000s)

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
<b>I. Assets</b>			
<b>Non-current assets</b>			
(a) Property, Plant & Equipment	4	14,333.32	14,700.57
(b) Financial Assets			
i. Other Financial Asset Assets	5	12,561.09	9,323.60
<b>Total Non-Current Assets</b>		<b>26,894.41</b>	<b>24,024.17</b>
<b>Current Assets</b>			
Inventories	6	2,656,965.70	2,375,963.94
Financial Assets			
Investments	7	5,130.07	4,342.87
Trade receivables	8	16,157.26	31,611.80
Cash and cash equivalents	9	23,742.16	3,232.49
Loans	10	711,863.88	576,812.42
Others	11	5,076.81	225.28
Other current assets	12	13,618.61	12,441.70
<b>Total Current Assets</b>		<b>3,432,554.49</b>	<b>3,004,630.51</b>
<b>Total Assets</b>		<b>3,459,448.90</b>	<b>3,028,654.67</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	55,131.00	55,131.00
Other Equity	14	136,235.41	133,237.18
<b>Total Equity</b>		<b>191,366.41</b>	<b>188,368.18</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	507,360.69	590,942.94
Deferred Tax Liability (Net)	16	1,414.86	1,129.00
<b>Total Non-Current Liabilities</b>		<b>508,775.55</b>	<b>592,071.94</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	17	1,902,455.45	1,722,215.97
Trade payables	18		
Micro and Small Enterprises		-	-
Other than Micro and Small Enterprises		340,181.06	500,071.91
Other Financial Liabilities	19	516,670.43	25,926.67
Other Current liabilities			
<b>Total Current Liabilities</b>		<b>2,759,306.94</b>	<b>2,248,214.55</b>
<b>Total</b>		<b>3,459,448.90</b>	<b>3,028,654.67</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 Director

Sd/-  
(Gajraj Jain)  
Joint Managing Director

Sd/-  
(Ganesan)  
Partner  
Membership No: 218179

Place: Chennai  
Date: 13/06/2022

Sd/-  
(Nitesh Jain)  
CFO

Sd/-  
(Niroshaa Kathiravan)  
Company Secretary

## Statement of Profit and Loss for the year ended 31st March, 2022

(Amount in 1000s)

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	20	360,191.84	346,187.83
II. Other Income	21	35,363.34	30,643.82
<b>III. Total Income</b>		<b>395,555.18</b>	<b>376,831.65</b>
<b>IV. EXPENSES</b>			
Purchase of Stock-in-Trade	22	273,010.75	263,233.91
Changes in inventories of Stock-in-Trade	23	21,864.49	3,440.16
Employee benefit expense	24	8,537.53	8,393.63
Financial costs	25	62,706.72	77,831.77
Depreciation and amortization expense	4	1,137.70	1,433.61
Other expenses	26	15,801.90	7,263.43
<b>Total Expenses</b>		<b>383,059.09</b>	<b>361,596.51</b>
V Profit before exceptional items and tax		12,496.09	15,235.14
VI. Exceptional Items		-	-
VII. Profit before tax		<b>12,496.09</b>	<b>15,235.14</b>
VIII. Tax expense:	27		
Current tax		9,212.00	3,466.98
Deferred tax		285.86	329.89
XI. Profit(Loss) for the period from continuing operations (IX-X)		<b>2,998.23</b>	<b>11,438.27</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XII+XIV)		<b>2,998.23</b>	<b>11,438.27</b>
XVI. Earning per equity share:			
(1) Basic	28	0.54	2.07
(2) Diluted	29	0.54	2.07

"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: 13/06/2022Sd/-  
**(Nitesh Jain)**  
CFOSd/-  
**(Niroshaa Kathiravan)**  
Company Secretary

## CASH FLOW STATEMENT

(Amount in 1000s)

	2021-2022		2020-2021	
<b>Cash Flow from Operating Activities</b>				
Net Profit before Tax and Exceptional items from Statement of Profit and Loss		12,496.09		15,235.11
Adjustments for:				
Depreciation/Amortisation	1,137.70		1,433.62	
Profit on sale of Assets	(71.09)			
Interest income	(34,700.99)		(30,126.91)	
(Profit) / Loss on Sale on Redemption of Mutual Funds	(151.90)		(53.20)	
Interest expense(net)	<u>62,706.72</u>	28,920.44	<u>77,380.51</u>	48,634.02
Operating Profit before Working Capital Changes		41,416.53		63,869.14
Adjustments for:				
Trade and Other Receivables	14,152.22		25,824.85	
Inventories	(281,001.76)		(227,610.49)	
Trade and Other Payables	<u>(136,558.24)</u>		<u>393,571.88</u>	
Total		(403,407.77)		191,786.25
Cash generated from operations		(361,991.24)		255,655.38
Income Taxes paid net of refund		<u>(9,212.00)</u>		<u>(3,466.98)</u>
Net Cash from operating activities		<u>(371,203.24)</u>		<u>252,188.40</u>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(799.38)		(200.88)	
Proceeds from disposal of Property, Plant and Equipment	100.00		-	
Loans & Deposits Given	(148,032.49)		(110,237.23)	
Repayment of Loans & Deposits	39,281.41		66,041.41	
Purchase of Mutual Funds	(3,625.11)		(5,699.72)	
Redemption of Mutual Funds	2,989.81		1,413.01	
Advances to subsidiaries/ firms				
Interest Income	<u>5,288.55</u>		<u>30,126.91</u>	
Net Cash Flow from Investing Activities		(104,797.20)		(18,556.50)
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from Issue of Equity Share Capital	-		-	
Preference Dividend Paid	(45.50)		(55.66)	
Proceeds from Borrowings – Non-Current	486,031.91		370,000.00	
Repayment of Borrowings – Non-Current	(102,203.02)		(359,247.18)	
Borrowings – Current (Net)	180,239.48		(166,492.84)	
Refundable Security Deposit	(4,851.53)			
Net increase/(decrease) in other borrowings	-		-	
Interest Paid	<u>(62,661.22)</u>		<u>(77,380.51)</u>	
Net Cash from financing activities		<u>496,510.12</u>		<u>(233,176.18)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		20,509.67		455.72
Opening Balance of Cash and Cash Equivalents		3,232.49		2,776.76
Closing Balance of Cash and Cash Equivalents		23,742.16		3,232.48

The above Cash Flow Statement has been prepared under the indirect method set out in (Ind AS)7.

For and on behalf of the Board

Sd/-  
**(Anop Chand Jain)**  
Managing Director

Sd/-  
**(Gajraj Jain)**  
Joint Managing Director

Place: Chennai  
Date: 13/06/2022

Sd/-  
**(Nitesh Jain)**  
CFO

Sd/-  
**(Niroshaa Kathiravan)**  
Company Secretary

for GASM DANSRAND CO  
Firm Reg No: 005986S  
(Chartered Accountants)

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



**1. Company Information**

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

**2. Significant Accounting Policies****Basis of Preparation and Presentation**

- a. The Financial Statements have been prepared on the historical cost basis, except for certain items that are measured at fair values, as explained in the accounting policies.
- b. The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.
- c. The Company's Financial Statements are presented in Indian Rupees (Rs.), which is also its functional currency, and all values are rounded to the nearest thousand except when otherwise indicated.

**Summary of Significant Accounting Policies****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.

(Rs. In thousands)

4	Tangible asset	Gross Value			Depreciation			Closing balance		
		Opening balance	Additions	Deletions	Total	upto 31/03/2021	Current Year	Deletions upto 31/03/2022	31/03/2022	31/03/2021
4.1	Building	2,549.31	-	-	2,549.31	1,435.49	17.09	-	1,452.58	1,113.82
4.2	Office Equipments	996.40	-	-	996.40	761.19	76.03	-	837.22	235.22
4.3	Electrical Installation	37.19	-	-	37.19	19.10	0.67	-	19.76	18.09
4.4	Furniture & Fixtures	772.54	3.03	-	775.57	517.98	9.03	-	527.01	254.57
4.5	Vehicles	19,295.95	690.89	578.13	19,408.71	6,351.87	993.13	549.22	6,795.78	12,944.08
4.6	Computers	314.88	105.46	-	420.34	180.10	41.76	-	221.86	134.78
	<b>Total</b>	<b>23,966.28</b>	<b>799.38</b>	<b>578.13</b>	<b>24,187.53</b>	<b>9,265.72</b>	<b>1,137.70</b>	<b>549.22</b>	<b>9,854.20</b>	<b>14,700.57</b>
	Figures for the previous year	23,765.40	200.88	-	23,966.28	7,832.11	1,433.61	-	9,265.72	15,933.29

## Notes to and forming part of Financial Statements

(Amount in 1000s)

5	<b>Other Non-Current Assets</b>	<b>As at 31 Mar 2022</b>	<b>As at 31 Mar 2021</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
5.5	Bank Deposits with more than 12 months Maturity	12,131.94	8,894.45
	<b>Total taken to Balance Sheet</b>	<b>12,561.09</b>	<b>9,323.60</b>
a	Bank deposits have been given as security for the secured loan from a Bank as disclosed in Note 17.1		
6	<b>Inventories</b>		
6.1	Work in Progress	2,586,419.22	2,283,552.97
6.2	Stock in trade - Finished Flats	70,546.48	92,410.97
	<b>Total taken to Balance Sheet</b>	<b>2,656,965.70</b>	<b>2,375,963.94</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>Current Investments</b>		
	In Mutual Funds		
7.1	Aditya Birla Sun Life short term fund Gr. Direct	5,127.10	4,339.90
	Investment in Partnership Firm		
7.2	Annai Rainbow Foundations LLP	2.97	2.97
		<b>5,130.07</b>	<b>4,342.87</b>

Annai Rainbow Foundations LLP is under process of strike off

## 8. Trade Receivables

(Amount in 1000s)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Figures as at the end of current reporting period</b>						
(i) Undisputed Trade receivables — considered good	53.10	11.80	-	-	15,906.36	15,971.26
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	186.00	186.00
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Sub-Total</b>						<b>16,157.26</b>

## Notes to and forming part of Financial Statements

(Amount in 1000s)

## Figures as at the end of previous reporting period

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Figures as at the end of current reporting period</b>						
(i) Undisputed Trade receivables — considered good	5,480.10	-	-	-	25,714.70	31,194.80
(ii) Undisputed Trade Receivables — considered doubtful	-	-	-	-	417.00	417.00
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Sub-Total</b>						<b>31,611.80</b>

a) No provision is made in the Financial Statements towards the doubtful debts

		As at 31 Mar 2022	As at 31 Mar 2021
9	<b><u>Cash and Cash Equivalents</u></b>		
9.1	Balance with Banks	21,188.26	1,201.57
9.2	Cash in hand	2,553.90	2,030.92
	<b>Total taken to Balance Sheet</b>	<b>23,742.16</b>	<b>3,232.49</b>
10	<b><u>Loans</u></b>		
	Other Loans and Advances		
	Unsecured - Considered Good		
10.1	Staff Advances	94.00	143.00
10.2	Advance to Suppliers	-	3,063.07
10.3	Other Loans	711,769.88	573,606.35
	<b>Total taken to Balance Sheet</b>	<b>711,863.88</b>	<b>576,812.42</b>
11	<b><u>Other Financial Asset</u></b>		
11.1	Sales Tax Appeal Deposit	225.28	225.28
11.2	Right Issue - Security Deposit	4,851.53	-
	<b>Total taken to Balance Sheet</b>	<b>5,076.81</b>	<b>225.28</b>
12	<b><u>Other Current Assets</u></b>		
12.1	Income Tax Refundable	5,425.55	3,353.57
12.2	Prepaid Expenses	228.02	403.72
12.3	TDS Receivable	3,889.51	1,035.49
12.4	Rent Receivable	248.09	258.04
12.5	GST Credit	3,443.98	7,007.42
12.6	Registration Deposit	383.46	383.46
	<b>Total taken to Balance Sheet</b>	<b>13,618.61</b>	<b>12,441.70</b>



## Notes to and forming part of Financial Statements (Amount in 1000s)

No	Particulars	As at 31 Mar 2022		As at 31 Mar 2021	
		Number	Amount	Number	Amount
13	<b>SHARE CAPITAL</b>				
	<b>Authorised Capital</b>				
	Equity Shares of Rs. 10 each	110,000,000	1100,000.00	20,000,000	200,000.00
	<b>Total</b>	<b>110,000,000</b>	<b>110,000.00</b>	<b>20,000,000</b>	<b>200,000.00</b>
	<b>Issued, Subscribed and fully paid up Share Capital</b>				
	Equity Shares of Rs. 10 each	5,513,100	55,131.00	5,513,100	55,131.00
	<b>Total</b>	<b>5,513,100</b>	<b>55,131.00</b>	<b>5,513,100</b>	<b>55,131.00</b>
13.1	<b>RECONCILIATION OF SHARE CAPITAL</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

SHARES HELD BY PROMOTERS	Figures for the current reporting period		Figures for the previous reporting period		% Change during the year
	No. of Shares	% of Share	No. of Shares	% of Share	
Mr.Anopchand Jain	192,891	3.50%	192,891.00	3.50%	-
Mr.Gajraj Jain	200,000	3.63%	200,000.00	3.63%	-
Mrs.Lalitha Jain	66,000	1.20%	66,000.00	1.20%	-
Mr.Navin Kumar Jain	181,957	3.30%	181,957.00	3.30%	-
Mr.Vikash Kumar Jain	157,850	2.86%	157,850.00	2.86%	-
Mrs.Sarala Jain	134,694	2.44%	134,694.00	2.44%	-
Mr.Nitesh Jain	152,000	2.76%	152,000.00	2.76%	-
Anopchand Jain HUF	115,000	2.09%	115,000.00	2.09%	-
Gajraj Jain HUF	125,000	2.27%	125,000.00	2.27%	-
Mrs.Anitha Jain	272,808	4.95%	272,808.00	4.95%	-
Mrs.Sapna	211,334	3.83%	211,334.00	3.83%	-
Mr.Ashish Jain	41,100	0.75%	41,100.00	0.75%	-
Vikash Jain HUF	10,000	0.18%	10,000.00	0.18%	-
Navin and Sons	10,000	0.18%	10,000.00	0.18%	-

## 13.2 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.

The preference share capital are classified as Financial Liability as each preferential holder had preferential rights in payment of dividend and repayment in case of winding up, and are Redeemable in nature.

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.

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

(Amount in 1000s)

## 14. Statement of changes in Other Equity

	Shares Forfeited	General Reserve	Retained Earnings	Total
<b>Figures for the current reporting period</b>				
Balance at the beginning of the reporting period	1,984.50	108.06	131,144.62	133,237.18
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-
Total Comprehensive Income for the reporting year	-	-	2,998.23	2,998.23
Dividends	-	-	-	-
Transfer to retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>1,984.50</b>	<b>108.06</b>	<b>134,142.85</b>	<b>136,235.41</b>
<b>Figures for the previous reporting period</b>				
Balance at the beginning of the reporting period	1,984.50	108.06	119,762.00	121,854.56
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-
Total Comprehensive Income for the reporting year	-	-	11,438.27	11,438.27
Dividends	-	-	(55.66)	(55.66)
Transfer to retained earnings	-	-	-	-
Any other change (to be specified)	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>1,984.50</b>	<b>108.06</b>	<b>131,144.62</b>	<b>133,237.18</b>

## 15 Non-Current Financial Liabilities - Borrowings

(Amount in 1000s)

Particulars	Non-current Portion as at		Current Maturities as at		Total as at	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021	31/3/2022	31/3/2021
(Carried at Amortised Cost, except otherwise stated)						
Secured						
From Banks	378.55	626.34	831.26	780.62	1,209.81	1,406.96
From NBFC	506,982.14	135,316.60	13,283.47	922.96	520,265.61	136,239.56
Unsecured						
Preference share capital	-	455,000.00	455,000.00	-	455,000.00	455,000.00
<b>Total</b>	<b>507,360.69</b>	<b>590,942.94</b>	<b>469,114.73</b>	<b>1,703.58</b>	<b>976,475.42</b>	<b>592,646.52</b>

\*Current Maturities of non-current borrowings have been disclosed under 'Other Current Financial Liabilities' (Note 19.1)

## Notes to and forming part of Financial Statements

## 15.01 Nature of Security, Repayment Terms (Amount in 1000s)

Name	Note	Rate of Interest	End of Tenure	As at 31/03/2022		As at 31/03/2021	
				Gross	Carrying Value	Gross	Carrying Value
<b>Term Loan from Banks</b>							
ICICI Bank	15.03	7.75%	01 Jan 2023	626.34	626.34	1,406.96	1,406.96
IDFC FIRST BANK	15.04	7.50%	02 Dec 2024	583.47	583.47	-	-
<b>Total Term Loan from Banks</b>				<b>1,209.81</b>	<b>1,209.81</b>	<b>1,406.96</b>	<b>1,406.96</b>
<b>Term Loan from NBFC</b>							
Aditya Birla Housing Finance Ltd -Loan 1	15.08	14.50%	15 Jan 2024	3,380.30	3,380.30	14,839.77	14,839.77
Aditya Birla Housing Finance Ltd - Loan 2	15.09	12.00%	15 Sep 2023	191.74	191.74	46,008.50	46,008.50
Bajaj Housing Finance Ltd-Loan 2	15.07	12.50%	15 Nov 2024	17,777.78	17,777.78	19,970.12	19,970.12
Bajaj Housing Finance Ltd -Loan 1	15.05	12.50%	15 Dec 2023	18,229.77	18,229.77	51,334.77	51,334.77
Daimler Financial Services India Pvt Ltd	15.06	8.00%	04 Mar 2025	3,166.02	3,166.02	4,086.40	4,086.40
Aditya Birla Housing Finance Ltd- Loan 3	15.1	14.50%	15 Oct 2024	112,725.00	112,725.00	-	-
Tata Capital Housing Finance Ltd -Loan-1	15.11	13.50%	09 Jan 2027	364,795.00	364,795.00	-	-
<b>Total Term Loan from NBFC</b>				<b>520,265.61</b>	<b>520,265.61</b>	<b>136,239.56</b>	<b>136,239.56</b>

## Notes to and forming part of Financial Statements

No	
15.02	The 0.01% Non-Convertible Redeemable Cumulative preference share capital of Rs 10 per share are classified as Financial Liability as each preferential holder had preferential rights in payment of dividend and repayment in case of winding up, and are Redeemable in nature.
15.03	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
15.04	Term Loan from IDFC First Bank secured by charge on the Movable Motor Vehicles of the company. Repayment terms are Monthly Installment of Rs. 20,138 starting from 02nd January 2022 to 02nd December 2024
15.05	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.
15.06	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
15.07	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.
15.08	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.
15.09	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.
15.10	The Term Loan from Aditya Birla Housing Finance Ltd - Loan 3 is secured by Charge on the on going project of the company of Rs. 15,00,00,000 is relating to the Project Construction cost by Aditya Birla Housing Finance Limited starting from 27th February 2023 with the principal amount of Rs. 83,00,000
15.11	The Term Loan from TATA Capital Housing Finance Ltd - Loan 1 is secured by Charge on the on going project of the company of Rs. 85,00,00,000 is relating to the Project Construction cost by TATA Capital Housing Finance Limited starting from 4th January 2025 with the principal amount of Rs. 406,10,462

## Notes to and forming part of Financial Statements

(Amount in 1000s)

		As at 31 Mar 2022	As at 31 Mar 2021
16	<b>Deferred Tax Liability (Net)</b>		
16.1	The composition of Deferred Tax Liability relating to timing difference on account of depreciation		
	At the start of the year	1,129.00	799.11
	Charge to Statement of Profit and Loss on account of Property, Plant and Equipment	285.86	329.89
	At the end of year	<b>1,414.86</b>	<b>1,129.00</b>
17	<b>Short Term Borrowings</b>		
	Loans repayable on Demand		
17.1	From Banks	24,759.04	14,229.25
	Unsecured Indian Rupee Borrowings		
	Loans repayable on Demand		
17.2	From Related parties	1,215,832.15	1,182,691.53
17.3	From other Parties	661,864.26	525,295.19
	<b>Total taken to Balance Sheet</b>	<b>1,902,455.45</b>	<b>1,722,215.97</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		

## 18 Trade Payables

(Amount in 1000s)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Figures as at the end of current reporting period</b>					
(i) MSME	-	-	-	-	-
(ii) Others	170,319.34	74,686.92	3,000.00	69,780.99	317,787.25
(iii) Disputed dues —MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	22,393.81	22,393.81
<b>Total</b>					<b>340,181.06</b>
<b>Figures as at the end of previous reporting period</b>					
(i) MSME	-	-	-	-	-
(ii) Others	402,467.68	5,343.00	-	69,867.42	477,678.10
(iii) Disputed dues —MSME	-	-	-	-	-
(iv) Disputed dues — Others	-	-	-	22,393.81	22,393.81
<b>Total</b>					<b>500,071.91</b>

## Notes to and forming part of Financial Statements

## a Dues to micro and small enterprise

The dues to micro and small enterprises as required under the Micro, Small and Medium Enterprises Development ('MSME') Act, 2006 to the extent information available with the Company is given below:

		Figures as at the end of current reporting period	Figures as at the end of previous reporting period
i.	The principal amount and the interest due thereon remaining unpaid to supplier as at the end of period / year:		
	Principal amount due to micro and small enterprises	-	-
	Interest due	-	-
ii.	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting period / year	-	-
iii.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act, 2006.	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of the accounting period / year.	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

## b Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

(Amount in 1000s)

		As at 31 Mar 2022	As at 31 Mar 2021
19	<b>Other Current Financial Liabilities</b>		
19.1	Current Maturities of Long-Term Debts (Note 15)	469,114.73	1,703.58
19.2	Interest Accrued but not Due on Borrowings	807.10	767.25
19.3	Expense Payable	25,691.12	8,302.30
19.4	Rental Deposit	345.92	369.42
19.5	TDS Payable	20,711.56	12,907.64
19.6	GST Payable	-	1,876.48
	<b>Total taken to Balance Sheet</b>	<b>516,670.43</b>	<b>25,926.67</b>
a	Refer to Note 34 for related party disclosures		

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: 13/06/2022

Sd/-  
**(Nitesh Jain)**  
CFO

Sd/-  
**(Niroshaa Kathiravan)**  
Company Secretary



## Notes to and forming part of Financial Statements

(Amount in 1000s)

		As at 31 Mar 2022	As at 31 Mar 2021
20	<b><u>Revenue from operations</u></b>		
	Sale of		
20.1	Flats/Houses/Shops	118,008.34	207,983.83
20.2	Plots/Land / UDS Land	242,183.50	138,204.00
	Total	<b>360,191.84</b>	<b>346,187.83</b>
21	<b><u>Other Income</u></b>		
21.1	Interest Income	34,700.99	30,126.91
	Other Non Operating Income		
21.2	Rental Income	368.00	408.76
21.3	Profit on sale of Mutual Funds	151.90	53.20
21.4	Bad Debts Recovered	-	32.17
21.5	Insurance Claim	32.30	15.70
21.6	Profit on sale of Assets	71.09	-
21.7	Miscellaneous Income	39.06	7.08
	Total	<b>35,363.34</b>	<b>30,643.82</b>
22	<b><u>Purchase of Stock-in-Trade</u></b>		
	Cost of		
22.1	Flats/Houses/Shops	58,777.69	134,923.96
22.2	Plots/Land / UDS Land	214,233.06	128,309.95
	Total	<b>273,010.75</b>	<b>263,233.91</b>
23	<b><u>Changes in inventories of stock-in-trade</u></b>		
	Opening Balance	92,410.97	95,851.13
	Less: Closing Balance	70,546.48	92,410.97
	Total	<b>21,864.49</b>	<b>3,440.16</b>
24	<b><u>Employee benefit expense</u></b>		
24.1	Salaries & Wages	8,476.25	8,334.50
24.2	Staff Welfare Expenses	61.28	59.13
	Total	<b>8,537.53</b>	<b>8,393.63</b>
a	Refer to Note 34 for related party disclosures		
25	<b><u>Financial costs</u></b>		
25.1	Interest Expenses	62,373.53	77,380.51
25.2	Dividend on redemabale preference shares	45.50	
25.3	Bank Charges	287.69	
25.4	Other borrowing costs	-	451.26
	Total	<b>62,706.72</b>	<b>77,831.77</b>
a	Refer to Note 34 for related party disclosures		

## Notes to and forming part of Financial Statements

(Amount in 1000s)

	As at 31 Mar 2022	As at 31 Mar 2021	
26	<b>Other Expenses</b>		
	Payment to Auditors		
26.01	for Audit	147.50	125.00
26.02	for Tax Representations	200.00	200.00
26.03	for Reimbursement of expenses	-	1.14
26.04	Bad Debts	13.84	32.17
26.05	Compensation for cancellation	3,853.97	-
26.06	Conveyance Charges	5.76	6.36
26.07	Court fees	1,873.50	-
26.08	Electricity Charges	74.30	86.71
26.09	Insurance	498.25	211.83
26.10	Listing Fee	354.00	407.10
26.11	Professional Charges	794.37	779.37
26.12	Rates & Taxes	3,046.60	2,470.60
26.13	Rent	645.50	615.50
26.14	Repairs to buildings	719.48	796.72
26.15	Repairs to machinery	100.00	486.37
26.16	Sales Promotion	210.93	74.84
26.17	Share right issue expenses	1,703.29	-
26.18	Telephone Expenses	61.00	80.42
26.19	Travelling Expenses	18.55	-
26.20	Vehicle Maintenance	1,260.86	760.07
26.21	Miscellaneous expenses	220.20	129.23
	<b>Total</b>	<b>15,801.90</b>	<b>7,263.43</b>
27	<b>Income Tax Recognised In Statement of Profit And Loss</b>		
	Current Tax	9,212	3,467
	Deferred tax	286	330
	<b>Total</b>	<b>9,498</b>	<b>3,797</b>
	The income tax expenses for the year can be reconciled to the accounting profit as follows		
	Accounting Profit before income tax	12,496	15,235
	Applicable Tax Rate	25.168%	25.168%
	Applicable Tax Rate on Capital Gains	25.168%	15.600%
	Computed Tax Expense	3,145	3,834
	Tax Effect of:		
	Timing Difference of Depreciation	(268)	(330)
	Expenses Disallowed	1,156	(36)
	Tax relating to earlier years	5,179	
	<b>Current Tax Provision (A)</b>	<b>9,212</b>	<b>3,468</b>
	Incremental Deferred tax Liability on account of Property, Plant and Equipment and Intangible Assets	286	330
	<b>Deferred Tax Provision (B)</b>	<b>286</b>	<b>330</b>
	<b>Tax Expenses Recognised in Statement of Profit and Loss (A+B)</b>	<b>9,498</b>	<b>3,798</b>
	Effective Tax Rate	76.007%	24.928%

## Notes to and forming part of Financial Statements

(Amount in 1000s)

		As at 31 Mar 2022	As at 31 Mar 2021
28	<b><u>Earnings per Equity Share - Basic</u></b>		
	Net profit / (loss) for the year from continuing operations	2,998.23	11,438.24
	Weighted average number of equity shares	5,513.10	5,513.10
	Earnings per share from continuing operations - Basic	0.54	2.07
29	<b><u>Earnings per Equity Share - Diluted</u></b>		
	Net profit / (loss) for the year from continuing operations	2,998.23	11,438.24
	Weighted average number of equity shares	5,513.10	5,513.10
	Earnings per share from continuing operations - Diluted	0.54	2.07

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: 13/06/2022

Sd/-  
**(Nitesh Jain)**  
CFO

Sd/-  
**(Niroshaa Kathiravan)**  
Company Secretary

## Notes to and forming part of Financial Statements

## 30 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-22	31-Mar-21
<b>Primary geographical markets</b>		
India	360,191.84	346,187.83
<b>Total</b>	<b>360,191.84</b>	<b>346,187.83</b>

## (c) Contract balances

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

Particulars	in Rupees	
	31-Mar-22	31-Mar-21
<b>Receivables which are included in Trade and other receivables</b>		
<b>Contract assets</b>		
- Amount due from customers on construction contract	16,157.26	31,611.80
- Accrued value of work done net off provision	0.00	0.00
<b>Contract liabilities</b>		
- Amount due to customers under construction contracts	340,181.06	500,071.91
- 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 2021 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.

## 31 Financial instruments

## 31.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

## Notes to and forming part of Financial Statements

### 31.2 Subsequent measurement

#### (a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (b) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### (d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

### 31.3 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

### 31.4 Fair value hierarchy

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

### 31.5 Financial instruments by category

As at March 31, 2022	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial Assets</b>				
Cash and cash equivalent			23,742.16	23,742.16
Bank deposits			12,131.94	12,131.94
Investments				-
In Mutual Fund			5,127.10	5,127.10
Trade receivables			16,157.26	16,157.26
Loans			711,863.88	711,863.88
Other Financial Assets			429.15	429.15
<b>Financial liabilities</b>				
Trade payable			340,181.06	340,181.06

## Notes to and forming part of Financial Statements

As at March 31, 2021	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
<b>Financial Assets</b>				
Cash and cash equivalent			3,232.49	3,232.49
Bank deposits			8,894.45	8,894.45
Investments				-
In Mutual Fund			4,339.90	4,339.90
Trade receivables			31,611.80	31,611.80
Loans			576,812.42	576,812.42
Other Financial Assets			429.15	429.15
<b>Financial liabilities</b>				
Trade payable			500,071.91	500,071.91

## 32. Financial Ratios

Sl. No.	Particular	Numerator	Denominator	31/3/2022	31/3/2021	Reason for significant changes (25% or more)
1	Current Ratio	Total current assets	Total current liabilities	1.24	1.34	
2	Debt-Equity Ratio	Total debt	Shareholder's equity	16.70	14.85	
3	Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes+Non-cash operating expenses+ Interest +Other non-cash adjustments	Debt service=Interest and lease payments+ Principal repayments	0.11	0.12	
4	Return on Equity Ratio	Profit for the year	Average total equity	0.39%	3.04%	change due to lower profit and revenue which is in line with industries performane
5	Inventory turnover ratio	Revenue	Average inventory	1.11	0.92	
6	Trade Receivables turnover ratio	Revenue	Average tradereceivable	3.77	5.48	change due to lower revenue which is in line with industries performane
7	Trade payables turnover ratio	Purchases of servicesand other expenses	Average tradepayables	0.16	0.25	Due to lower recognition of cost to purchase to match with revenue
8	Net capital turnover ratio	Revenue	Working capital	0.54	0.46	
9	Net profit ratio	Net profit	Revenue	0.83%	3.30%	Due to Lower revenue and profit
10	Return on Capital employed	Profit before tax and finance costs	Average capital employed	0.74%	1.94%	Due to Lower revenue and profit
11	Return on investment	Income generated from invested funds	Time weighted average investments	1.48%	0.61%	Due to realisation of investment.



## Notes to and forming part of Financial Statements

<b>33</b>	<b><u>Other Statutory Information</u></b>
33.01	There is no such Immovable Property whose title deeds are not held in the name of the company.
33.02	The company does not hold any Investment property, hence Valuation not applicable.
33.03	The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets)
33.04	The company does not hold any Intangible property, hence Valuation not applicable.
33.05	There is no Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties
33.06	The company does not hold any capital work in progress during the year.
33.07	There is no intangible asset under development held by the company
33.08	There is no proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
33.09	The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
33.10	There is no transactions with companies struck off under section 248 of the Companies Act, 2013
33.11	The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

<b>No.</b>	<b>Description of relationship</b>	<b>Name(s) of related partie(s)</b>		
34	(a) Key Management Personnel (KMP)	1 Manjith 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 Navin Jain-Director 8 Niroshaa Kathiravan - Company Secretary		
	(b) Relative of Key Management Personnel (KMP)	1 Ashish Jain		
34.1	<b>Related Party Transaction</b>		<b>31/03/2022</b>	<b>31/03/2021</b>
	<b>Unsecured Loan - Taken</b>			
	Anop Chand Jain	1	286,564.55	229,656.20
	Gajraj Jain	2	708,726.61	795,104.72
	Navin Jain	3	220,540.99	157,930.61
	Total		<b>1,215,832.15</b>	<b>1,182,691.53</b>
	<b>Salary</b>			
	Anop 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	6	1,200.00	900.00
	Total		<b>5,916.00</b>	<b>5,616.00</b>
	<b>Interest</b>			
	Anop Chand Jain	1	34,342.62	29,235.37
	Gajraj Jain	2	94,024.32	84,311.91
	Navin Jain	3	25,122.65	8,573.63
	Total		<b>153,489.59</b>	<b>122,120.91</b>

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

## Notes to and forming part of Financial Statements

35	<b>Contingent Liabilities And Commitments</b> The total outstanding demand of Income Tax is Rs. 8,12,14,228 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.
36	Corresponding figures for the previous period have been regrouped wherever necessary to confirm the current period classification.

## For and on behalf of the Board

Sd/-  
**(Anop Chand Jain)**  
Managing Director

Sd/-  
**(Gajraj Jain)**  
Joint Managing Director

Place: Chennai  
Date: 13/06/2022

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