



RAINBOW FOUNDATIONS LIMITED

Twenty Third Annual Report 2016-17



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BOARD OF DIRECTORS

- **Mr. Anop Chand Jain**, Managing Director
- **Mr. Gajraj Jain**, Joint Managing Director
- **Mr. Mukesh Kumar Manilal Mehta**, Independent Director
- **Mr. P.M. Mothiram**, Independent Director
- **Mr. Sampat Raj Singhvi**, Independent Director
- **Ms. Lakshmi Sreedhar**, Non-Executive Director

KEY MANAGERIAL PERSONNEL

- **Mr. Anop Chand Jain**, Managing Director
- **Mr. Gajraj Jain**, Joint Managing Director
- **Mr. Nitesh Jain**, Chief Financial Officer
- **Mr. Pranatharthi Haran Krishnasamy**, Company Secretary

AUDITORS

Jain Bafna and Co.
Chartered Accountants
Chennai-600 006

BANKERS

The Catholic Syrian Bank Ltd
T.Nagar Branch
Chennai- 600017

State Bank of India
Thanikachalam Road Branch
Chennai- 600 017

Axis Bank Limited
Kodambakkam Branch
Chennai-600 024

ICICI Bank Ltd
T.Nagar Branch
Chennai-600 017

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

Bombay Stock Exchange Ltd., Mumbai

DEMAT ISIN- INE230F01014

REGISTERED OFFICE

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

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

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of **Rainbow Foundations Limited** will be held on **Wednesday, 27th September, 2017** at 9.30 a.m. at the Registered Office of the Company situated at No.4, Thanikachalam Road, T.Nagar, Chennai – 600017 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2017 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Ms. Lakshmi Sreedhar (DIN: 00636082), who retires by rotation and being eligible, offers herself for re-appointment.
3. **Appointment of Statutory Auditor**

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and 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(s) thereof, for the time being in force), M/s GASM DANSR AND CO. Chartered Accountants (Registration No. 005986S), be and are hereby appointed as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.

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

Gajraj Jain
Joint Managing Director
DIN: 01182117

Place: Chennai

Registered Office:

Date: 14th August, 2017

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

NOTES:

- a. **A MEMBER OF THE COMPANY WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
- b. **INSTRUMENT OF PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- c. **A REQUISITION FOR INSPECTING PROXY MAY BE MADE BY ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING AND SUCH REQUISITION SHALL BE MADE IN WRITING AND DEPOSITED WITH THE COMPANY ATLEAST 3 DAYS BEFORE THE COMMENCEMENT OF THE MEETING. SUCH INSPECTION SHALL BE PROVIDED DURING 24 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AND SHALL CONTINUE TILL THE CONCLUSION OF THE MEETING.**
- d. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the Meeting.
- e. 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.

- f. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registered Office at No.4, Thanikachalam Road, T.Nagar, Chennai - 600017.
- g. Queries if any relating to Accounts may be sent to the Registered Office of the Company three days in advance before the date of AGM.
- h. All communication relating to shares may be addressed to the Company at: **No.4, Thanikachalam Road, T.Nagar, Chennai - 600017.**
- i. The Register of Members and the Share Transfer Books of the company will remain closed from 21st September, 2017 to 27th September, 2017, both days inclusive.
- j. Members / proxy are requested to bring a copy of Annual report and attendance slip to the meeting.
- k. Members who hold shares in the dematerialized form are requested to write their Client ID and DP ID and those who hold shares in the physical form are requested to write their folio number in the attendance slip.
- l. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules thereto, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to Cameo Corporate Services Limited or with the depository participants with whom their demat account is maintained. Members holding shares in demat form are requested to register/ update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.
- m. SEBI has made it mandatory for every participant in the securities/capital market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of both sides of the PAN Card, duly attested, to the **Registrar and Share Transfer Agents M/s. Cameo Corporate Services Ltd, Subramanian Building, No.1,Club House Road, Chennai-600002.**
- n. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 12.00 noon upto the date of the 23rd Annual General Meeting.
- o. The Register of Directors' shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
- p. The road map of the location for the venue of Annual General Meeting is attached herewith.
- q. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from CDSL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - i. Log on to the e-voting website www.evotingindia.com.
 - ii. Click on "Shareholders" tab.
 - iii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - iv. 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. Members holding shares in Physical Form should enter Folio Number registered with the Company
 - v. Next enter the Captcha Code as displayed and Click on Login.
 - vi. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing login id and password are to be used.

- vii. If you are a first time user follow the steps given below. Now fill up the following details in the appropriate boxes:

User Id	For Members holding shares in DEMAT form For NSDL: 8 Character DP ID followed by 8 digits Client ID For CDSL: 16 digits beneficiary ID	For members holding shares in Physical form Folio Number registered with the Company.
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Sequence number has been provided as SI No in the address label.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for 'Rainbow Foundations Limited'.
- xii. 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.
- xiii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on 'Forgot Password' & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- xix. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. Please follow all steps from sl. no. (i) to sl. no. (xvii) above, to cast vote.
- xxi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.cdsl.com
- xxii. If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- xxiii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- B. The e-voting period commences on 24th September, 2017 (9:00 am) and ends on 26th September, 2017 (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 20th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- C. 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 20th September, 2017. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- D. A copy of this notice has been/ shall be placed on the website of the Company and the website of CDSL.
- E. Mr. Soy Joseph, Company Secretary (Membership No. 13852) Partner, M/s. JM & Associates, Practising Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- F. The Scrutinizer after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter will unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 3 working days from conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against the resolution, invalid votes, if any and whether the Resolution(s) has/have been carried or not, to the Chairman or a person authorised by him in writing who shall countersign the same.
- G. The facility for voting through ballot shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting.
- H. The members who have casted their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- I. The results declared on or after the Annual General Meeting of the Company. The result declared along with the Scrutinizers Report shall be placed on the Company's website www.rainbowfoundations.in and on the website of CDSL immediately after the result is declared. The Company shall simultaneously forward the results to BSE limited ("BSE") where the shares of the Company are listed.

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

Gajraj Jain
Joint Managing Director
DIN: 01182117

PROFILE OF DIRECTORS BEING RE-APPOINTED

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Directors who are proposed to be appointed are given below.

Name of the Director	Ms. Lakshmi Sreedhar
DIN	00636082
Date of Birth & Age	12.12.1965 & 51 years
Date of appointment on the Board as Director	23.03.2015
Qualification(s)	Chartered Accountant
Expertise in Specific Functional Area	Has a rich experience in the field of Financials and related area there too.
Terms & Conditions of Appointment/ Re-appointment	Appointed as a Director liable to retire by rotation
No. of shares held as at March 31, 2016	Nil
Relationship with other Directors/ Manager/KMP	None
Other Directorships	Polymath Prime Private Limited
Committee Positions	None

The Route map of the Annual General Meeting



BOARD REPORT

To,

The Members,

Your Directors have pleasure in presenting their 23rd Annual Report of the Company on the business and operations of the Company together with the Audited Financial Statement and the Auditor's Report thereon for the financial year ended 31st March, 2017.

I. FINANCIAL RESULTS AND OVERVIEW OF PERFORMANCE:**1. FINANCIAL RESULTS:**

During the year under review, your company has achieved the following financial results:

Particulars	(Rs. In Lakhs)	
	Year ended 31.03.2017	Year ended 31.03.2016
Total Income	4,711.46	3,091.21
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	1,226.42	771.77
Finance Charges	974.44	566.10
Depreciation	7.85	3.13
Provision for Income Tax	82.86	72.21
Net Profit/(Loss) After Tax	159.50	130.02
Profit/(Loss) carried to Balance Sheet	159.50	130.02

2. PERFORMANCE OF THE COMPANY:

During the year under review, the Company's Profit before Interest, Depreciation & Tax increased to Rs. 1,226.42/- Lakhs as compared to Rs. 771.77/- Lakhs in the previous year. The Company earned a net profit of Rs. 159.50/- Lakhs in the Current Financial Year as against a net profit of Rs. 130.02/- Lakhs in the previous year. The increase in net profit is on account of increased revenue and marginal reduction of project expenditure. Your directors are expecting to provide a better performance in the forthcoming years.

3. CHANGE IN NATURE OF BUSINESS, IF ANY:

Our Company has not deviated its line of business activity nor has expanded the area of activities therefore; there is no change in the nature of business for the year under review.

4. DIVIDEND:

In view of the results achieved and to conserve the resources of the company for the future expansion, modernization and working capital purpose, your directors do not recommend any dividend for this year.

5. TRANSFER TO RESERVES:

The Company has not transferred any amount to reserves for the financial year 2016-17.

6. SHARE CAPITAL:

The Board of Directors of the Company has not issued any shares during the year.

Present Capital structure of the Company is as follows:

Share Capital	Year ended 31.03.2017	Year ended 31.03.2016
(a) Authorised Share Capital : 12,000,000 Equity Shares of Rs. 10/- each	120,000,000	120,000,000
(b) Issued Share Capital : 5,513,100 Equity Shares of Rs. 10/- each	55,131,000	55,131,000
(c) Subscribed and Paid up Capital : 5,513,100 Equity Shares of Rs. 10/- each	55,131,000	55,131,000
	55,131,000	55,131,000

7. DISCLOSURE RELATING TO EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

8. DISCLOSURE RELATING TO SWEAT EQUITY SHARES:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

9. DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME:

The Company has not issued any equity shares under Employee Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with the Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

10. DISCLOSURE IN RESPECT OF VOTING RIGHTS NOT DIRECTLY EXERCISED BY EMPLOYEES:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014.

11. SUBSIDIARY, ASSOCIATES AND JOINT VENTURES:

The Company has no subsidiaries, associates and joint ventures, therefore, disclosing the names of the respective entities does not arise.

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

There are no material changes or commitments likely to affect the financial position of the Company which is having an impact on the functioning and working of the Company. The operations of the Company have been effectively being managed and the Management shall review the performance from time to time in order to monitor the business activities of the Company.

13. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During the year, the Company has granted loans to companies and invested a in partnership firm as per the provisions of Section 186 of the Companies Act, 2013.

Further, your Company has neither given any Guarantees/ Securities during the Financial Year.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED IN SUB SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013:

During the year under review, the Company has not entered into any contracts or arrangements with its related parties pursuant to Section 188(1) of the Companies Act, 2013.

15. DEPOSITS:

The Company has not accepted any deposits either from the shareholders or public within the meaning of the Companies (Acceptance of Deposits) Rules, 2014. No amount on account of principal or interest on deposits from public was outstanding as on 31st March, 2017.

16. REVISION OF FINANCIAL STATEMENT:

There was no revision of the financial statements of any earlier years during the year under review.

17. MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS:

There are no significant material orders passed by the Regulators or Courts or Tribunals which would have impact on the going concern status of the Company and its future operation.

II. MATTERS RELATING TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. BOARD OF DIRECTORS:

There was no change in the composition of Board of Directors and the Key Managerial Personnel during the year under review.

The Board consists of persons of professional expertise and experience in technical, financial and operational segments that provide leadership and guidance to the management. The Present constitution of the Board of Directors of the Company consists of the following members:

DIN	Name of Director	Category of Director	No. of Director-ships in other Bodies Corporate	No. of Equity Shares Held
02215110	Mr. Anop Chand Jain	P/MD	1	1,76,883
01182117	Mr. Gajraj Jain	P/JMD	NIL	2,00,000
01165166	Mr. Mukesh Kumar Manilal Mehta	I/NED	NIL	631
00232291	Mr. Mothiram P M	I/NED	1	NIL
01786782	Mr. Sampat Raj Singhvi	I/NED	0	27
00636082	Ms. Lakshmi Sreedhar	NED	1	NIL

P	Promoter	MD	Managing Director
ED	Executive Director	JMD	Joint Managing Director
I	Independent	NED	Non-Executive Director

The Directorships held by the Directors as mentioned above do not include Alternate Directorships, and Directorships held in Foreign Companies or Companies registered under Section 8 of the Companies Act, 2013.

Ms Lakshmi Sreedhar (DIN: 00636082), Director will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

2. KEY MANAGERIAL PERSONNEL:

Pursuant to Section 203 of the Companies Act, 2013 and read with the Rules 8 and 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Key Managerial personnel of the Company consist of the following members:

DIN/PAN	Name of the member	Designation
02215110	Mr. Anop Chand Jain	Managing Director
01182117	Mr. Gajraj Jain	Joint Managing Director
AAFPJ8666C	Mr. Nitesh Jain	Chief Financial Officer
AQHPK2867J	Mr. Krishnasamy Pranatharthihran	Company Secretary

During the year there was no change (appointment or cessation) in the office of KMP.

3. DECLARATIONS BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of sub-section (7) of Section 149 of the Companies Act, 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

III. DISCLOSURE RELATING TO BOARD, COMMITTEES AND POLICIES

1. BOARD MEETING:

During the period under review, your Director met 4 times and the details regarding the same is given below:

Name Of Directors	30 th May, 2016	13 th August, 2016	14 th November 2016	14 th February 2017
Mr. Anop Chand Jain	Present	Absent	Present	Present
Mr. Gajraj Jain	Present	Present	Present	Present
Mr. Mukesh Kumar Manilal Mehta	Present	Present	Present	Present
Mr. Mothiram P M	Present	Present	Present	Present
Mr. Sampat Raj Singhvi	Present	Present	Present	Present
Ms. Lakshmi Sreedhar	Present	Present	Present	Present

All the Directors actively participated in the meetings and provided their valuable inputs on the matters brought before the Board of Directors from time to time.

2. GENERAL MEETING:

Date of Meeting	Nature of Meeting	No. of Directors Attended the Meeting	No. of Members Attended the Meeting
30 th September, 2016	Annual General Meeting	6	33

3. AUDIT COMMITTEE:

The Composition and details of meetings of Audit Committee are as follows:

Date of the Meetings	Mukesh Kumar Manilal Mehta	Sampat Raj Singhvi	Mothiram P M
Category	Chairman	Member	Member
30th May, 2016	Present	Present	Present
13th August, 2016	Present	Present	Present
14th November 2016	Present	Present	Present
14th February 2017	Present	Present	Present

The Chief Financial Officer, Internal Auditor and the Statutory Auditors are invitees to the relevant meetings of the Audit Committee in respect of businesses related to them. The Company Secretary acts as the Secretary of the Audit Committee.

The terms of reference and powers of the Audit Committee are in accordance with the requirements of Section 177 of the Companies Act, 2013 and includes overseeing the Company's financial reporting process, reviewing the quarterly / half yearly / annual financial statements/ results and, reviewing with the management the adequacy of the internal audit function, recommending the appointment/ reappointment of statutory auditor and internal auditor and recommending/ fixation of audit fees, reviewing the significant internal audit findings, related party transactions.

4. NOMINATION AND REMUNERATION COMMITTEE:

The details and composition of the Nomination and Remuneration Committee is as follows:

Date of the Meetings	Mothiram P M	Sampat Raj Singhvi	Mukesh Kumar Manilal Mehta
Category	Chairman	Member	Member
30th May, 2016	Present	Present	Present
14th November, 2016	Present	Present	Present

The terms of reference and power of the Nomination and Remuneration Committee is in accordance with the requirements of Section 178 of the Companies Act, 2013.

The role of the Committee, inter alia, is to approve/ recommend the remuneration/ packages of the Executive and Non-Executive Directors and of Senior Management Personnel and to lay down the criteria for performance evaluation of Board of Directors as a whole, individual directors and the committees of the Board. Under the said performance evaluation framework, the Committee has identified the criteria upon which every Director shall be evaluated. The Policy also provides the manner in which the Directors, as a collective unit in the form of Board Committees and the Board function and perform.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee considers and resolves the grievances of security holders of the company. There were no complaints or grievances from the shareholders of the company during the year or any pending complaints or grievances from previous years. The Company Secretary, is the Compliance Officer under the Listing Regulations. The details and composition of the Stakeholders Relationship Committee is as follows:-

Date of the Meetings	Mukesh Kumar Manilal Mehta	Sampat Raj Singhvi	Mothiram P M
Category	Chairman	Member	Member
30th May, 2016	Present	Present	Present
13th August, 2016	Present	Present	Present
14th November 2016	Present	Present	Present
14th February 2017	Present	Present	Present

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Independent Directors of the Company met separately on March 17, 2017 without the presence of Non-Independent Directors and members of management.

7. OTHER COMMITTEES:

The Company has constituted a committee for the purpose granting loan and providing guarantee or security in connection with loan. The committee meets time to time during the financial year to consider the aforementioned matters, if applicable.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Director's to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. had 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 and of the profit and loss of the company for that period;
- iii. had 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;
- iv. had prepared the annual accounts on a going concern basis;
- v. had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. ANNUAL EVALUATION OF THE BOARD, COMMITTEE AND DIRECTORS:

The Nomination and Remuneration Committee of the Board has formulated a Performance Evaluation Framework, under which the Committee has identified criteria upon which every Director shall be evaluated.

Similarly, the framework provides the manner in which the Directors as a collective unit in the form of Board Committees and the Board function and perform.

The Independent Directors evaluated the performance of the individual Directors on the basis of various criteria included attendance & participation in Board Meeting, engagement with the management in decision making, understanding about the company's business and its affecting industries.

The criteria for performance evaluation of Board included the aspects such as composition of Board and its structure, roles and responsibilities under various provisions of the Companies Act, 2013, etc. The criteria for performance evaluation of Committees of the Board included the aspects like composition of Committees, effectiveness of Committee meetings, etc.

10. POLICY ON APPOINTMENT OF DIRECTORS AND CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board and in this regard conducts a gap analysis to determine the Board composition on a periodic basis including each time a Director appointment or reappointment is required. The committee has framed a policy to determine the qualification, positive attributes and independence of a Director. The key feature of the policy are:

- Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independent Director' as laid down in the Act.
- Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.
- Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

11. VIGIL MECHANISM FOR THE DIRECTORS AND EMPLOYEES:

In compliance with the provisions of Section 177(9) of the Companies Act, 2013, the Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. It has affirmed that no personnel of the Company have been denied access to the Audit Committee.

12. REVIEW OF RISK MANAGEMENT POLICY ADOPTED BY THE COMPANY

The Board of Directors of the Company has in place a Risk Management Policy which aims at enhancing shareholders' value and providing an optimum risk-reward tradeoff. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and measures. The Board takes overall responsibility for the overall process of risk management in the organisation.

The Board shall take note of any future threats and shall report to the Company for formulating an effective mechanism and strategy.

13. INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate.

During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

14. ADEQUACY OF INTERNAL CONTROL SYSTEMS:

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorised use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

15. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

Pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, your Company has in place an Anti-Sexual Harassment Policy in order to prevent sexual harassment at work place. All employees (permanent, contractual, temporary or trainees) are covered under this policy. During the year under review, no case pertaining to sexual harassment at work place has been reported to the Company.

16. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 relating to Corporate Social Responsibility is not applicable to the company, and accordingly, the Company has not constituted a CSR committee and has not disclosed the particulars of the CSR policy and other matters under this head.

17. PARTICULARS OF EMPLOYEES AND REMUNERATION POLICY:

The Nomination and Remuneration Committee (NRC) has formulated a policy relating to the remuneration of the directors, key managerial personnel and other employees. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust. The remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013.

The key principles governing the remuneration policy are as follows:

- Market Competitiveness
- Role played by the individual
- Reflective of size of the company, complexity of the sector/industry/Company's operations and the Company's capacity to pay
- Consistent with recognised best practices and
- Aligned to any regulatory requirements.

In accordance with the policy, the Managing/Executive/KMPs/ Employees are paid basic/fixed salary.

The Non-Executive Directors, including Independent Directors are paid sitting fees for attending the meetings of the Board and committees of the Board.

The NRC is responsible for recommending any amendment in the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been attached as Annexure-01.

IV. AUDITORS AND REPORTS**1. STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the tenure of current auditors - M/s Jain Bafna & Co., Chartered Accountants, shall come to an end at the conclusion of forthcoming AGM.

Accordingly, M/s. GASM DANSR & Co., Chartered Accountants, (Firm Registration No. 005986S) have been recommended by the Audit Committee and by the Board to be appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the ensuing 23rd Annual

General Meeting until the conclusion of 28th Annual General Meeting of the Company to be held in the calendar year 2022, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided by the Audit Committee and the Board. They being eligible have consented and offered themselves for appointment as statutory auditors for conducting audit of accounts for five consecutive financial years starting from 2017-18.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, that their appointment, if made, would be within the limits laid down by the Act, shall be as per the terms provided under the Act, that they are not disqualified for such appointment under the provisions of applicable laws.

2. AUDITOR'S OBSERVATIONS AND REPLY BY THE BOARD

Your Company confirms that there are no qualifications in the Statutory Auditor's Report for the year under review.

3. FRAUD REPORTING:

During the year, there were no instances of fraud reporting by the Auditors to the Management, hence the provisions of Section 143(12) of the Companies Act, 2013 is not applicable to the Company.

4. 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.

5. SECRETARIAL AUDIT REPORT:

As required under provisions of Section 204 of the Companies Act, 2013, the report in respect of the Secretarial Audit carried out by M/s. JM & Associates, Company Secretaries in Form MR-3 for the Financial Year 2016-17 forms part to this report.

6. COMMENTS ON QUALIFICATIONS MADE IN SECRETARIAL AUDIT REPORT:

The Following qualifications were made in the Secretarial Audit Report:

The Company has not filed the e-Form MGT-14 for the resolution passed by the board of directors in respect of:

- i. approval of Directors report for the year ended 31.03.2016;*
- ii. investment in partnership firm; and*
- iii. the delegation powers to the committee for granting loans, giving guarantees or providing securities in respect of loans to individuals and other companies including body corporate.*

With respect to the above qualifications the Board would like to reply that the Company has initiated necessary steps to file the requisite forms to comply with the provisions of the Act.

V. OTHER DISCLOSURES

1. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT- 9 is enclosed as Annexure-02 which forms part of this report.

2. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

A) Conservation of energy and 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.

3. CORPORATE GOVERNANCE

The Company is not required to submit report on Corporate Governance since they are not covered under the Applicability criteria as mentioned in Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable to all companies whose equity shares are listed on a recognized stock exchange. However, compliance with the provisions of Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not apply to a listed company having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs. 25 crore, as on the last day of the previous financial year; Provided that where the provisions of Regulation 15 becomes applicable to a company at a later date, such company shall comply with the requirements of Regulation 15 within six months from the date on which the provisions became applicable to the listed company.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management discussion and analysis of the financial conditions including the result of the operations of the company for the year under review is given as a separate statement in the Annual Report.

5. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS:

All documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents.

6. ACKNOWLEDGEMENTS

Your Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Director's would also like to thank the employees, shareholders, customers, dealers, suppliers, bankers, Government and all other business associates for the continuous support given by them to the Company and their confidence in its management.

For and On behalf of the Board
Rainbow Foundations Limited

Place : Chennai
Date : 14.08.2017

Anop Chand Jain
Managing Director
DIN: 02215110

Gajraj Jain
Joint Managing Director
DIN: 01182117

Annexure 1Annexure to Directors' Report

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

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

Name of Director	Ratio to Median Remuneration
Mr. Anop Chand Jain	4:71
Mr. Gajraj Jain	4:71

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

Name of person	% Increase in remuneration
Mr. Anop Chand Jain	9.33%
Mr. Gajraj Jain	9.33%
Mr. Nitesh Jain*	Nil
Mr. Krishnasamy P	Nil

*Mr. Nitesh Jain has been appointed as CFO on 30.05.2016

3. The percentage of decrease in the Median remuneration of employees in the financial year was 0.12%.
4. The number of permanent employees on the rolls of the Company as on March 31, 2017 was 11.
5. Average percentile increase in the salaries of employees other than the managerial personnel during 2016-17 was 16.58 %. The percentile increase in the managerial remuneration during the same period was 40.71%. The percentile increase in the managerial remuneration was on account of the variable component of remuneration payable to the managerial personnel as per the terms and conditions of their appointment.
6. The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and On behalf of the Board
Rainbow Foundations Limited

Place : Chennai
Date : 14.08.2017

Anop Chand Jain
Managing Director
DIN: 02215110

Gajraj Jain
Joint Managing Director
DIN: 01182117

Annexure 2**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31st March, 2017

of

RAINBOW FOUNDATIONS LIMITED

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	17,26,996	Nil	17,26,996	31.33	17,26,996	Nil	17,26,996	31.33	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total(A)(1):	17,26,996	Nil	17,26,996	31.33	17,26,996	Nil	17,26,996	31.33	Nil
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total(A)(2):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoters(A)=(A)(1)+(A)(2)	17,26,996	Nil	17,26,996	31.33	17,26,996	Nil	17,26,996	31.33	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Nil Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
i) Others (specify) –	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non Institutions									
a) Bodies Corporate Indian	6,80,375	20,500	7,00,875	12.71	6,78,380	20,500	6,98,880	12.68	-0.03
Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i. Individual shareholders holding nominal sh. Capital upto Rs.1 lakh	5,99,469	3,16,319	9,15,788	16.61	6,08,276	3,16,319	9,24,595	16.77	0.16
ii. Individual shareholders holding nominal sh. Capital in excess of Rs.1 lakh	16,43,245	64,000	17,07,245	30.97	16,33,861	64,000	16,97,861	30.79	-0.17
c) Others (specify)	4,62,196	Nil	4,62,196	8.39	4,64,768	Nil	4,64,768	8.43	0.046
Sub-total (B)(2):-	33,85,285	4,00,819	37,86,104	68.67	33,85,285	4,00,819	37,86,104	68.67	Nil
Total Public Share-holding (B)=(B)(1)+ (B)(2)	33,85,285	4,00,819	37,86,104	68.67	33,85,285	4,00,819	37,86,104	68.67	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	51,12,281	4,00,819	55,13,100	100	51,12,281	4,00,819	55,13,100	100	Nil

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change In share Holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	N Anitha Jain	2,72,379	4.94	0.00	2,72,379	4.94	0.00	0.00
2	Sapna	2,00,824	3.64	0.00	2,00,824	3.64	0.00	0.00
3	Gajraj Jain	2,00,000	3.63	0.00	2,00,000	3.63	0.00	0.00
4	Anop Chand Jain	1,76,883	3.21	0.00	1,76,883	3.21	0.00	0.00
5	Navin Kumar Jain	1,68,519	3.06	0.00	1,68,519	3.06	0.00	0.00
6	Nitesh Jain	1,52,000	2.76	0.00	1,52,000	2.76	0.00	0.00
7	Vikash Kumar Jain	1,47,100	2.67	0.00	1,47,100	2.67	0.00	0.00
8	Sarala Jain	1,22,191	2.22	0.00	1,22,191	2.22	0.00	0.00
9	Anop Chand Jain	1,05,000	1.90	0.00	1,05,000	1.90	0.00	0.00
10	Gajraj Jain Huf	75,000	1.36	0.00	75,000	1.36	0.00	0.00
11	Lalitha Jain	66,000	1.20	0.00	66,000	1.20	0.00	0.00
12	Ashish Jain	41,100	0.75	0.00	41,100	0.75	0.00	0.00

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

There has not been any change in Promoters' Shareholding by way of acquisition or disposal

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase/decrease in Promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil
At the end of the year	Nil	Nil	Nil	Nil

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

Sl. No.	Particulars	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ARROWSPACE ADVISORS PRIVATE LIMITED		2,38,627	4.33	2,38,627	4.33
	Total				2,38,627	4.33
2	SURUCHI TIE UP PRIVATE LIMITED					
			2,36,603	4.29	2,36,603	4.29
	Total				2,36,603	4.29
3	DINESH KUMAR BORA					
	At the beginning of the year 01.04.2016		1,47,000	2.67	-	-
	At the end of the year 31.03.2017	Sale 27.05.2016	-1,47,000	2.67	-	-
	Total		0	0	0	0
3	DINESH KUMAR BORA					
	At the beginning of the year 01.04.2016		0	0	0	0
	At the end of the year 31.03.2017	Purchase 27.05.2016	0	0	1,47,000	2.67
	Total		0	0	1,47,000	2.67
4	RAJGHARANA HOUSING LIMITED					
	At the beginning of the year 01.04.2016		66,000	1.197	66,000	1.197
	At the end of the year 31.03.2017	Sale 27.05.2016	0	0	0	0
	Total		0	0	0	0
	RAJGHARANA HOUSING LIMITED					
	At the beginning of the year 01.04.2016		0	0	0	0
	At the end of the year 31.03.2017	Purchase 27.05.2016	0	0	66,000	1.1971
	Total		0	0	66,000	1.1971
5	ANIL BOHRA					
			55,746	1.01	55,746	1.01
	Total				55,746	1.01
	<i>Having same PAN</i>					
	ANIL BOHRA					
			11000	0.20	11000	0.20
	Total				11000	0.20
6	ANUPAM BOTHRA					
			54,000	0.98	54,000	0.98
	Total				54,000	0.98
7	MADAN CHAND NAHAR					
			53,000	0.96	53,000	0.96
	Total				53,000	0.96

Sl. No.	Particulars	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	MAHAVEER CHAND NAHAR					
			50,625	0.918	50,625	0.918
	Total				50,625	0.918
9	MADAN CHAND & SONS					
			50,000	0.91	50,000	0.91
	Total				50,000	0.91
10	SAPNA KANKARIA					
	At the beginning of the year 01.04.2016		50,000	0.91	50,000	0.91
	At the end of the year 31.03.2017	Sale 31.03.2017	0	0	0	0
	Total				0	0
	SAPNA KANKARIA					
	At the beginning of the year 01.04.2016		0	0	0	0
	At the end of the year 31.03.2017	Purchase 31.03.2017	0	0	50,000	0.91
	Total				50,000	0.91
	MADAN CHAND MAHAVEER CHAND HUF					
			50,000	0.91	50,000	0.91
	Total				50,000	0.91

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

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

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

S. No.: 1 MOTHIRAM P M(Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		Nil	Nil	Nil	Nil
Changes During the Year					
Increase					
Date	Reason for Increase				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	Reason for Decrease				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		Nil	Nil	Nil	Nil

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

S. No.: 3 MUKESH KUMAR MANILAL MEHTA (Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		631	0.014	631	0.014
Changes During the Year					
Increase					
Date	Reason for Increase				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	Reason for Decrease				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		631	0.014	631	0.014

(Contd.,)

S. No.: 4GAJRAJ JAIN (Joint Managing Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		2,00,000	3.63	2,00,000	3.63
Changes During the Year					
Increase					
Date	Reason for Increase				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	Reason for Decrease				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		2,00,000	3.63	2,00,000	3.63

S. No.: 5 SAMPAT RAJ SINGHVI (Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		27	0.0005	27	0.0005
Changes During the Year					
Increase					
Date	Reason for Increase				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	Reason for Decrease				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		27	0.0005	27	0.0005

(Contd.,)

S. No.: 6 ANOP CHAND JAIN (Managing Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		1,76,883	3.21	1,76,883	3.21
Changes During the Year					
Increase					
Date	Reason for Increase				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	Reason for Decrease				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		1,76,883	3.21	1,76,883	3.21

S. No.: 7 NITESH JAIN (CFO)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		152,000	2.76	152,000	2.76
Changes During the Year					
Increase					
Date	Reason for Increase				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	Reason for Decrease				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		152,000	2.76	152,000	2.76

(Contd.,)

S. No.: 8 KRISHNASAMY PRANATHARTHIHARAN (Company Secretary)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		Nil	Nil	Nil	Nil
Changes During the Year					
Increase					
Date	Reason for Increase				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	Reason for Decrease				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		Nil	Nil	Nil	Nil

V. INDEBTEDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	604,747,986.47	916,528,586	Nil	1,521,276,572
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	604,747,986.47	916,528,586	Nil	1,521,276,572
Change in Indebtedness during the financial year				
• Addition (Net)	722,216.40	21,768,088	Nil	22,490,304.40
• Reduction	213,520,864.82	61,925,712	Nil	275,446,576.82
Net Change	(212,798,648.4)	(40,157,624)	Nil	(252,956,272.42)
Indebtedness at the end of the financial year				
i) Principal Amount	391,949,338	876,370,962	Nil	1,268,320,300
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	391,949,338	876,370,962	Nil	1,268,320,300

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Anup Chand Jain (MD)	Gajraj Jain (JMD)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	984,000	984,000	1,968,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961			
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission- as % of profit- others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)			
	Ceiling as per the Act	1,319,097	1,319,097	2,638,194

B. Remuneration to other directors:

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Nil	2,16,000	5,00,000	7,16,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit- others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	2,16,000	5,00,000	7,16,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and On behalf of the Board
Rainbow Foundations Limited

Place : Chennai
Date : 14.08.2017

Anop Chand Jain
Managing Director
DIN: 02215110

Gajraj Jain
Joint Managing Director
DIN: 01182117

FORM No. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2017**

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

To

The Members,

RAINBOW FOUNDATIONS LIMITED

No. 4, Thanikachalam Road,

T. Nagar, Chennai – 600017,

Tamil Nadu, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Rainbow Foundations Limited** (hereinafter called 'the Company'). 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 **Rainbow Foundations Limited** 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 on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Rainbow Foundations Limited** for the financial year ended on 31st March, 2017 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
 - (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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:
 - a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;
 - c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company:
- i. Land Acquisition Act, 1894
 - ii. The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
 - iii. The Building and other Construction Workers Welfare Cess Act, 1996

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

The Company has not filed the e-Form MGT-14 for the resolution passed by the board of directors in respect of:

- i. approval of Directors report for the year ended 31.03.2016;*
- ii. investment in partnership firm; and*
- iii. the delegation powers to the committee for granting loans, giving guarantees or providing securities in respect of loans to individuals and other companies including body corporate.*

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. There was no change in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **JM & ASSOCIATES**,
Company Secretaries

Place : Chennai
Date : 14th August, 2017

SOY JOSEPH
Partner
(ACS No. 13852, CP No. 5612)

To,

The Members

RAINBOW FOUNDATIONS LIMITED

No. 4, Thanikachalam Road,

T. Nagar, Chennai – 600017,

Tamil Nadu, India

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 : 14th August, 2017

SOY JOSEPH
Partner
(ACS No. 13852, CP No. 5612)

MANAGEMENT DISCUSSION AND ANALYSIS

1. Economic Review:

Indian Economy

The year 2016-17 started on a positive note with India emerging as the fastest growing major economy in the world. India's economic growth slowed to 6.1% in the fourth quarter ending March 2017, compared with 7.1% in the previous quarter, as the government's note ban decision slowed activity in cash-dependent sectors.

The impact of demonetisation was bound to show up on the growth figures. The economy was expected to outperform in the fiscal gone by with favourable monsoon and wage increase post-implementation of the 7th Pay Commission, which was expected to spur consumption in the second half of the fiscal.

India has become a promising investment destination for foreign companies looking to do business here. Invest India has been named the official investment promotion and facilitation agency by the Government of India. It is envisaged to be the first point of reference for potential investors. This initiative is expected to increase the purchasing power of the common man, which would further boost demand, accelerate development and ease inflow of foreign investments.

In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations.

Real Estate Sector

The Union Cabinet approved the Smart City project, sanctioning the development of 100 smart cities across India. The Central Government has also raised FDI limits for development projects in townships and settlements to 100 per cent. Real estate is currently the fourth-largest sector in the country in terms of FDI (Foreign Direct Investment) inflows. Real estate projects within SEZs (Special Economic Zones) are also permitted 100 per cent FDI.

The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP). Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs. The private equity investments in real estate increased 26 per cent to a nine-year high.

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market.

Several factors still continue to act as strong drivers for long term sustainable real estate demand like latent demand for homes, continued economic growth, trend towards nuclear families, young working population, rising disposable incomes, increased urbanisation, inherent desire to own a home etc.

2. Operational Review:

The Revenue of the Company for the year increased from Rs. 3,091.21 to Rs. 4,711.46 lakhs. The Company's net profit for the year was Rs 159.50 Lakhs (last year Rs. 130.02 lakhs). The Earning Per Share (EPS) for the year was Rs. 2.89.

3. Key Challenges:

There are certain key challenges and threats that need to be actively addressed and mitigation steps to be taken as and when required. These challenges can be summarized as follows:

- Increasing input material costs leading to higher cost of construction.
- Increasing labor cost and shortage of skilled and technically qualified manpower.
- Land prices still continue to be high.
- Lack of desirable progress in development of infrastructure specifically in the areas of roads, water and sewage systems, power, etc.
- Lack of transparency in land dealings.

- Decrease in Investments in the last year.
- Unanticipated delays in project approvals.
- Over regulated environment

4. **Risks and Concern:**

The Company is exposed to different types of risks such as credit risk, market risk (including liquidity risk and interest rate risk), operational risk and legal risk. The Company monitors credit and market risks, as well as portfolio and operational risk through the oversight of senior management personnel in each of its business segments. Legal risk is subject to the review of the Company's legal department and external advisers. The Company is exposed to specific risks in connection with the management of investments and the environment within which it operates.

The Company aims to understand measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

5. **Internal Control Systems and Adequacy:**

The Company has in place adequate internal control systems and procedures commensurate with its size and nature of business. The Internal Audit team continuously monitors the effectiveness of internal control and provides a reasonable assurance of the adequacy and effectiveness of your Company's control, governance and risk management process to the Audit Committee. It also checks the implementation of corrective actions and improvements suggested by the Audit Committee.

Internal Audit focuses on the following objectives, forming part of the Audit Plan approved by the Audit Committee:

- Adherence to the operating systems and manual;
- Performance of operational activities in an efficient and effective manner;
- Compliance with the risk management process;
- Compliance with legislative and regulatory provisions.

The Audit Committee reviews the Audit Reports and also has discussions with the Statutory Auditors.

6. **Human Resources:**

Your Company continues to maintain a constructive relationship with its employees through a positive environment so as to improve productivity and efficiency. Your company also continues to invest in people process and skill development and provide them with high performance oriented environment.

7. **Business Outlook:**

Your Company expects to continue to identify prudent land acquisition opportunities even as it intends to focus on the timely completion of its projects, despite of number of risks. Your company will be facing them with full zeal and gist and will be able to overcome and withstand the risks enumerated envisaging future outlook.

8. **Customers:**

Customers are considered as the King of any business. The customer satisfaction is utmost important for any business to succeed and develop. Your company has taken adequate measures to identify and fulfill the customer needs and wants using various methods such as customer feedback, post review, etc.,

DISCLAIMER:

The information and opinion expressed in this Report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of preparation of the report. The management shall not be liable for any loss, which may arise as a result of any action taken on the basis of the information contained herein. Prior written permission of the Company may be obtained for furnishing this information to any person.

INDEPENDENT AUDITOR'S REPORT

To the Members of **M/S. RAINBOW FOUNDATIONS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S. RAINBOW FOUNDATIONS LIMITED, CHENNAI – 600 017** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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 accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the 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, 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 purpose 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, and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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"
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For JAIN BAFNA AND CO.
(Chartered Accountants)
Firm Reg No:010657 S

(S. MUTHU KUMAR)
(Partner)

Mem No: 209636

Address: F-1, 58, Greams Road,
Chennai 600 006

Place : Chennai
Date : 30.05.2017

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

The Annexure referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our Independent Auditors Report to the shareholders of M/S **RAINBOW FOUNDATIONS LIMITED**, for the year ended 31st March, 2017 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. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii)
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The discrepancies noticed on physical verification of inventory as compared to books of accounts and the records, has been properly dealt with in the books of accounts and were not material.
- (iii) According to the information and explanations given to us and in our opinion, the company has not granted any loans, secured or unsecured to Companies, Firms LLPs or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, provisions of clause 4(iii) of the Companies (Auditor’s Report) Order, 2016 are not applicable to the company and hence not commented upon.
- (iv) According to the information and explanations given to us and in our opinion, in respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of Company Act, 2013 have been complied with.
- (v) According to the information and explanations given to us and in our opinion, the company has not accepted any deposits from public and hence the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder with regards to the deposits accepted from the public are not applicable and no order can have been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) In our opinion, and according to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Govt. under sub section (1) of section 148 of the Act, in respect of activities carried on by the company.
- (vii)
 - a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, and the records, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee’s state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, 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 31,2017 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 have not been deposited on account of any dispute. The particulars of Income Tax and Service Tax as at 31st March 2017 which have not been deposited on account of dispute are as follows

Name of the Statute	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	2,85,218	AY 2002-03	The Hon'ble Madras High Court, Chennai

Name of the Statute	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 along with Interest till the date of Assessment	Rs. 73,01,330/-	AY 2013-14	The Commissioner of Income Tax (Appeals) Chennai
Finance Act 1994 (Service Tax)	Service Tax & Penalty, Interest to be quantified till the date of actual payment	Rs. 7,91,330/-	From November 2004 to September 2007	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Finance Act 1994 (Service Tax)	Service Tax & Penalty, Interest to be quantified till the date of actual payment	Rs. 29,71,557/-	2006-2007 to 2010-2011	Customs, Excise and Service Tax Appellate Tribunal, Chennai
Finance Act 1994 (Service Tax)	Service Tax & Penalty, Interest to be quantified till the date of actual payment	1,78,422/-	From October 2011 to March 2012	Customs, Excise and Service Tax Appellate Tribunal, Chennai

- (viii) According to the information and explanations given to us and in our opinion, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank and company has no loans or borrowing from Government or dues to debenture holders.
- (ix) Based on the audit procedures performed and according to the information and explanation given to us and in our opinion, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
- (x) Based on the audit procedures performed and according to the information and explanations given to us and in our opinion, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based on the audit procedures performed and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us and in our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xiii) All transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) Based on the audit procedures performed and according to the information and explanations given to us and in our opinion, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company and hence not commented upon.
- (xv) Based on the audit procedures performed and according to the information and explanations given to us and in our opinion, the Company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company and hence not commented upon.

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

For JAIN BAFNA AND CO.
(Chartered Accountants)
Firm Reg No:010657 S

(S. MUTHU KUMAR)
(Partner)

Mem No: 209636

Address: F-1, 58, Greams Road,
Chennai 600 006

Place : Chennai
Date : 30.05.2017

Annexure-B

Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/S. **RAINBOW FOUNDATIONS LIMITED** ("the Company") as of 31 March 2017 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 disposition 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 2017, 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.

For JAIN BAFNA AND CO.

(Chartered Accountants)

Firm Reg No:010657 S

(S. MUTHU KUMAR)

(Partner)

Mem No: 209636

Address: F-1, 58, Greams Road,

Chennai 600 006

Place : Chennai

Date : 30.05.2017

Balance Sheet as at 31st March, 2017

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	55,131,000.00	55,131,000.00
(b) Reserves and Surplus	4	83,398,779.23	67,449,243.76
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	2,371,462.00	1,649,245.60
(b) Deferred Tax Liability (Net)	6	255,943.00	77,367.00
(c) Other Long term liabilities	7	47,251,294.75	46,632,460.14
(3) Current Liabilities			
(a) Short-term borrowings	8	1,265,948,838.05	1,519,627,326.87
(b) Trade payables	9	193,107,644.90	87,180,855.42
(c) Other current liabilities	10	11,110,672.00	10,672,851.00
(d) Short-term provisions	11	3,689,247.89	6,285,084.00
TOTAL		1,662,264,881.82	1,794,705,433.79
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	12	8,332,896.71	4,936,080.46
(b) Long term loans and advances	13	826,398.00	826,398.00
(2) Current assets			
(a) Current Investments	14	52,973.74	-
(b) Inventories	15	1,345,091,486.46	1,491,951,414.95
(c) Trade receivables	16	200,639,202.36	156,383,869.84
(d) Cash and cash equivalents	17	45,012,949.55	61,262,184.82
(e) Short-term loans and advances	18	62,018,740.00	62,803,356.00
(f) Other current assets	19	290,235.00	16,542,129.72
TOTAL		1,662,264,881.82	1,794,705,433.79

"See accompanying Notes to the financial statements" 2 - -

As per our report of even date attached

For and on behalf of the Board

for JAIN BAFNA AND CO
Firm Reg No: 010657 S
(Chartered Accountants)

(Anop Chand Jain)
Managing Director

(Gajraj Jain)
Joint Managing Director

(S Muthukumar)
Partner
Membership No: 209636

Place: Chennai
Date: 30/05/2017

(Nitesh Jain)
CFO

(P. Krishnasamy)
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	20	464,019,500.09	297,118,599.41
II. Other Income	21	7,126,208.00	12,002,055.00
III. Total Revenue (I +II)		471,145,708.09	309,120,654.41
IV. Expenses:			
Purchase of Stock-in-Trade	22	331,790,972.51	271,391,623.27
Changes in inventories of Stock-in-Trade	23	6,669,253.98	(47,745,404.13)
Employee benefit expense	24	5,968,635.10	4,644,262.00
Financial costs	25	97,443,507.80	56,609,799.02
Depreciation and amortization expense	12	784,966.00	312,577.00
Other expenses	26	4,074,430.23	3,652,764.09
Total Expenses		446,731,765.62	288,865,621.25
V. Profit before exceptional and extraordinary items and tax (III - IV)		24,413,942.47	20,255,033.16
VI. Exceptional Items (Profit after adjusting loss on sale of fixed asset)		-	-
VII. Profit before extraordinary items and tax (V - VI)		24,413,942.47	20,255,033.16
VIII. Extraordinary Items (prior period expenses)		-	-
IX. Profit before tax (VII - VIII)		24,413,942.47	20,255,033.16
X. Tax expense:			
(1) Current tax		8,285,831.00	7,220,594.00
(2) Deferred tax		(178,576.00)	(32,235.00)
XI. Profit(Loss) from the period from continuing operations (IX-X)		15,949,535.47	13,002,204.16
XII. Profit/(Loss) from discontinuing operations			
XIII. Tax expense of discounting operations			
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XII+XIV)		15,949,535.47	13,002,204.16
XVI. Earning per equity share:			
(1) Basic	27	2.89	2.36
(2) Diluted	28	2.89	2.36

"See accompanying Notes to the financial statements" 2

As per our report of even date attached

For and on behalf of the Board

for JAIN BAFNA AND CO
Firm Reg No: 010657 S
(Chartered Accountants)

(Anop Chand Jain)
Managing Director

(Gajraj Jain)
Joint Managing Director

(S Muthukumar)
Partner
Membership No: 209636

Place: Chennai
Date: 30/05/2017

(Nitesh Jain)
CFO

(P. Krishnasamy)
Company Secretary

CASH FLOW STATEMENT

	2016-2017 (Amount in Rs. Thousands)		2015-2016 (Amount in Rs. Thousands)	
	A. Cash Flow from Operating Activities			
a. Net Profit before taxation and extraordinary items		24,413.94		20,255.03
b. Adjustments for:				
Depreciation	784.97		312.58	
Interest income	(6,517.21)		(11,051.58)	
Liabilities/Provisions written back				
(Profit)/Loss on sale of fixed assets	(133.43)		106.16	
Interest expense(net)	97,359.83	91,494.16	56,151.79	45,518.95
c. Operating Profit before working capital changes		115,908.10		65,773.98
i. (Increase)/Decrease in sundry debtors	(44,255.33)		(90,837.61)	
ii. (Increase)/Decrease in inventories	146,859.93		(338,610.82)	
iii. Increase/(Decrease) in current liabilities	106,983.45		(124,985.42)	
iv. (Increase)/Decrease in loans and advances	784.62		(12,055.65)	
v. (Increase)/Decrease in other current assets	16,251.89		(12,643.47)	
d. Cash generated from operations		226,624.56		(579,132.97)
e. Income Taxes paid net of refund		342,532.66		(513,358.99)
f. Net Cash from operating activities		(10,881.7)		(3,297.11)
		331,650.99		(516,656.10)
B. Cash Flow from Investing Activities				
a. Purchase of Fixed assets	(4,352.75)		(2,625.57)	
b. Proceeds from sale of asset	304.40		180.00	
c. Advances to subsidiaries/ firms	(52.97)		-	
d. Purchase of investments	-		-	
e. Interest received	6,517.21		11,051.58	
f. Net Cash from investing activities		2,415.89		8,606.01
C. Cash Flow from Financing Activities				
a. Issue of shares/Capital introduced	-		-	
b. Proceeds from long term borrowings	-		-	
c. Repayment of long term borrowings	-		-	
d. Change in working capital finance	(45,435.45)		6,078.07	
e. Net increase/(decrease) in other borrowings	(207,520.82)		606,169.06	
f. Interest paid	(97,359.83)		(56,151.79)	
g. Net Cash from financing activities		(350,316.10)		556,095.34
Net increase in cash and cash equivalents (A+B+C)		(16,249.22)		48,045.25
Cash and cash equivalents at the beginning of the period		61,262.18		13,216.93
Cash and cash equivalents at the end of the period		45,012.96		61,262.18

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

For and on behalf of the Board

for JAIN BAFNA AND CO
Firm Reg No: 010657 S
(Chartered Accountants)

(Anop Chand Jain)
Managing Director

(Gajraj Jain)
Joint Managing Director

(S Muthukumar)
Partner
Membership No: 209636

Place: Chennai
Date: 30/05/2017

(Nitesh Jain)
CFO

(P. Krishnasamy)
Company Secretary

Significant Accounting Policies

1. Company Information

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

2. Significant Accounting Policies

1. Basis of Accounting

- a. The accompanying financial statements have been prepared in accordance with the Generally Accepted Accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.
- b. All assets and liabilities have been classified as current or non-current as per the normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.
- c. Based on the nature of activities and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / noncurrent classification of assets and liabilities.

2. Use of estimates

- a. 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.

3. Fixed assets and depreciation

- a. Fixed assets (gross block) are stated at historical cost.
- b. Depreciation on assets is provided on Straight Line method. The Company has adopted depreciation rates as per the useful life specified in Schedule II of the Companies Act, 2013.
- c. In line with Accounting Standard 19 on 'Leases', fixed assets acquired through 'finance lease' transactions entered into on or after 1st April 2001, have been capitalised.

4. Investments

- a. 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.
- b. 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".
- c. All other investments are classified as "Non-current investments".

5. Inventories

Inventories are valued as under

- a. Land and Plots which are registered in the name of the company are valued at cost.
- b. 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.
- c. Work in progress includes internal development costs, external development charges, construction costs, and development / construction materials in respect to the unsold square footage.

6. Construction contracts

- a. The company accounts for income on the percentage to completion basis, which necessarily involve technical estimates of the percentage of completion, and costs to completion of each contract/activity, on the basis of which profits/losses are accounted.
- b. Such estimates, made by the company, have been relied upon, as these are of a technical nature.
- c. The company accounted for construction receipts at the end of the financial year based on "Percentage of Completion Method".
- d. Expenditure incurred during the progress of contracts relating to unsold square footage up to the stage of completion are carried forward as work- in- progress.
- e. Advances and progress payments, received and receivable from customers in respect of such construction contracts in progress are disclosed under Current Liabilities/Current Assets respectively.

7. Revenue recognition

- a. Sale of Land & Undivided Share of Land(UDS)
 - i. Sale of land and UDS (excluding land under agreement to sell) is recognised in the financial year in which the sale deed is executed.
- b. Revenue from constructed properties:
 - ii. Revenue from constructed properties is recognised on the "percentage of completion method" as suggested under Accounting Standard 7 on Construction Contracts (revised 2002) issued by the Institute of Chartered Accountants of India. Total sale consideration as per the agreements to sell constructed properties entered into is recognised as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost. Project cost includes estimated construction and development cost of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.
- c. Interest Income
 - iii. Interest from various Short Term/ Long Term investments is recognised on time proportion basis, taking into account the amount outstanding and the rate applicable

8. Interest from customers under agreements to sell

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

9. Cost of revenue

- a. 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.
- b. 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.

10. Borrowing costs

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

11. Segment Reporting

- a. Accounting Standard 17 “Segment Reporting” as issued by ICAI requires the Company to disclose certain information about operating segments. 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.

12. Deferred Taxation

- a. Current income-tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

13. Retirement benefits

- a. Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits (Revised 2005) issued by the ICAI.
 - i. Provident fund
 1. The Company is not liable for provident fund.
 - ii. Gratuity
 2. Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability is not recognised in the balance sheet in respect of gratuity.

14. Contingent liabilities

- a. 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.

15. Earnings per share

- a. 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).
- b. 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.

Notes to and forming part of Financial Statements

No	Particulars	As at 31 Mar 2017		As at 31 Mar 2016	
		Number	Amount	Number	Amount
3	SHARE CAPITAL				
	Authorised Capital				
	Equity Shares of Rs. 10 each	12,000,000	120,000,000.00	12,000,000	120,000,000.00
	Total	12,000,000	120,000,000.00	12,000,000	120,000,000.00
	Issued, Subscribed and fully paid up Share Capital				
	Equity Shares of Rs. 10 each	5,513,100	55,131,000.00	5,513,100	55,131,000.00
	Total	5,513,100	55,131,000.00	5,513,100	55,131,000.00
	Total taken to Balance Sheet		55,131,000.00		55,131,000.00
3.1	RECONCILIATION OF SHARE CAPITAL	Number	Amount	Number	Amount
	Equity Shares (Face Value Rs 10.00)				
	Shares outstanding at the beginning of the year	5,513,100	55,131,000.00	5,513,100	55,131,000.00
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	5,513,100	55,131,000.00	5,513,100	55,131,000.00
3.2	RIGHTS PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES				
	The company has only one class of equity shares have a face value of Rs. 10 Per share.				
	Each holder of equity shares is entitled to one vote per share.				
	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

4	<u>Reserves and Surplus</u>	As at 31 Mar 2017	As at 31 Mar 2016
4.1	<u>General Reserve</u>		
	Openning balance	108,063.44	108,063.44
	Add: Current year surplus		
	Closing Balance	108,063.44	108,063.44
	<u>Shares Forfeited</u>		
	Openning balance	1,984,500.00	1,984,500.00
	Add: Current year surplus	-	-
	Closing Balance	1,984,500.00	1,984,500.00
	<u>Surplus from Profit & Loss account</u>		
	Openning balance	65,356,680.32	52,354,476.16
	Add: Current year surplus	15,949,535.47	13,002,204.16
	Closing Balance	81,306,215.79	65,356,680.32
	Total taken to Balance Sheet	83,398,779.23	67,449,243.76
5	<u>Long-term borrowings</u>		
5.1	Secured		
	From NBFC	763,688.00	694,596.00
	From Banks	1,607,774.00	954,649.60
	Total taken to Balance Sheet	2,371,462.00	1,649,245.60
a	Secured by hypothecation of Vehicles held by the company		
6	<u>Deferred Tax Liability (Net)</u>		
	The composition of Deferred Tax Liability relating to timing difference on account of depreciation	255,943.00	77,367.00
		255,943.00	77,367.00
7	<u>Other Long term liabilities</u>		
7.1	Trade Payables		
	Trade Payables	47,251,294.75	46,632,460.14
	Total taken to Balance Sheet	47,251,294.75	46,632,460.14
8	<u>Short Term Borrowings</u>		
8.1	Secured Borrowings		
	Loans repayable on Demand		
	From Banks	40,126,450.95	86,215,026.47
	From NBFC	349,451,425.10	516,883,714.40
8.2	Unsecured Indian Rupee Borrowings		
	Loans repayable on Demand		
	From related parties	274,798,932.00	336,724,644.00
	From other Parties	601,572,030.00	579,803,942.00
	Total taken to Balance Sheet	1,265,948,838.05	1,519,627,326.87

Notes to and forming part of Financial Statements

	<u>Secured Borrowings:</u>		
	a Secured Loan from Banks: Secured by the Term Deposit held in the name of the company, Land and Building owned by the company, and properties owned by the directors and their relatives and personal guarantees given by the directors.		
	b All Short Term Borrowings are Indian Rupees Borrowings		
	c Details of Security for Secured Loan from NBFC		
	Hypothecation of Vehicles Owned by the company	1,279,974.00	404,190.00
	Mortgage of on going Project Rainbow Siddhachal being developed by the company	349,451,425.10	516,479,524.40
	d Refer to Note 29 for related party disclosures		
9	<u>Trade Payables</u>		
	Trade Payables	193,107,644.90	87,180,855.42
	Total taken to Balance Sheet	193,107,644.90	87,180,855.42
	a There are no Micro and Small Scale Business Enterprises, to whom Company owes dues, which are outstanding for more than 45 days as at 31/03/2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company		
	b Balances due to various parties are subject to confirmation/ reconciliation thereof. Management does not consider any adjustment on completion of reconciliation/confirmation.		
10	<u>Other Current Liabilities</u>		
10.1	Others		
	Expense Payable	112,500.00	112,500.00
	VAT Payable	136,192.00	393,102.00
	Rental Deposit	495,000.00	495,000.00
	TDS Payable	10,366,980.00	9,672,249.00
	Total taken to Balance Sheet	11,110,672.00	10,672,851.00
11	<u>Short-term provisions</u>		
11.1	Provision for Income Tax	3,689,247.89	6,285,084.00
	Total taken to Balance Sheet	3,689,247.89	6,285,084.00

Fixed Asset

12	Tangible asset	Gross Value				Depreciation					Closing balance	
		Opening balance	Additions	Deletions	Total	upto 31/03/2016	Current Year	Adj on useful life	Deletions	upto 31/03/2017	as on 31/03/2017	as on 31/03/2016
12.1	Building	2,549,310.69			2,549,310.69	1,329,938.91	21,472.00			1,351,410.91	1,197,899.78	1,219,371.78
12.2	Office Equipments	863,564.68	112,973.25	158,174.00	818,363.93	700,983.00	49,714.00		150,264.00	600,433.00	217,930.93	162,581.68
12.3	General Plant & Machinery	110,000.00		110,000.00	-	87,305.00	2,856.00		90,161.00	-	-	22,695.00
12.4	Electrical Installation	17,222.00	12,102.00		29,324.00	12,302.00	1,691.00			13,993.00	15,331.00	4,920.00
12.5	Furniture & Fixtures	447,052.07	318,990.00	-	766,042.07	360,065.07	31,371.00			391,436.07	374,606.00	86,987.00
12.6	Vehicles	6,423,434.00	3,889,685.00	608,358.00	9,704,761.00	3,024,136.00	663,232.00		465,139.00	3,222,229.00	6,482,532.00	3,399,298.00
12.7	Computers	447,918.00	19,000.00		466,918.00	407,691.00	14,630.00			422,321.00	44,597.00	40,227.00
	Total	10,858,501.44	4,352,750.25	876,532.00	14,334,719.69	5,922,420.98	784,966.00	-	705,564.00	6,001,822.98	8,332,896.71	4,936,080.46
	Figures for the previous year	9,650,769.44	2,625,572.00	1,417,840.00	10,858,501.44	6,741,525.98	312,577.00	0.00	1,131,682.00	5,922,420.98	4,936,080.46	2,909,243

a The Company believes that no impairment of assets arises during the year as per the recommendations of Ind AS - 36

Notes to and forming part of Financial Statements

13	<u>Long term loans and advances</u>		
13.1	Other Loans and Advances		
	Unsecured Considered Good		
	Sales Tax Recoverable	305,800.00	305,800.00
	Rental Deposit	345,000.00	345,000.00
	Electricity Deposit	19,630.00	19,630.00
	Telephone Deposit	50,974.00	50,974.00
	Other Deposits	12,500.00	12,500.00
	TDS Recoverable	92,494.00	92,494.00
	Total taken to Balance Sheet	826,398.00	826,398.00
14	<u>Current Investments</u>		
14.1	Investment in Partnership Firms	52,973.74	
		52,973.74	
A	Name of the Partner-% of share in Partnership		
	M/s. Annai Builders Real Estates Pvt Ltd-05%	53,196.21	
	Mr.Thanushkodi Narayanan-15%	(1,112.36)	
	Mr.Narayanan Sreedhar-15%	(1,112.37)	
	Mrs.Jothi Narayanan-15%	(1,112.37)	
	M/s. Rainbow Foundations Limited-08%	52,973.74	
	Mr.Anop Chand Jain-07%	(519.10)	
	Mr.Gajraj Jain-07%	(519.10)	
	Mr.Navin Jain-07%	(519.10)	
	Mr.Vikash Kumar Jain-07%	(519.10)	
	Mr.Nitesh Jain-07%	(519.10)	
	Mr.Ashish Jain-07%	(519.10)	
	Total Contribution	99,718.25	
15	<u>Inventories</u>		
15.1	Work in progress	1,246,406,466.41	1,386,597,140.92
15.2	Stock in trade - Finished Flats	98,685,020.05	105,354,274.03
	Total taken to Balance Sheet	1,345,091,486.46	1,491,951,414.95
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		
16	<u>Trade receivables</u>		
16.1	Trade receivables outstanding for (Considered good and unsecured)		
	more than 6 months	133,008,732.59	121,750,192.36
	others	67,630,469.77	34,633,677.48
	Total taken to Balance Sheet	200,639,202.36	156,383,869.84

Notes to and forming part of Financial Statements

17	<u>Cash and cash equivalents</u>		
	Cash and cash equivalents		
17.1	Balance with banks		
	in current account	23,951,698.48	21,483,286.65
17.2	Cash in hand	406,614.07	1,207,862.17
17.3	Other Bank Balances:		
	Long term deposit with maturity of more than three months but less than twelve months from the Balance Sheet date	20,654,637.00	38,571,036.00
	Total taken to Balance Sheet	45,012,949.55	61,262,184.82
a)	Bank deposits have been given as security for the secured loan from a Bank as disclosed in Note 8.1		
b)	Refer Note 30 for details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016		
18	<u>Short-term loans and advances</u>		
	Other Loans and Advances		
	Unsecured - Considered Good		
	Staff Advances	208,750.00	121,500.00
	Advance to Suppliers	24,602,331.00	24,612,331.00
	Loans & Deposits	37,207,659.00	38,069,525.00
	Total taken to Balance Sheet	62,018,740.00	62,803,356.00
19	<u>Other current assets</u>		
	Service Tax Recoverable	4,206.00	16,379,524.72
	Income Tax Refundable	18,978.00	18,978.00
	Prepaid Expenses	63,878.00	24,453.00
	TDS Receivable	22,504.00	2,623.00
	Rent Receivable	180,669.00	116,551.00
	Total taken to Balance Sheet	290,235.00	16,542,129.72

Notes to and forming part of Financial Statements

20	<u>Revenue from operations</u>		
20.1	Sale of		
	Flats / Houses / Shops	430,664,600.09	260,908,099.41
	Plots / Land / UDS Land	33,354,900.00	36,210,500.00
	Total	464,019,500.09	297,118,599.41
21	<u>Other Income</u>		
21.1	Interest Income	6,517,210.00	11,051,576.00
	Other Non Operating Income		
	Rental Income	475,566.00	504,000.00
	Insurance Claim	-	446,479.00
	Profit on sale of Assets	133,432.00	-
	Total	7,126,208.00	12,002,055.00
22	<u>Purchase of Stock-in-Trade</u>		
22.1	Cost of		
	Flats/Houses/Shops	307,830,152.71	257,430,965.70
	Plots/Land / UDS Land	23,960,819.80	13,960,657.57
	Total	331,790,972.51	271,391,623.27
23	<u>Changes in inventories of stock-in-trade</u>		
	Opening Balance	105,354,274.03	57,608,869.90
	Less: Closing Balance	98,685,020.05	105,354,274.03
	Total	6,669,253.98	(47,745,404.13)
24	<u>Employee benefit expense</u>		
	Salaries & Wages	5,910,793.00	4,596,800.00
	Staff Welfare Expenses	57,842.10	47,462.00
	Total	5,968,635.10	4,644,262.00
a	Refer to Note 29 for related party disclosures		
25	<u>Financial costs</u>		
	Interest Expenses	97,239,157.00	56,138,613.40
	Interest on TDS	120,670.00	13,180.00
	Other borrowing costs	83,680.80	458,005.62
	Total	97,443,507.80	56,609,799.02
a	Refer to Note 29 for related party disclosures		
26	<u>Other Expenses</u>		
26.01	Payment of Auditors		
	for Audit	75,000.00	75,000.00
	for Tax Representations	50,000.00	50,000.00
	for Reimbursement of expenses	2,065.00	4,652.00
26.02	Electricity Charges	85,852.00	83,866.00

Notes to and forming part of Financial Statements

26.03	Rent	486,000.00	452,500.00
26.04	Repairs to buildings	461,148.00	373,004.28
26.05	Repairs to machinery	181,555.00	180,759.00
26.06	Insurance	44,526.00	62,679.00
26.07	Rates & Taxes	31,678.00	344,139.00
26.08	Compensation paid	705,616.00	-
26.09	Sales Promotion	48,855.00	147,748.00
26.10	Telephone Expenses	154,379.55	158,284.81
26.11	Travelling Expenses	20,228.00	36,625.50
26.12	Vehicle Maintenance	498,389.00	556,051.00
26.13	Listing Fee	260,000.00	247,000.00
26.14	Professional Charges	478,931.00	458,193.00
26.15	Conveyance Charges	16,935.00	47,029.00
26.16	Prior Period Items	1,949.05	10,674.00
26.17	Commission	200,000.00	106,158.00
26.18	Miscellaneous expenses	270,730.37	258,401.50
26.19	Share of Loss	593.26	-
	Total	4,074,430.23	3,652,764.09
27	<u>Earnings per Equity Share - Basic</u>		
	Net profit / (loss) for the year from continuing operations	15,949,535.47	13,002,204.16
	Weighted average number of equity shares	5,513,100.00	5,513,100.00
	Earnings per share from continuing operations - Basic	2.89	2.36
28	<u>Earnings per Equity Share - Diluted</u>		
	Net profit / (loss) for the year from continuing operations	15,949,535.47	13,002,204.16
	Weighted average number of equity shares	5,513,100.00	5,513,100.00
	Earnings per share from continuing operations - Diluted	2.89	2.36

As per our report of even date attached

For and on behalf of the Board

for JAIN BAFNA AND CO

Firm Reg No: 010657 S
(Chartered Accountants)

(Anop Chand Jain)
Managing Director

(Gajraj Jain)
Joint Managing Director

(S Muthukumar)
Partner
Membership No: 209636

Place: Chennai
Date: 30/05/2017

(Nitesh Jain)
CFO

(P. Krishnasamy)
Company Secretary

Notes to and forming part of Financial Statements

No.	Description of relationship		Name(s) of related partie(s)	
29	Key Management Personnel (KMP)		1	Mothiram P M - Director
			2	Lakshmi Sreedhar - Director
			3	Mukesh Kumar Manilal Mehta - Director
			4	Gajraj Jain - Joint Managing Director
			5	Sampat Raj Sanghvi - Director
			6	Anop Chand Jain - Managing Director
			7	Nitesh Jain - CFO
			8	Krishnasamy Pranatharthiharan - Company Secretary
29.1	Related Party Transaction			
	Unsecured Loan - Taken			
	Anop Chand Jain	1	20,000,000.00	21,725,000.00
	Gajraj Jain	2	254,798,932.00	314,999,644.00
	Total		274,798,932.00	336,724,644.00
	Salary			
	Anop Chand Jain	1	984,000.00	900,000.00
	Gajraj Jain	2	984,000.00	900,000.00
	Total		1,968,000.00	1,800,000.00
	Interest			
	Gajraj Jain	1	49,649,868.00	22,781,525.00
	Total		49,649,868.00	22,781,525.00
a	List of related parties are provided by the Management and relied upon by the Auditors			

As per our report of even date attached

For and on behalf of the Board

for JAIN BAFNA AND CO

Firm Reg No: 010657 S
(Chartered Accountants)**(Anop Chand Jain)**
Managing Director**(Gajraj Jain)**
Joint Managing Director**(S Muthukumar)**
Partner
Membership No: 209636Place: Chennai
Date: 30/05/2017**(Nitesh Jain)**
CFO**(P. Krishnasamy)**
Company Secretary

No. Details of Specified Bank Notes (SBN) Held and Transacted During the Period 08/11/2016 to 30/12/2016 is as Under

30	Particulars	SBN's	Bank note other than SBN	Total Cash
	Closing cash in hand as on 08.11.2016	1,122,918.00	23,634.67	1,146,552.67
	(+) Permitted receipts		381,150.00	381,150.00
	(-) Permitted payments	11,918.00	40,540.00	52,458.00
	(-) Amount deposited in Banks	1,111,000.00		1,111,000.00
	Closing cash in hand as on 30.12.2016	-	364,244.67	364,244.67
31	Notes have been rearranged and regrouped wherever necessary.			

As per our report of even date attached

For and on behalf of the Board

for JAIN BAFNA AND CO

Firm Reg No: 010657 S
(Chartered Accountants)

(Anop Chand Jain)
Managing Director

(Gajraj Jain)
Joint Managing Director

(S Muthukumar)
Partner
Membership No: 209636

Place: Chennai
Date: 30/05/2017

(Nitesh Jain)
CFO

(P. Krishnasamy)
Company Secretary

RAINBOW FOUNDATIONS LIMITED

L55101TN1994PLC027739

No.4, Thanikachalam Road, T. Nagar,
Chennai, Tamilnadu - 600 017

ATTENDANCE SLIP

Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 23rd Annual General Meeting at the Registered Office of the Company situated at No.4, Thanikachalam Road, T. Nagar, Chennai - 600 017, Tamil Nadu at 9.30 A.M. on Wednesday, September 27, 2017.

Folio No.

DP ID No.

Client ID No.....

Name of the Member..... Signature.....

Name of Proxy Signature.....

No. of shares held:.....

1. Only Member/Proxyholder can attend the meeting.
Member/Proxyholder should bring his/her copy of the annual report for reference at the meeting

**Form No. MGT-11
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

RAINBOW FOUNDATIONS LIMITED

L55101TN1994PLC027739

No.4, Thanikachalam Road, T. Nagar,
Chennai, Tamilnadu - 600 017

23rd Annual General Meeting (AGM) – 27th September, 2017

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	
No. of shares held	

I/We, being the member (s) of _____ shares of Rainbow Foundations Limited, hereby appoint:

Name	
Email	
Address	
Or failing him	
Name	
Email	
Address	
Or failing him	
Name	
Email	
Address	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual ordinary General Meeting of the Company, to be held on Wednesday, September 27, 2017 at 9.30 A.M. at No.4, Thanikachalam Road, T. Nagar, Chennai, Tamilnadu - 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl No.	Description of resolution	Type of Resolution	For	Against
1	To receive, consider and adopt the Financial Statements of the Company for the Financial Year ended on 31st March, 2017 and the reports of the Board of Directors and Auditors thereon	Ordinary		
2	To appoint a Director in the place of Ms. Lakshmi Sreedhar (DIN: 00636082), who retires by rotation and being eligible, offers herself for re-appointment.	Ordinary		
3	Appointment of Auditor M/s. GASM DANSR AND CO. Chartered Accountants for a period of 5 years	Ordinary		

Signed this _____ day of _____ 2017

Affix
Revenue
Stamp

Signature of shareholder

Signature of First Proxy holder

Signature of Second Proxy Holder

Signature of Third Proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



If undelivered, Please return to :
Rainbow Foundations Limited
Regd. Off. : No.4, Thanikachalam Road,
T. Nagar, Chennai - 600 017,
Tamilnadu.