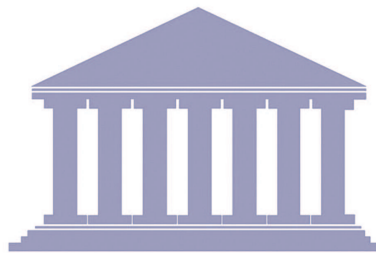




RAINBOW FOUNDATIONS LIMITED



Twenty Fifth Annual Report 2018-19

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

AUDITORS**GASM DANSR AND CO**

Chartered Accountants
Chennai-600 034

BANKERS**State Bank of India**

South Boag Road Branch,
Chennai

ICICI Bank Ltd

V. N. Road and Cenotaph Road Branch,
Chennai

Axis Bank Limited

V. N. Road Branch,
Chennai

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

Bombay Stock Exchange Ltd., Mumbai

REGISTERED OFFICE

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

DEMAT ISIN- INE230F01014**REGISTRAR AND SHARE TRANSFER AGENT****M/s. Cameo Corporate Services Limited**

"Subramaniam Building" No.1, Club House Road,
Chennai- 600 002 Ph: 044 28460390
Fax: 044 – 28460129

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NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of **Rainbow Foundations Limited** will be held on Monday, September 30, 2019 at 10.00 A.M at The Grand Sweets & Snacks, 2nd Floor No.18, Dr. Nair 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, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gajraj Jain (DIN: 01182117), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. Sampat Raj Singhvi (DIN:01786782) as an Independent Director**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Mr. Sampat Raj Singhvi (DIN: 01786782), who was appointed as an Independent Director at the Twentieth Annual General Meeting of the Company held on 29th September, 2014 and who holds the office as Independent Director upto 28th September, 2019 and who is eligible for re - appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of up to five years commencing with effect from 29th September, 2019 to 28th September, 2024."

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

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the member of the company be and is hereby accorded for the re-appointment of Mr. Anop Chand Jain (DIN: 02215110) as Managing Director of the Company for a period of 3 years commencing from December 17, 2018 at a remuneration as stated below:

Salary	Rs. 2,00,000 /- p.m.
Perquisites	<ol style="list-style-type: none"> 1. One Company maintained car with driver for use of Company's business and personal use 2. Fees / Expenses of clubs used for business purpose not exceeding Rs.2,00,000/- p.a. 3. Entertainment expenses up to Rs. 1,00,000/- p.a. 4. Medical Re-imbursement Expenses incurred for the Managing director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years 5. Leave travel Allowance For the Managing Director and his family subject to a maximum limit of one month salary and this includes travel to abroad also. 6. Personal Accident insurance - Premium not to exceed Rs.25,000 p.a.

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), the consent of Members of the company be and is hereby accorded for the re-appointment of Mr. Gajraj Jain (DIN: 01182117) as Managing Director of the Company for the period of 3 years commencing from 14th February, 2019 at a remuneration as stated below:

Salary	Rs. 2,00,000 /- p.m.
Perquisites	<ol style="list-style-type: none"> One Company maintained car with driver for use of Company's business and personal use Fees / Expenses of clubs used for business purpose not exceeding Rs.2,00,000/- p.a. Entertainment expenses up to Rs. 1,00,000/- p.a. Medical Re-imbursement Expenses incurred for the Managing director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years Leave travel Allowance For the Managing Director and his family subject to a maximum limit of one month salary and this includes travel to abroad also. Personal Accident insurance - Premium not to exceed Rs.25,000 p.a.

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

RESOLVED FURTHER THAT Mr. Anop Chand Jain, Managing Director of the Company be and is hereby authorised to take all necessary steps to give effect to the said resolution"

6. **Appointment of Mrs. Maithri Jayakkar (DIN: 07155574) as an Independent Director**

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time and pursuant to recommendation of the Nomination and Remuneration Committee, Mrs. Maithri Jayakkar (DIN: 07155574), who was appointed as an Additional Director (Non-Executive) of the Company with effect from February 14, 2019, in terms of Section 161(1) of the act and whose term of office expires at the ensuing General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation for a period of five years from the conclusion this Annual General Meeting.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to take all necessary steps to give effect to the said resolution”

7. Appointment of Mr. Pushpala Motiram Manjith (DIN: 02161987) as an Independent Director

RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time and pursuant to recommendation of the Nomination and Remuneration Committee, Mr. Pushpala Motiram Manjith (DIN: 02161987), who was appointed as an Additional Director (Non-Executive) of the Company with effect from August 13, 2019, in terms of Section 161(1) of the act and whose term of office expires at the ensuing General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation for a period of five years from the conclusion this Annual General Meeting.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorised to take all necessary steps to give effect to the said resolution”

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

**Gajraj Jain
Managing Director
DIN: 01182117**

Place : Chennai
Date : 13th August, 2019

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

NOTES:

- A. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) setting out material facts concerning the business under Item Nos. 3 to 7 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (AGM) are also forming part of said Statement.
- B. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.**
A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10 percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- C. 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.
- D. 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.
- E. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members

- holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent for assistance in this regard.
- F. The requirement relating to ratification of the appointment of Auditors by members at every Annual General Meeting is done away with vide notification dated 07th May 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors.
- G. 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.
- H. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to Cameo Corporate Services Limited in case the shares are held in physical form.
- I. 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.
- J. 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.
- K. 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.
- L. All communication relating to shares may be addressed to the Company at: **No.4, Thanikachalam Road, T.Nagar, Chennai - 600017.**
- M. The Register of Members and the Share Transfer Books of the company will remain closed from 24th September, 2019 to 30th September, 2019 both days inclusive.
- N. Members / proxy are requested to bring a copy of Annual report and attendance slip to the meeting.
- O. 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.
- P. 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.
- Q. 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 i.e M/s. Cameo Corporate Services Ltd, Subramanian Building, No.1, Club House Road, Chennai-600002.**
- R. 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 25th Annual General Meeting.
- S. 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.
- T. (a) Route Map to the venue of the AGM; (b) Proxy Form; and (c) Attendance Slip are annexed to this Notice.
- U. As per Regulation 44 of Listing Regulations, the Company will submit details of the voting results in respect of each of the resolutions proposed in this Notice to the stock exchanges within 48 hours of conclusion of its AGM.

V. 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 25th 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 Participants(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. Incase 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. Incase 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 : 190830021 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 27th September, 2019 (9:00 am) and ends on 29th September, 2019 (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 23rd September, 2019, 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 23rd September, 2019. 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 shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/any other authorized person of the Company.
- 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 of Directors
For Rainbow Foundations Limited**

**Gajraj Jain
Managing Director
DIN: 01182117**

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

At the Annual General Meeting (AGM) held on 29th September, 2014, Mr. Sampat Raj Singhvi (DIN: 01786782), was appointed as a Non Executive Independent Director of the Company for a first term of 5 consecutive years i.e. upto 28th September, 2019.

On the basis of report of performance evaluation of Mr. Sampat Raj Singhvi, the Nomination and Remuneration Committee (NRC) recommended to the Board that his continued association will immensely benefit the Company. Pursuant to the recommendation of NRC and report of performance evaluation and in order to reap benefits of his rich and varied experience, the Board at its meeting held on 13th August, 2019 approved and recommended re-appointment of Mr. Sampat Raj Singhvi, as a Non-Executive Independent Director of the Company for a second term of five consecutive years with effect from 29th September, 2019 to 28th September, 2024 not liable to retire by rotation.

Mr. Sampat Raj Singhvi has given consent for the said re-appointment and he is not disqualified from being re-appointed as a Director of the Company under Section 164 of the Companies Act, 2013 ("the Act"). Further, the Company has received declaration of independence from Mr. Sampat Raj Singhvi confirming that he meets the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and also the Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Mr. Sampat Raj Singhvi for the office of Director of the Company.

Copy of the draft letter for appointment of Mr. Sampat Raj Singhvi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during business hours on any working day upto the date of AGM.

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

The Board of Directors recommends the resolution at Item No. 3 of the Notice for the approval of members of the Company by way of Special Resolution.

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

Item No: 4

Upon recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 17th December, 2018 had re-appointed Mr. Anop Chand Jain (DIN : 02215110) as the Managing Director, for a period of three years with effect from 17th December, 2018, subject to the approval of the members at this Annual General Meeting.

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

Salary	Rs. 2,00,000 /- p.m.
Perquisites	<ol style="list-style-type: none"> One Company maintained car with driver for use of Company's business and personal use Fees / Expenses of clubs used for business purpose not exceeding Rs.2,00,000/- p.a. Entertainment expenses up to Rs. 1,00,000/- p.a. Medical Re-imbursement Expenses incurred for the Managing director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years Leave travel Allowance For the Managing Director and his family subject to a maximum limit of one month salary and this includes travel to abroad also. Personal Accident insurance - Premium not to exceed Rs.25,000 p.a.

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

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

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

Item No: 5

Upon recommendation of Nomination & Remuneration Committee, the Board of Directors of the Company at their meeting held on 14th February, 2019 had re-appointed Mr. Gajraj Jain (DIN : 01182117) as the Managing Director, for a period of three years with effect from 14th February, 2019, subject to the approval of the members at this Annual General Meeting.

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

Salary	Rs. 2,00,000 /- p.m.
Perquisites	<ol style="list-style-type: none"> One Company maintained car with driver for use of Company's business and personal use Fees / Expenses of clubs used for business purpose not exceeding Rs.2,00,000/- p.a. Entertainment expenses up to Rs. 1,00,000/- p.a. Medical Re-imbursement Expenses incurred for the Managing director and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years Leave travel Allowance For the Managing Director and his family subject to a maximum limit of one month salary and this includes travel to abroad also. Personal Accident insurance - Premium not to exceed Rs.25,000 p.a.

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

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

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

Item No: 6

Pursuant to provisions of Section 161(1) of the Companies Act, 2013 and other applicable provision of the Act and on recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mrs. Maithri Jayakkar (DIN: 07155574) as an Additional Director in the category of Non Executive Independent Director with effect from February 14, 2019.

As per the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act), it is proposed to appoint Mrs. Maithri Jayakkar (DIN: 07155574) as Independent Director of the Company, not liable to retire by rotation for a period of five years from the conclusion this Annual General Meeting.

Mrs. Maithri Jayakkar has given consent for the said appointment and she is not disqualified from being appointed as a Director of the Company under Section 164 of the Companies Act, 2013 ("the Act"). Further, the Company has

received declaration of independence from her confirming that she meets the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and also the Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Mrs. Maithri Jayakkar for the office of Director of the Company.

Copy of the draft letter for appointment of Mrs. Maithri Jayakkar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during business hours on any working day upto the date of AGM.

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

The Board of Directors recommends the resolution at Item No. 6 of the Notice for the approval of members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mrs. Maithri Jayakkar and her relatives is, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of the Notice

Item No: 7

Pursuant to provisions of Section 161(1) of the Companies Act, 2013 and other applicable provision of the Act and on recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mr. Pushpala Motiram Manjith (DIN: 02161987) as an Additional Director in the category of Non Executive Independent Director with effect from August 13, 2019.

As per the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act), it is proposed to appoint Mr. Pushpala Motiram Manjith (DIN: 02161987) as Independent Director of the Company, not liable to retire by rotation for a period of five years from the conclusion this Annual General Meeting.

Mr. Pushpala Motiram Manjith) has given consent for the said appointment and he is not disqualified from being appointed as a Director of the Company under Section 164 of the Companies Act, 2013 ("the Act"). Further, the Company has received declaration of independence from him confirming that he meets the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and also the Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Mr. Pushpala Motiram Manjith for the office of Director of the Company.

Copy of the draft letter for appointment of Mr. Pushpala Motiram Manjith as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during business hours on any working day upto the date of AGM.

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

The Board of Directors recommends the resolution at Item No. 7 of the Notice for the approval of members of the Company by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Pushpala Motiram Manjith and his relatives is, in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 of the Notice.

Annexure-1

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

Name of the Director	Mr. Sampat Raj Singhvi
Age	61 years
DIN	01786782
Category	Non-Executive Independent Director
Date of first appointment on the Board as Director	03 rd September, 2007
Qualification(s)	Intermediate
Expertise in Specific Functional Area	Finance and Property development
Terms & conditions of re-appointment	As per resolution mentioned in Item No.3 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Board Meetings attended during the year	7
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2019	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	NIL
Number of shares held in the Company as on 31st March, 2019	27 shares

Name of the Director	Mr. Anop Chand Jain
Age	67 years
DIN	02215110
Category	Managing Director
Date of first appointment on the Board as Director	07 th June, 1994
Qualification(s)	Intermediate
Expertise in Specific Functional Area	Finance, Real Estate & Property Development
Terms & conditions of re-appointment	As per resolution mentioned in Item No.4 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	For remuneration sought to be paid, please refer resolution mentioned in item No. 4. For the FY 18-19 Rs. 12 Lakhs
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Anop Chand Jain is brother of Mr. Gajraj Jain and Paternal Uncle of Mr. Nitesh Jain, CFO, apart from this, he does not have any relationship with other Directors and Key Managerial Personnel of the Company

Number of Board Meetings attended during the year	7
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2019	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	NIL
Number of shares held in the Company as on 31st March, 2019	1,85,584 equity shares of Rs.10/-each

Name of the Director	Mr. Gajraj Jain
Age	58 years
DIN	01182117
Category	Managing Director
Date of first appointment on the Board as Director	07 th June, 1994
Qualification(s)	B.Com.
Expertise in Specific Functional Area	Real Estate & Property Deveopment
Terms & conditions of re-appointment	As per resolution mentioned in Item No.5 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	For remuneration sought to be paid, please refer resolution mentioned in item No. 5. For the FY 18-19 Rs. 12 Lakhs
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Gajraj Jain is brother of Mr. Anop Chand Jain and he is the father of Mr. Nitesh Jain CFO, apart from this, he does not have any relationship with other Directors and Key Managerial Personnel of the Company
Number of Board Meetings attended during the year	7
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2019	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	NIL
Number of shares held in the Company as on 31st March, 2019	2,00,000 equity shares of Rs.10/-each

Name of the Director	Mrs. Maithri Jayakkar
Age	56 years
DIN	07155574
Category	Non Executive Independent Director
Date of first appointment on the Board as Director	14 th February, 2019
Qualification(s)	M.A. B Ed.,

Expertise in Specific Functional Area	Administration & Marketing
Terms & conditions of re-appointment	As per resolution mentioned in Item No.6 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Board Meetings attended during the year	NA
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2019	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	NIL
Number of shares held in the Company as on 31st March, 2019	NIL

Name of the Director	Mr. Pushpala Motiram Manjith
Age	32 years
DIN	02161987
Category	Non Executive Independent Director
Date of first appointment on the Board as Director	13 th August, 2019
Qualification(s)	B.E.,
Expertise in Specific Functional Area	Marketing, Administration and Real Estate
Terms & conditions of re-appointment	As per resolution mentioned in Item No.7 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Board Meetings attended during the year	NA
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2019	NIL
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2019	NIL
Number of shares held in the Company as on 31st March, 2019	NIL

Annexure-2

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

I General Information

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

	Rs. In Lakhs	
Particulars	31st March, 2019	31st March, 2018
Revenue from operations	3,775.78	5,537.78
Profit/(loss) before tax	116.42	225.02
Profit/(loss) after tax	64.12	150.45

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

II Information about Mr. Anop Chand Jain:

Particulars	
Background details	Mr. Anopchand Jain, took to his family business quite early after his studies. He has immense experience lasting over 4 decades in the field of Real Estate, Finance and construction.
Past remuneration	FY 2018-19 Rs. 12 Lakhs
Recognition or awards	NA
Job profile and his suitability	Mr. Anop Chand Jain being Executive Director of the Company provides leadership, strategic vision and direction to the Company's business operations. He is steering the Company for more than 20 years and has rich and varied experience in the Real Estate Industry. Under his leadership, the Company has made enormous progress and today.
Remuneration proposed	As stated in Item No.4 of this Notice
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration of Mr. Anop Chand Jain is in line with the nature of Industry, size of Company, responsibilities entrusted and peer remuneration. The NRC Committee after considering all aforesaid factors has recommended the remuneration specified in Item No. 4 of the notice
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Anop Chand Jain is promoter of the company and brother of Mr. Gajraj Jain and Paternal Uncle of Mr. Nitesh Jain, CFO. Apart from this, he does not have any relationship with the Company, other Directors and Key Managerial Personnel of the Company.

II B Information about Mr. Gajraj Jain

Particulars	
Background details	Mr. Gajraj Jain , opted for a business career very early in life for over two decades, he was a Proprietor of a textile showroom till 90's and later on changed to Real estate business joining hands with his elder brother Mr. Anopchand Jain, Managing Director of Rainbow Foundations Ltd.
Past remuneration	FY 2018-19 Rs. 12 Lakhs
Recognition or awards	NA
Job profile and his suitability	Mr. Gajraj Jain being Executive Director of the Company provides leadership, strategic vision and direction to the Company's business operations. He is steering the Company for more than 20 years and has rich and varied experience in the Real Estate Industry. Under his leadership, the Company has made enormous progress and today.
Remuneration proposed	As stated in Item No.5 of this Notice
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The proposed remuneration of Mr. Gajraj Jain is in line with the nature of Industry, size of Company, responsibilities entrusted and peer remuneration. The NRC Committee after considering all aforesaid factors has recommended the remuneration specified in Item No. 5 of the notice
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Gajraj Jain is promoter of the company and brother of Mr. Anop Chand Jain and father of Mr. Nitesh Jain, CFO. Apart from this, he does not have any relationship with the Company, other Directors and Key Managerial Personnel of the Company.

I Other Information**1. Reasons of loss or inadequate profits:**

The Company has adequate profits under Section 198 of the Companies Act, 2013 and does not envisage any loss or inadequate profits. However, as a matter of abundant caution, the Company proposes to obtain approval of the members of the Company for payment of minimum remuneration to Mr. Anop Chand Jain and Mr. Gajraj Jain in case of situation of inadequate profits. As a matter of compliance under Para A of Section II of Part II of Schedule V of Companies Act, 2013, this statement is given.

2. Steps taken or proposed to be taken for improvement:

Not Applicable. However, the Company constantly endeavors to take all such measures which shall improve the performance of the Company.

3. Expected increase in productivity and profits in measurable terms:

The Company is conscious about improvement in productivity and undertakes constant measures to improve the same. However, it is extremely difficult in present scenario to predict profits in measurable terms. For the year ended 31st March, 2019, net profit after tax stood at Rs. 64.12 lakhs

II Disclosures:

The information on remuneration package of Mr. Anop Chand Jain & Mr. Gajraj Jain Managing Directors is provided in Corporate Governance Report forming part of the Annual Report for FY 2018-19.

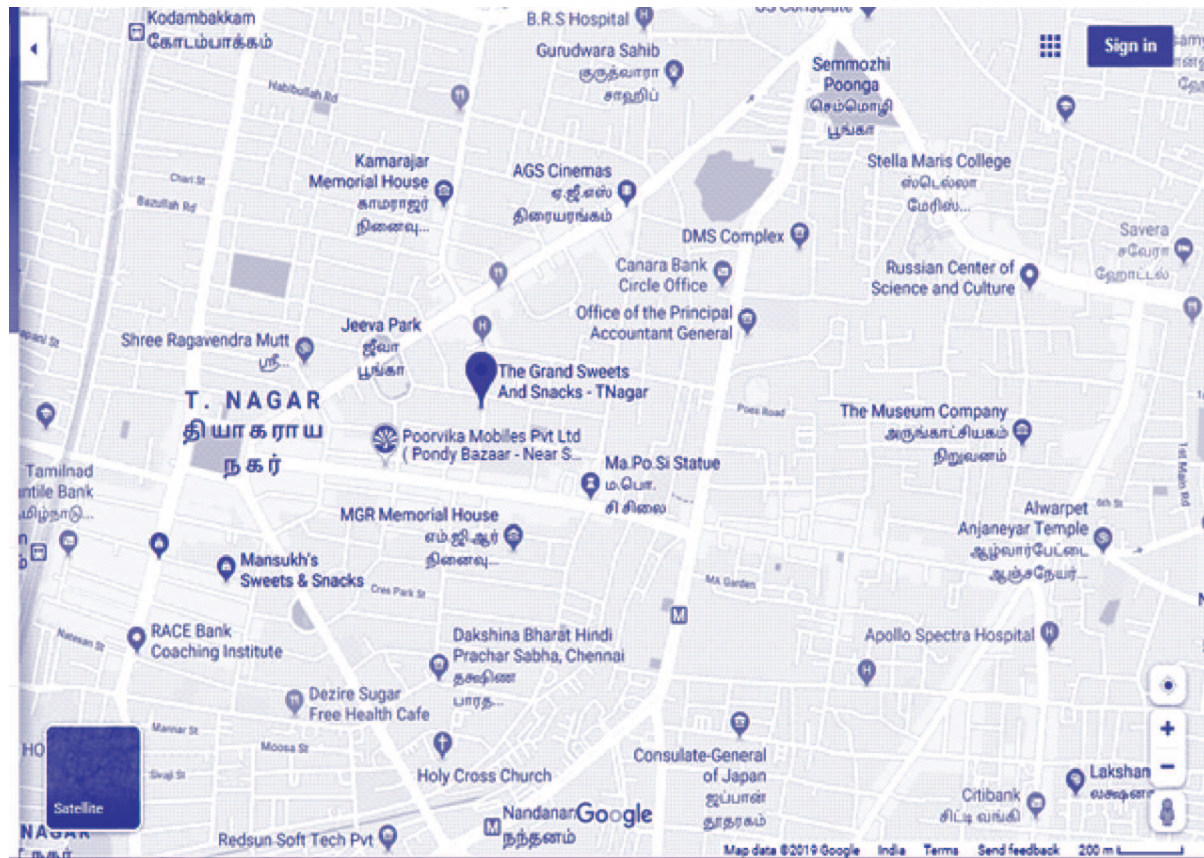
**By Order of the Board of Directors
For Rainbow Foundations Limited**

**Gajraj Jain
Managing Director
DIN: 01182117**

Place : Chennai
Date : 13th August, 2019

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

The Route map of the Annual General Meeting



BOARD'S REPORT

To,

The Members,

As you are aware your company was founded in the year 1994 and is celebrating the Silver Jubilee this year being completed 25 successful years in the real estate sector. Your company's business growth and productivity depends on its stakeholders and not purely dependant management. The Board of your company would like to congratulate each stakeholder on this achievement.

We would like to further add that we have a clear responsibility to our customers, employees and shareholders in bringing our purpose to life.

Your Directors have pleasure in presenting the 25th Annual Report on the business and operations of your Company, along with the summary of standalone and consolidated financial statements (if applicable mention) for the year ended 31st March, 2019

1. FINANCIAL RESULTS

Particulars	Amount in Lakhs	
	For Financial Year ended 31/03/2019	For Financial Year ended 31/03/2018
Total Income	3,966.23	5,632.47
Total Expenditure	3,849.82	5407.45
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	701.91	1527.32
Finance Charges	573.92	1292.82
Depreciation	11.58	9.47
Profit/(loss) before Tax	116.41	225.03
Tax Expense	52.29	74.57
Net Profit/(Loss) After Tax	64.12	150.45
Profit/(Loss) carried to Balance Sheet	64.12	150.45
The proposed appropriations are		
Proposed Dividend	0	0
Corporate dividend tax	0	0
General reserve	0	0
Balance carried forward	64.12	150.45
Earnings Per Share Basic	1.16	2.73
Diluted	1.16	2.73

2. ECONOMIC REVIEW:

The last Financial Year has been a good one for the Indian economy with a sea change in the macroeconomic parameters and a sustainable turnaround on the cards. The country has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments etc. Overall there is a real sense that a new set of reforms and the enthusiasm in the markets can lead India towards another prosperous era of high growth.

3. OPERATIONAL AND FINANCIAL PERFORMANCE HIGHLIGHTS:

During the year under review, the turnover of the company has reduced to Rs.3966.23 Lakhs as compared to

previous year turnover of Rs. 5632.47. Due to reduction in turnover and increase in the total expenditure, the profits of the company have reduced by 57.38%. The Earning per Share ('EPS') for the year also decreased to Rs. 1.16 as compared to Rs.2.73 in the previous year due to decline in profits.

4. CHANGE IN NATURE OF BUSINESS:

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

5. CORPORATE GOVERNANCE

Your Company is committed towards maintaining high standards of Governance. The Report on Corporate Governance as stipulated under Schedule V of the Listing Regulations, shareholders information together with a Corporate Governance Compliance Certificate from Mr. Soy Joseph, Practicing Company Secretary confirming compliance, forms an integral part of this Report which is annexed herewith as "Annexure (A)".

6. BOARD EVALUATION

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

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

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

7. INDEPENDENT DIRECTORS

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

- Mr. Sampat Raj Singhvi
- Mr. Pushpala Mohan Mothiram
- Mrs. Maithri Jayakkar

8. Nomination & Remuneration Policy

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

9. SHARE CAPITAL:

During the year under review the company has increased its authorised share capital from Rs. 12,00,00,000/- divided into 1,20,00,000 equity share of Rs. 10/- each to Rs. 70,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 10/- each and 5,00,00,000 preference shares of Rs. 10/- each.

Also, the company has allotted 45,500,000 Non- convertible preference shares of Rs.10/- each

At present the total issued capital stands at 5,55,13,100 comprising 55,13,100 equity shares of Rs. 10/- each and 5,00,00,000 preference shares of Rs. 10/- each out of which subscribed and paid up share capital was 5,10,13,100 comprising of 55,13,100 Equity Shares of Rs.10/- each and 4,55,00,000 preference shares of Rs. 10/- each.

10. DIVIDEND:

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

11. RESERVES:

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

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

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

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

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

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

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

15. RELATED PARTY TRANSACTION:

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

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

16. DEPOSITS:

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

17. STATUTORY AUDITORS AND THEIR REPORT:

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

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

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

18. INTERNAL AUDITOR

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

19. SECRETARIAL AUDIT

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

The following Observation was given in his Secretarial Audit Report

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

- The monies borrowed by the Company from various parties during the year under review have not been reported to the Registrar of Companies in E-form MGT-14.

Management Explanation:

The company has inadvertently failed to file aforesaid forms but now the management is in the process of filing E-form MGT-14 for registration of resolutions in respect of borrowing loans during the year under review.

20. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

21. FRAUD REPORTING

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

22. COST AUDITORS.

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

23. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

- Mr. Anop Chand Jain (DIN: 02215110), was re-appointed as Managing Director of the Company for a period of 3 years w.e.f December 17, 2018
- Mr. Gajraj Jain (DIN: 01182117), was re-appointed as Managing Director of the company a period of 3 years w.e.f February 14, 2019
- Mrs. Maithri Jayakkar (DIN: 07155574) was appointed as Additional Non-executive Independent Director with effect from February 14, 2019
- Mr. Pushpala Motiram Manjith (DIN: 02161987) was appointed as Additional Non-executive Independent Director with effect from August 13, 2019

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

- Mr. Mukesh Kumar Manilal Mehta (DIN: 01165166), Mrs. Lakshmi Sreedhar (DIN: 00636082) and Mr. Pushpala Mohan Mothiram (DIN: 00232291), Non executive Independent Director resigned w.e.f May 30, 2018, February 14, 2019 and August 13, 2019 respectively. The Board wishes to place on record their appreciation for the valuable contributions made by them to the Board and the Company during their tenure.
- During the year, Mr. Krishnasamy Pranatharthiwaran resigned from the position of Company Secretary w.e.f August 14, 2018. In accordance with the provisions of Section 203 of the Companies Act, 2013 ('Act') Ms. Niroshaa Kathiravan, was appointed as Company Secretary w.e.f December 17, 2018 by the Board pursuant to recommendation of NRC
- Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Gajraj Jain, Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for the re-appointment. The Board recommends his re-appointment for consideration of the members at the ensuing Annual General Meeting.

24. Meetings of the Board and its Committees

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

25. Code of conduct

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

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

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**A) Conservation of energy, technology absorption:**

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

B) Foreign Exchange Earnings and Outgo:

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

27. PARTICULARS OF EMPLOYEES

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

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

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

29. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in **Form MGT-9** for the financial year ended March 31, 2019 is attached as **Annexure D** to the Boards' Report and provided on the website of the Company at www.rainbowfoundations.in.

30. RISK MANAGEMENT POLICY:

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

31. VIGIL MECHANISM POLICY:

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

32. PREVENTION OF SEXUAL HARASSMENT POLICY

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

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

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

33. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

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

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

35. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the annual Financial Statements for the year ended March 31, 2019, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (b) Your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year March 31, 2019 and of the profit and loss of the company for that period ended March 31, 2019
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Financial Statements have been prepared on a going concern basis; and
- (e) the directors had devised proper internal systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

36. ACKNOWLEDGEMENTS:

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

FOR RAINBOW FOUNDATIONS LIMITED

Place : Chennai
Date : 13th August 2019

ANOP CHAND JAIN
Managing Director
DIN: 02215110

GAJRAJ JAIN
Managing Director
DIN: 01182117

ANNEXURE A

REPORT ON CORPORATE GOVERNANCE

Your Company follows highest standards of Corporate Governance combined with transparency enabling stakeholders to assess that the Company is being governed in a rational manner in compliance with relevant laws and regulations. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

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

Your Company is in compliance with Corporate Governance requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended, and Secretarial Standards as of March 31, 2019 and presents the following Report.

Board of Directors

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

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

The Board of the Company has an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. As on March 31, 2019, the Board comprised of five directors out of which 3 are Non-Executive Independent Directors (Consisting of one women Director) and 2 are Executive Directors.

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

Name of the Director	DIN	Category	% of Share holding as of March 31, 2019	No. of Directorship held*		Committees~	
				Public	Private	Chairman	Member
Gajraj Jain	01182117	Managing Director, Executive Director	3.63	1	-	-	-
Anop Chand Jain	02215110	Managing Director, Executive Director	3.37	1	-	-	-
Pushpala Mohan Mothiram	00232291	Non-Executive Independent Director	—	1	2	-	2
Sampat Raj Singhvi	01786782	Non-Executive Independent Director	0.0005	1	-	-	2
Maithri Jayakkar	07155574	Additional Director Non-Executive Independent	—	1	-	2	-

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

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

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

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

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

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

During the year, the Board met 7 times, i.e. on May 30th, 2018, August 14th, 2018, September 05th, 2018, November 07th, 2018, November 14th, 2018, December 17th, 2018, and February 14th, 2019. The maximum gap between two meetings was not more than one hundred and twenty days. Quorum was present at all the meetings.

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

Directors	No. of Board meetings during 2018-19		Whether attended last AGM held on 28/09/2018	Sitting fee (In Rs. Lakhs)*
	Held	Attended		
Gajraj Jain	7	7	Yes	-
Anop Chand Jain	7	7	Yes	-
@Lakshmi Sreedhar	7	6	Yes	-
@ Mukesh Kumar Manilal Mehta	7	Not Applicable	Not Applicable	-
Pushpala Mohan Mothiram	7	7	Yes	-
Sampat Raj Singhvi	7	7	Yes	-
#Maithri Jayakkar	Not Applicable	Not Applicable	Not Applicable	-

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

@ Mr. Mukesh Kumar Manilal Mehta and Mrs. Lakshmi Sreedhar has resigned w.e.f 30th May, 2018 and 14th February, 2019 respectively

Mrs. Maithri Jayakkar was appointed as Additional Director on 14th February, 2019.

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

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

The Board comprises highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees. The following skills / expertise /competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership / Operational experience
- Strategic Planning
- Industry Experience, Research & Development and Innovation
- Global Business
- Financial, Regulatory / Legal & Risk Management
- Corporate Governance

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

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

Tenure

Except Independent Directors, all other Directors of your Company are liable to retire by rotation. One-third of the said Directors are liable to retire every year and if eligible, offer for re-appointment. The Board has the power to determine the tenure of all the Executive Directors.

Profile

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

Remuneration of directors

i. Pecuniary transactions with non-executive directors

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

ii. Criteria of making payments to non-executive directors

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

iii. Non-executive directors

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

iv. Executive directors

During the year under review, Mr. Anop Chand Jain and Mr. Gajraj Jain, Managing Director of the Company has drawn Rs. 12 Lakhs each as salary.

Board Committees

The Board committees play a crucial role in the governance structure of the Company and are being set out to deal with specific areas/activities which concern the Company and need a closer review. Committees are set up by the Board to carry out the roles and responsibilities as defined in their Charter. These Committees prepare the groundwork for decision making and minutes of Committee meetings are placed at subsequent meeting of the Board. As of March 31, 2019, your Company has the following committees of the Board:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee

Audit Committee

(a) Terms of Reference

The Scope and terms of reference of the Audit Committee covers matters specified under Part C of Schedule II of the Listing Regulation and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee inter-alia includes the following matters:

Financial Reporting and Related Process

- To oversee the company's financial reporting process and the disclosure of its financial information

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

Internal Control and Governance Process

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

Audit & Auditors

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

(b) Composition and Meetings

As on March 31, 2019, the Audit Committee comprises of 3 Members all are Independent Directors

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

During the year under review, Four (4) Audit Committee Meetings were held i.e on May 30, 2018, August 14, 2018, November 14, 2018, and February 14, 2019. The maximum gap between two meetings was not more than one hundred and twenty days. Quorum was present at all the meetings.

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

Directors	Category	No. of during 2018-19	
		Held	Attended
Lakshmi Sreedhar*	Non-Executive Director	4	4
Pushpala Mohan Mothiram	Non-Executive - Independent Director	4	4
Sampat Raj Singhvi	Non-Executive - Independent Director	4	4
Maithri Jayakkar*	Non-Executive – Non Independent Director	4	—

* Mrs. Lakshmi Sreedhar resigned as director and Mrs. Maithri Jayakkar was appointed as Additional Director on 14th February, 2019

Nomination and Remuneration Committee**(a) Brief description of terms of reference**

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

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

(b) Composition, Meeting & Attendance:

As on March 31, 2019, Mrs. Maithri Jayakkar Chairs the Nomination and Remuneration Committee and Ms. Pushpala Mohan Mothiram and Mr. Sampat Raj Singhvi are the members of the Committee

During the year under review, Two (2) Nomination & Remuneration Committee Meetings were held i.e on December 14, 2018, and February 14, 2019. Quorum was present at all the meetings.

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

Directors	Category	No. of during 2018-19	
		Held	Attended
Lakshmi Sreedhar*	Non-Executive Director	2	2
Pushpala Mohan Mothiram	Non-Executive - Independent Director	2	2
Sampat Raj Singhvi	Non-Executive - Independent Director	2	2
Maithri Jayakkar*	Non-Executive – Non Independent Director	2	—

*Mrs. Lakshmi Sreedhar resigned as director and Mrs. Maithri Jayakkar was appointed as Additional Director on 14th February, 2019

Stakeholders Relationship Committee

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

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

During the year under review, Four (4) Stakeholders' Relationship Committee were held i.e on May 30, 2018, August 14, 2018, November 14, 2018, and February 02, 2019. The maximum gap between two meetings was not more than one hundred and twenty days. Quorum was present at all the meetings.

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

Directors	Category	No. of during 2018-19	
		Held	Attended
Lakshmi Sreedhar*	Non-Executive Director	4	4
Pushpala Mohan Mothiram	Non-Executive - Independent Director	4	4
Sampat Raj Singhvi	Non-Executive - Independent Director	4	4
Maithri Jayakkar*	Non-Executive – Non Independent Director	4	—

*Mrs. Lakshmi Sreedhar resigned as director and Mrs. Maithri Jayakkar was appointed as Additional Director on 14th February, 2019

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

Annual General Meeting

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

Year	Venue	Date & Time	Details of Special Resolution passed at AGM
2018	Registered office of the Company	September 28, 2018, 9.30 A.M	None
2017	Registered office of the Company	September 27, 2017, 9.30 A.M	None
2016	Registered office of the Company	September 30, 2016, 9.30 A.M	None

All Directors attended the last AGM held on September 28, 2018.

Extraordinary General Meeting

-During the year, company has conducted one Extraordinary General Meeting on 05th December, 2018 at 9.45 A.M to pass the following Resolutions

- Increase in Authorized Share Capital
- Alteration in Memorandum of Association & Articles of Association pursuant to increase in authorized share capital
- Issue of Non-Convertible Redeemable Cumulative Preference Shares (NCRCPs)
- Adoption of new set of Memorandum of Association of the Company in conformity with Companies Act, 2013
- Adoption of new Set of Articles of Association of the Company in conformity with Companies Act, 2013

Postal Ballot

No Postal Ballot was conducted during the year under review

Means of communication:

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

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

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

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

General Shareholders' information**i. Annual General Meeting:**

Day & Date: Monday, 30th September, 2019

Time: 10.00 A.M

Venue: The Grand Sweets & Snacks, 2nd Floor No.18, Dr. Nair Road, T.Nagar, Chennai-600017

Financial Year: 1st April to 31st March

ii. Tentative Financial Calendar (For Financial Year 2019-20) for approval of:

Financial Result for 1 st quarter 2019-20 (Unaudited)	On or before 14-08-2019
Financial Result for 2 nd quarter 2019-20 (Unaudited)	On or before 14-11-2019
Financial Result for 3 rd quarter 2019-20 (Unaudited)	On or before 14-02-2020
Financial Result for 4 th quarter and year ended 2019-20 (Audited)	On or before 30-05-2020

iii. Date of Book Closure: 24th September, 2019 to 30th September, 2019

- iv. **Listing on Stock Exchanges:** BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Scrip Code: **531694**
- v. **Listing Fees:**
The Company has paid Listing Fees till the year 2019-2020 to BSE Limited
- vi. **Annual Custody Fees:**
The Company has paid the annual Custody Fees to Central Depository Services (India) Limited and National Securities Depository Limited for the year 2018-2019 to 2019-2020.
- vii. **International Securities Identification Number (ISIN) for equity shares of the Company:**
INE230F01014
- viii. **Corporate Identity Number (CIN):** L55101TN1994PLC027739

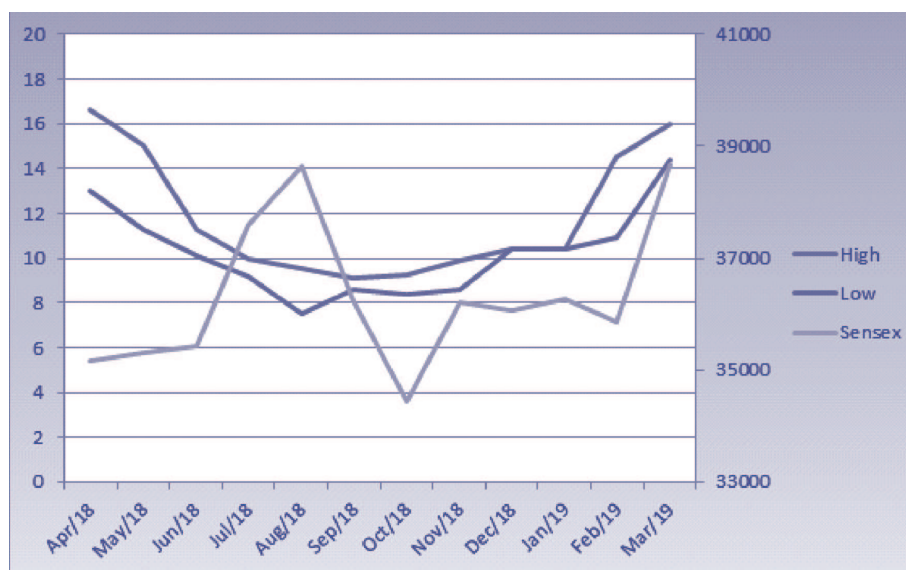
Market Price Data

The monthly high and low quotations of the closing price and volume of shares traded at BSE Ltd. (BSE) from April, 2018 to March, 2019 are as under

Month	BSE Limited		
	High	Low	Volume
April, 2018	16.59	12.99	2,549
May, 2018	15.00	11.30	1,486
June, 2018	11.25	10.14	3,687
July, 2018	9.95	9.16	4,759
August, 2018	9.54	7.49	79,805
September, 2018	9.07	8.62	2,002
October 2018	9.25	8.36	1,834
November 2018	9.90	8.57	2,052
December 2018	10.39	10.39	1
January 2019	10.40	10.40	11
February 2019	14.50	10.92	14,670
March 2019	15.95	14.41	1,455

Source: BSE Website

Performance in comparison with BSE indices and Sensex



Registrar & Transfer Agent

M/s. Cameo Corporate Services Ltd.

"Subramanian Building" No. 1, Club House Road, Chennai - 600 002, Tamilnadu, India

Website: www.cameoindia.com Email: investor@cameoindia.com

Phone: +91-44-28460390 Fax: +91-44-28460129

Share Transfer System:

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

Distribution of Shareholding as on March 31, 2019

No of Equity Shares	No. of Share holders	% of Shareholders	No. of Share held	% of Shareholding
Upto 5000	1660	77.79	1,56,180	2.83
5001-10000	225	10.54	206272	3.74
10001-20000	70	3.28	116362	2.11
20001-30000	26	1.22	68701	1.25
30001-40000	13	0.61	48662	0.88
40001-50000	19	0.89	89141	1.62
50001-100000	41	1.92	327684	5.94
100001& above	80	3.75	4500098	81.63
Total	2134	100.00	5513100	100.00

Shareholding Pattern as on March 31, 2019

Category of Shareholder		No. of Equity Share of face value of Rs. 10/- each	As a percentage of total paid up share capital
A.	Shareholding of Promoter and Promoter Group (A)		
	Individual/ HUF	1843327	33.44
	Total (A)	1843327	33.44
B.	Public Shareholding		
	Individuals	2498849	45.33
	Bodies Corporate	697324	12.65
	Trust	0	0
	Clearing Member	0	0
	Financial Institution/ Banks	0	0
	Mutual Funds	0	0
	Others	4,73,600	8.58
	Total (B)	3669773	66.56
	Grand Total (A+ B)	5513100	100

Dematerialisation of Shares and Liquidity

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

As on March 31, 2019, 51,80,780 Equity Shares of the company constituting 93.97% of the issued, subscribed and paid-up share capital of the Company are held in dematerialized form and 3,32,320 Equity Shares of the Company constituting 06.03% is in physical form. The Company's shares were regularly traded on the Bombay Stock Exchange (BSE) Limited.

Shares held in Demat and Physical mode as on March 31, 2019 are as under:

Shares held in	Number of shares	% of total equity
NSDL	3198491	58.02
CDSL	1982289	35.95
Physical Mode	332320	6.03
Grand Total	5513100	100

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

The Company does not have any outstanding GDR / ADR / warrants or any convertible instruments as on March 31, 2019

Service of documents through electronic mode

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

Address for correspondence

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

Company

Mrs. Niroshaa Kathiravan

Company Secretary & Compliance Officer

4, Thanikachalam Road, T. Nagar, Chennai - 600 017, Tamil Nadu, India

Email: rainbowfoundations@gmail.com Website: www.rainbowfoundations.in

Registrar & Transfer Agent

M/s. Cameo Corporate Services Ltd.

"Subramanian Building" No. 1, Club House Road, Chennai - 600 002, Tamilnadu, India

Website: www.cameoindia.com Email: investor@cameoindia.com

Phone: +91-44-28460390 Fax: +91-44-28460129

Other Disclosures**1. Reconciliation of share capital audit:**

A Practicing Company Secretary carried out a share capital audit at the end of each quarter to reconcile the (a) total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL); (b) total issued and (c) listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

2. Related Party Transactions:

There are no materially significant related party transactions viz. with promoters, directors or the Management, their subsidiaries, or relatives that may have potential conflict with the interests of the Company at large.

The statements containing the transactions with related parties were submitted periodically to the Audit Committee. There are no related party transactions that may have potential conflict with the interest of the Company at large. There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

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

3. Statutory Compliance, Penalties and Strictures

The Company has complied with all the requirements of the Stock Exchanges / SEBI / and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on matters relating to capital markets during the last three years.

4. Vigil Mechanism / Whistle Blower Policy

Your Company has a vigil mechanism/whistle blower policy in place and is revised from time to time incorporating regulatory changes. The said mechanism/policy is available on the Company's website (<http://www.rainbowfoundations.in/>). We confirm that no employee of your Company has been denied access to the Audit Committee in respect of any incident covered by the vigil mechanism/whistle blower Policy.

5. Compliance with the Mandatory and Non-Mandatory requirements

The Company has complied with all the mandatory requirements of Corporate Governance specified in the Listing Regulations. The Company has adopted discretionary requirements specified in Part E of Schedule II of the Listing Regulations as given below:

The Board: The Company does not have a Non-Executive Chairman.

Shareholders Rights: Quarterly, Half-yearly, annual financial results of the company are published in English and Tamil newspaper and are also forwarded to BSE. The same are also uploaded on the website of the company at www.rainbowfoundations.in, hence, the same are not sent to the shareholders of the Company

Modified Opinion in Audit Report: There was no qualification or modified opinion in Independent Auditors Report on Financial Statements for the year ended March 31, 2019.

Reporting on Internal Auditor: The internal auditor of the company is permanent invitee of the Audit Committee Meeting. He directly interacts with Audit Committee Members during the Meeting.

The terms and conditions of appointment of independent directors are disclosed on your Company's website (www.rainbowfoundations.in).

Certificate on compliance with conditions of Corporate Governance

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

Code of Conduct

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

On behalf of the Board of Directors
Rainbow foundations Limited

Place : Chennai
Date : 13.08.2019

Gajraj Jain
Managing Director
DIN: 01182117

DECLARATION

In accordance with Clause D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We Gajraj Jain, Managing Director and Mr. Nitesh Jain, Chief Financial Officer of the Company, hereby declare that the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct for Board Members and Senior Management for the year ended 31 March 2019.

For Rainbow Foundations Limited

Gajraj Jain
Managing Director
DIN: 01182117

Nitesh Jain
CFO

Place : Chennai
Date : 13.08.2019

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by Rainbow Foundations Limited for the year ended 31 March 2019 as per Regulations 17-27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of Listing Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as specified in Regulations 17-27, clause (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of Listing Regulations, 2015.

We state that, such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
M/s GASM DANSR AND CO
Chartered Accountants

Chennai
13.08.2019

Ananddevkumar
Partner
(M.No.200/23631)

CERTIFICATE BY PRACTISING COMPANY SECRETARY

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No	Name of Director	DIN	Designation
1.	Gajraj Jain	01182117	Managing Director
2.	Anop Chand Jain	02215110	Managing Director
3.	Sampat Raj Singhvi	01786782	Independent Director
4.	Pushpala Mohan Mothiram	00232291	Independent Director
5.	Maithri Jayakkar	07155574	Independent Director

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

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

Chennai
13.08.2019

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

Annexure B

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended 31st March 2019

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

To,

The Members,

M/s RAINBOW FOUNDATIONS LIMITED

CIN: L55101TN1994PLC027739

NO. 4, Thanikachalam Road,

T. Nagar, Chennai, Tamil Nadu 600017 India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Rainbow Foundations Limited** ("the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31st March 2019** ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2019, according to the provisions of:

- (i) The Companies Act, 2013 ("The Act") and the Rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
(Not applicable to the Company during the audit period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - d. 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;
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
 - a) The Transfer of Property Act, 1882
 - b) The Indian Contract Act, 1872
 - c) The Real Estate (Regulation and Development) Act, 2016
 - d) The Indian Stamp Act, 1899
 - e) Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
 - f) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

- g) The Building and other Construction Workers Welfare Cess Act, 1996
- h) Other applicable laws like Income Tax Act, 1961, Customs Act, 1962, The Central Goods and Services Tax Act, 2017, The State Goods and Service Tax Act, 2017, Service Tax Regulations under Finance Act, 1994 including the applicable rules and regulations etc.,

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

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

- (i) Secretarial Standards on Board meetings and General meetings issued by the Institute of Company Secretaries of India revised with effect from October, 2017
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

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

- The monies borrowed by the Company from various parties during the year under review have not been reported to the Registrar of Companies in E-form MGT-14.

We further report that:-

- The Board of Directors of the Company is duly constituted with proper balance of Executive directors, Non-Executive directors and Independent Directors. During the year under review,
 - Mr. Mukesh Kumar Manilal Mehta, Independent Director of the Company resigned from the Company with effect from 30th May, 2018;
 - Mr. Krishnasamy Pranatharthiharan, Whole-Time Company Secretary of the Company resigned from the Company with effect from 14th August, 2018;
 - Ms. Niroshaa Kathiravan was appointed as the Whole-Time Company Secretary of the Company with effect from 17th December, 2018;
 - Ms. Maithri Jayakkar was appointed as the Additional Director of the Company with effect from 14th February, 2019.
- Adequate notices were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in accordance with the provisions of the Companies Act, 2013, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting so as to ensure meaningful participation at the meeting.
- All decisions at Board Meeting and Committee Meetings were carried out in accordance with the provisions of the Companies Act, 2013 and the relevant rules and regulations and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

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

For **JM & Associates**,
Company Secretaries

Place : Chennai
Date : 13.08.2019

Soy Joseph
Partner
(ACS-13852, CP-5612)

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

‘Annexure -1’

To,

The Members,

M/s.RAINBOW FOUNDATIONS LIMITED

CIN: L55101TN1994PLC027739

NO. 4, Thanikachalam Road,

T. Nagar, Chennai, Tamil Nadu 600017

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **JM & Associates**,
Company Secretaries

Place : Chennai
Date : 13.08.2019

Soy Joseph
Partner
(ACS-13852, CP-5612)

ANNEXURE C

Particulars of Employees

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

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

Name of Director	Ratio to Median Remuneration
Mr. Anopchand Jain	8.70:1
Mr. Gajraj Jain	8.70:1

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

Name of person	% Increase in remuneration
Mr. Anopchand Jain	11.11%
Mr. Gajraj Jain	11.11%
Mr. Nitesh Jain	9.09%
Mr. Krishnasamy P	NIL
*Ms. Niroshaa Kathiravan	N.A

* Ms. Niroshaa Kathiravan was appointed as company secretary w.e.f 17th December, 2018

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

The Median remuneration of the employees in the financial year 2018-19 was Rs. 1,38,000 in comparison with the financial year 2017-18 as Rs. 1,66,500. Hence, there is decrease of 17.12% in median remuneration in the financial year 2018-19.

- The number of permanent employees on the rolls of the Company as on March 31, 2019 was 14.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The employees have got an average increase of 4.15% whereas Key Managerial Personnel have seen an average increase of 8.98% in remuneration of FY 2019 over FY 2018. 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

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

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

a) Details of top ten employees of the Company in terms of remuneration drawn during 2018-19

Sr. No	1	2	3	4	5	6	7	8	9	10
Name	Nitesh Jain	K.Vetrivel	A.Rajan	G.Raju	S.Sathya narayana Boopathy	M.Dhana sekar	P.Kishan Kumar	A.Nagamani	*P.Krishna samy	*Niroshaa Kathiravan
Designation	CFO	Manager-Admin	Accountant	Office Incharge	Front Office Incharge	Office Assistant	Driver	Office Assistant	*Company Secretary	*Company Secretary
Remuneration Paid	7,20,000	6,00,000	3,60,000	2,88,000	2,16,000	1,80,000	1,80,000	1,38,000	1,08,000	80,500
Nature of Employment	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent

Qualifications	MBA	B.Com	B.Com	Intermediate	X Std.	X Std	V Std	X Std	B.Sc., ACS	M.Com, ACS
Experience (years)	10	27	12	30	12	12	10	15	35	6
Date of commencement of the employment	01.06.2016	03.07.1995	27.02.2007	07.06.1994	20.02.2012	22.11.2007	15.05.2008	01.03.2016	07.07.2010	17.12.2018
Age (Years)	31	52	34	55	36	36	29	45	60	26
Previous Employment	NA	NA	NA	NA	NA	NA	NA	NA	NA	Analyst in M/s LPFLEX International Dubai
Percentage of equity shares held in the Company along with his spouse and dependent children	2.76	NIL	NIL	NIL	NIL	0.20	NIL	NIL	NIL	NIL
Whether relative of Director or Manager	Son of Mr. Gajraj Jain, JMD	NO	NO	NO	NO	NO	NO	NO	NO	NO

* Mr. P.Krishnasamy, company secretary of the company resigned on August 14, 2018 and Ms. Niroshaa Kathiravan was appointed as company secretary w.e.f 17th December, 2018

b) List of employees of your Company employed throughout the Financial Year 2018-19 and were paid remuneration not less than one crore and two lakh rupees:

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

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

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

**FOR AND ON BEHALF OF THE BOARD
RAINBOW FOUNDATIONS LIMITED**

Place : Chennai
Date : 13th August 2019

ANOP CHAND JAIN
Managing Director
DIN: 02215110

GAJRAJ JAIN
Joint Managing Director
DIN: 01182117

ANNEXURE D

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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	17,24,935	Nil	17,24,935	31.29	18,43,327	Nil	18,43,327	33.44	2.15
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):	17,24,935	Nil	17,24,935	31.29	18,43,327	Nil	18,43,327	33.44	2.15
(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)	17,24,935	Nil	17,24,935	31.29	18,43,327	Nil	18,43,327	33.44	2.15
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 Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify) –	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non Institutions									
a) Bodies CorporateIndian	6,84,519	20,500	7,05,019	12.79	6,82,324	15,000	6,97,324	12.65	-0.14
Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i.Individual shareholders holding nominal sh. Capital upto Rs.1 lakh	6,04,665	3,13,720	9,18,385	16.65	6,11,158	2,92,120	9,03,278	16.38	-0.27
ii.Individual shareholders holding nominal sh. Capital in excess of Rs.1 lakh	16,44,552	64,000	17,08,552	30.99	15,70,371	25,200	15,95,571	28.94	-2.04
c) Others (specify)	4,56,209	Nil	4,56,209	8.27	4,73,600	Nil	4,73,600	8.59	0.31
Sub-total (B)(2):-	33,89,945	3,98,220	37,88,165	68.71	33,37,453	3,32,320	36,69,773	66.57	-2.14
Total Public Shareholding (B)=(B)(1)+ (B)(2)	33,89,945	3,98,220	37,88,165	68.71	33,37,453	3,32,320	36,69,773	66.57	-2.14
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	51,14,880	3,98,220	55,13,100	100	51,80,780	3,32,320	55,13,100	100	Nil

(ii) Shareholding of Promoters

Sl 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	2,71,308	4.92	0.00	2,72,808	4.95	0.00	0.03
2	Sapna	1,99,834	3.62	0.00	2,11,334	3.83	0.00	0.21
3	Gajraj Jain	2,00,000	3.63	0.00	2,00,000	3.63	0.00	0.00
4	Anopchand Jain	1,76,883	3.21	0.00	1,85,584	3.37	0.00	0.16
5	Navin Kumar Jain	1,68,519	3.06	0.00	1,81,957	3.30	0.00	0.24
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	1,57,850	2.86	0.00	0.19
8	Sarala Jain	1,22,191	2.22	0.00	1,34,694	2.44	0.00	0.22
9	Anop Chand Jain	1,05,000	1.90	0.00	1,15,000	2.09	0.00	0.19
10	Gajraj Jain Huf	75,000	1.36	0.00	1,25,000	2.27	0.00	0.91
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

N Anitha Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	2,71,308	4.92	2,71,308	4.92
Demated 08-06-2018	1500	0.03	2,72,808	4.95
At the end of the year	2,72,808	4.95	2,72,808	4.95

Sapna	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,99,834	3.62	1,99,834	3.62
Demated 22.06.2018	1500	0.03	2,01,334	3.65
Purchase 24-08-2018	10,000	0.18	2,11,334	3.83
At the end of the year	2,11,334	3.83	2,11,334	3.83

(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

Anopchand Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,76,883	3.21	1,76,883	3.21
Purchase 24-08-2018	7,000	0.13	1,83,883	3.34
Demated 21-09-2018	1,000	0.02	1,84,883	3.35
Purchase 26-10-2018	1	0.00	1,84,884	3.35
Purchase 15-02-2019	200	0.004	1,85,084	3.36
Purchase 22-02-2019	500	0.01	1,85,584	3.37
At the end of the year	1,85,584	3.37	1,85,584	3.37

Navin Kumar Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,68,519	3.06	1,68,519	3.06
Purchase 25-05-2018	1	0.00	1,68,520	3.06
Purchase 01-06-2018	6	0.00	1,68,526	3.06
Purchase 08-06-2018	251	0.005	1,68,777	3.06
Purchase 15-06-2018	911	0.017	1,69,688	3.08
Purchase 06-07-2018	50	0.00	1,69,738	3.08
Purchase 24-08-2018	10,000	0.18	1,79,738	3.27
Purchase 31-08-2018	1	0.00	1,79,739	3.27
Purchase 15-02-2019	868	0.016	1,80,607	3.28
Purchase 22-02-2019	421	0.08	1,81,028	3.28
Purchase 01-03-2019	929	0.017	1,81,957	3.30
At the end of the year	1,81,957	3.30	1,81,957	3.30

Vikash Kumar Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,47,100	2.67	1,47,100	2.67
Purchase 24-08-2018	10,000	0.18	1,57,100	2.85
Purchase 01-03-2019	750	0.01	1,57,850	2.86
At the end of the year	1,57,850	2.86	1,57,850	2.86

Sarala Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,22,191	2.22	1,22,191	2.22
Purchase 24-08-2018	12,000	0.21	1,34,191	2.43
Purchase 31-08-2018	3	0.00	1,34,194	2.43
Purchase 01-03-2019	500	0.01	1,34,694	2.44
At the end of the year	1,34,694	2.44	1,34,694	2.44

Anop Chand Jain	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	1,05,000	1.90	1,05,000	1.90
Purchase 24-08-2018	10,000	0.19	1,15,000	2.09
At the end of the year	1,15,000	2.09	1,15,000	2.09

Gajraj Jain HUF	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year	75,000	1.36	75,000	1.36
Sale 08-03-2019	(75,000)	(1.36)	0	0.00
Purchase 15-03-2019	75,000	1.36	75,000	1.36
Demated 29-03-2019	50,000	0.91	1,25,000	2.27
At the end of the year	1,25,000	2.27	1,25,000	2.27

(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		
	Sale 08-03-2019	Sale	2,38,627	4.33	—	—
	Purchase 15-03-2019	Purchase	2,53,627	4.60	2,53,627	4.60
	Total				2,53,627	4.60
2.	Suruchi Tie Up Private Limited		2,36,603	4.29	2,36,603	4.29
	Total				2,36,603	4.29
3.	Dinesh Kumar Bora		1,47,000	2.67	1,47,000	2.67
	Total				1,47,000	2.67
4	Rajgharana Housing Limited		66,000	1.197	66,000	1.197
	Total		0	0	66,000	1.197
5	Anil Bohra					
			55,746	1.01	58,346	1.06
	Purchase 11-05-2018	Purchase	2,600	0.05		
	Total				58,346	1.06
6.	Madan Chand Nahar		53,000	0.96	53,000	0.96
	Total				53,000	0.96
7.	Anupam Bothra		51,709	0.93	51,709	0.93
	Total		0	0	51,709	0.93
8	Karan Sundeep					
	At the beginning of the year		48,118	0.87	51,237	0.93
	Purchase on 06-04-2018	Purchase	35	0.00		
	Purchase on 27-04-2018	Purchase	1	0.00		
	Purchase on 04-05-2018	Purchase	2	0.00		
	Purchase on 11-05-2018	Purchase	100	0.002		
	Purchase on 18-05-2018	Purchase	209	0.004		
	Purchase on 25-05-2018	Purchase	298	0.005		
	Purchase on 08-06-2018	Purchase	1625	0.03		
	Purchase on 22-06-2018	Purchase	849	0.02		
	Total		51,237		51,237	0.93
9.	Mahaveer Chand Nahar		50,625	0.918	50,625	0.918
	Total				50,625	0.918
10	Madan Chand & Sons		50,000	0.91	50,000	0.91
	Total				50,000	0.91
10	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 GAJRAJ JAIN (Managing Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		2,00,000	3.63	2,00,000	3.63
Changes During the Year					
Increase					
Date	Reason for Increase				
	Allotment	Nil	Nil	Nil	Nil
	Bonus	Nil	Nil	Nil	Nil
	Sweat	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
Decrease					
Date	Reason for Decrease				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		2,00,000	3.63	2,00,000	3.63

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

S. No.: 3 ANOP CHAND JAIN (Managing Director)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		1,76,883	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	8,701	0.16	8,701	0.16
Decrease					
Date	Reason for Decrease				
	Transfer	Nil	Nil	Nil	Nil
	Other	Nil	Nil	Nil	Nil
At the End of the year		1,85,584	3.37	1,85,584	3.37

S. No.: 4 NITESH JAIN (CFO)		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares*	% of total shares of the company	No. of shares*	% of total shares of the company
At the beginning of the year		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

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	24,98,99,290.99	91,18,79,639.00	Nil	1,16,17,78,929.99
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	24,98,99,290.99	91,18,79,639.00	Nil	1,16,17,78,929.99
Change in Indebtedness during the financial year				
• Addition (Net)	-	62,60,54,850.00	Nil	62,60,54,850.00
• Reduction	(8,89,70,942.14)	-	Nil	(8,89,70,942.14)
Net Change	(8,89,70,942.14)	62,60,54,850.00	Nil	53,70,83,907.86
Indebtedness at the end of the financial year				
i) Principal Amount	16,09,28,348.85	1,53,79,34,489.00	Nil	1,69,88,62,837.85
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	16,09,28,348.85	1,53,79,34,489.00	Nil	1,69,88,62,837.85

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	12,00,000	12,00,000	24,00,000
	(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)	12,00,000	12,00,000	24,00,000
	Ceiling as per the Act	84,00,000	84,00,000	84,00,000

B. Remuneration to other directors:

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		P. Krishnasamy (CS) Upto 14.08.2018	Niroshaa Kathiravan (CS) w.e.f 17.12.2018	Nitesh Jain CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,08,000	80,500	7,20,000	9,08,500
	(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	1,08,000	80,500	7,20,000	9,08,500

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and On behalf of the Board
Rainbow Foundations Limited

Place : Chennai
Date : 13.08.2019

Anop Chand Jain
Managing Director
DIN: 02215110

Gajraj Jain
Joint Managing Director
DIN: 01182117

ANNEXURE E

MANAGEMENT DISCUSSION AND ANALYSIS**Industry Structure and Development**

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

The Indian real estate market is anticipated to reach a market size of \$180 billion by the year 2020, according to the joint report of CREDAI and JLL. Housing sector shall contribute to about 11% of the total growth within this and some of the key drivers expected to aid this target are the changes in regulatory reforms, transparency in the market with redefined laws along with emergence of demand for nuclear and affordable homes.

Real Estate Sector

Real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. Indian real estate sector has witnessed high growth in recent times, with the rise in demand for office as well as residential spaces.

Retail, hospitality and commercial real estate are growing significantly, providing the much-anticipated infrastructure for the country's growing needs.

Real estate powers the economy by creating jobs. The sector has emerged as the third largest employer creating sector.

Affordable Housing reduced prices boosted the Housing sales to 6% in eight major cities making it a propitious year for the real estate sector. The residential segment saw a gradual revival this year, with sales as well as new project launches increasing steadily in the top 7 cities of Bengaluru, MMR (Mumbai Metropolitan Region), NCR, Pune, Chennai, Hyderabad, and Kolkata. As per ANAROCK data, new housing launches in these cities increased by 32%, over 2017, with affordable housing leading the pack in terms of supply and absorption

Affordable housing, backed by a series of Government sops during 2018, kept the residential supply momentum ticking. In sharp contrast to earlier years where the 'affordable' tag was considered down-market and avoidable, 2018 saw almost every real estate developer eager to take a bite out of this segment.

Government Initiatives

Never in the history of Indian real estate have so many regulatory initiatives introduced and implemented in such a short period of time. Major transformation happened in the sector in the last couple of years, which have created a more transparent business environment, strengthening market sentiments.

The sector witnessed implementation of landmark reforms which impacted it directly as well as indirectly, namely GST, RERA, Insolvency and Bankruptcy Code and Benami Property Transaction Act, among others. While the initial pain was there, these reforms have taken the industry towards a healthier ecosystem. Indian real estate sector adapted to a rapidly changing regulatory environment and registered some revival in fortunes. Implementation of RERA and GST resulted in more transparency and accountability in the market.

The recent incentives of lowering the GST rates and infrastructure status to affordable housing from the Government have stoked up the demand in the sector. Moreover, the grant of infrastructure status to affordable housing was a great move for the sector. The Government also announced Credit Linked Subsidy Scheme (CLSS) during the year, thereby making loans available at much affordable rates, thereby benefiting both buyers and developers.

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

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

Operational Review

During the year under review, the Revenue of the company has decreased to Rs. 3,775.78 Lakhs as compared to previous year revenue Rs. 5537.78. The company's net profit has decreased to Rs. 64.12 Lakhs as against Rs. 150.30 Lakhs in the previous years. The Earning per share of the company is 1.16 decreased from Rs. 2.73

Opportunities

The present financial and economic atmosphere is enormously challenging, nonetheless your Company believes that with the introduction of affordable housing, concept of Smart City and various Awas Yojnas by the Prime Minister in the preceding financial year/s, there are many opportunities for building homes within the lower segment in the Indian real estate market.

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

Risk and Threats:

Taking into the account the overall slowdown and disruption in the Indian economy and particularly in the Indian Real Estate market in the last 1.5 years, your Company also underwent the heat and is facing challenges like many real estate players, particularly arising through the negative sentiments from the buyers with regards to extra burden of GST on under construction apartments, over-regulated atmosphere and delays in getting approvals due to dumping ground matter. Likewise is the case with financial institutions and banks towards the anticipation of their risks involved in developer repaying the loan and increase in the number of litigations of projects has caused slowdown in this sector. Consequently, your Company through a blend of caution, proper due diligence and estimation of varied prospects, maintains primary and key focus on speedy execution of projects in hand, aims at reducing the debt and keeping cost under control.

Segment Wise or Product Wise Performance

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

Internal Control Systems and Adequacy:

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

Human Resources

A focused and healthy employee is crucial for any productive organization. The culture and reputation as a leader in business has enabled your Company to attract and retain some of the best talents in the industry. Your Company is empanelled with high profile professionals and continues to inspire them to stay focused and updated with new reforms and technology every day. The Company strongly believes that's its intrinsic strength lies in the quality of its dedicated employees and thus has maintained harmonious employee relations.

Business Outlook

The real estate sector in India has provided ample opportunity with the liberalization of the economy. With the increased demand of commercial and residential property, the company is confident that the ever-expanding market for real estate shall provide a good business opportunity to the Company to gain its share in the market.

Cautionary Statement

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

INDEPENDENT AUDITOR'S REPORT

To

The Members of M/s Rainbow Foundations Limited

Report on the audit of the financial statements**Opinion**

We have audited the financial statements of Rainbow Foundations Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("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 March 31, 2019, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

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

Key Audit Matter	Auditor's Response
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The Company enters into Construction contracts, which are complex in nature and span over a number of reporting periods. The accounting standard requires an entity to select a single measurement method for the relevant performance obligation that depicts the entity's performance in transferring goods or services or if a contract is onerous, present obligations are recognized and measured as provisions.</p> <p>The Company is recognizing contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard which relies on management's estimates of the final outcome of each contract, and involves the exercise</p>	<p>Principal Audit Procedures</p> <p>Our audit process included to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing.</p> <p>Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry and observations, re-performance and inspection of evidence in respect of operations of these controls.</p>

Key Audit Matter	
<p>of significant management judgment, particularly in forecasting the cost to complete a contract, in valuing contract variations, claims and liquidated damages.</p> <p>We identified contract accounting as a key audit matter because the estimation, of the total revenue and total cost to complete the contract, prepared based on the prevailing circumstances, is inherently subjective, complex and require significant management judgment and forecast of contract revenue and/or contract cost may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations or any other factor, and could result in material variance in the revenue and profit or loss from contract for the reporting period.</p>	

Information other than the financial statements and auditors' report thereon

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

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

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

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

Management's responsibility for the financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, 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 the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Chennai
Date: 30.05.2019

For M/s. GASM DANSR AND CO.

(Ananddevkumar)
(Partner)
(Mem No: 200/23631)
2-G, II floor, J. P. Tower, 1/1, Dr.Thirumurthy Nagar
Main Road, Chennai 600034
Firm Reg No: 005986S

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 2019 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 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, 2019 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 2019 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
Income Tax Act 1961	Income Tax Along with Interest till the date of Assessment	Rs. 73,01,330/-	AY 2013-14	The Commissioner of Income Tax (Appeals) Chennai
Income Tax Act 1961	Income Tax Along with Interest till the date of	Rs. 1,15,43,103/-	AY 2011-12	The Commissioner of Assessment Income Tax (Appeals) Chennai
Income Tax Act 1961	Income Tax Along with Interest till the date of Assessment	Rs. 8,09,29,010/-	AY 2012-13	The Commissioner of Income Tax (Appeals) Chennai

Name of the Statue	Nature of Dues	Amount under dispute not yet deposited Rs.	Period to which amount relates	Forum where the dispute is pending
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	Rs. 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.
- (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, during the year under audit the Company has made a preferential allotment of 0.01% Non-Convertible Redeemable Cumulative Preference Shares to one party and has complied with the requirement of section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.
- (xv) Based on the audit procedures performed and according to the information and explanations given to us and in our opinion, the Company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company and hence not commented upon.
- (xvi) According to the information and explanations given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company and hence not commented upon.

Place: Chennai
Date: 30.05.2019

For M/s. GASM DANSR AND CO.

(Ananddevkumar)
(Partner)
(Mem No: 200/23631)
2-G, II floor, J. P. Tower, 1/1, Dr.Thirumurthy Nagar
Main Road, Chennai 600034
Firm Reg No: 005986S

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 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai

Date: 30.05.2019

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

(Ananddevkumar)

(Partner)

(Mem No: 200/23631)

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

Firm Reg No: 005986S

Balance Sheet as at 31st March, 2019

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
I. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	3	10,508,450.31	11,592,376.31
(b) Long term loans and advances	4	827,445.00	826,398.00
(2) Current assets			
(a) Current Investments	5	52,973.74	52,973.74
(b) Inventories	6	1,950,928,599.25	1,408,796,739.02
(c) Trade receivables	7	58,615,742.19	52,746,081.06
(d) Cash and cash equivalents	8	8,891,309.86	7,092,882.62
(e) Short-term loans and advances	9	467,463,895.00	47,532,734.00
(f) Other current assets	10	14,773,372.50	2,373,495.44
Total		2,512,061,787.85	1,531,013,680.19
II. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	11	510,131,000.00	55,131,000.00
(b) Reserves and Surplus	12	104,841,991.77	98,429,728.72
(2) Non-Current Liabilities			
(a) Long-term borrowings	13	475,367.00	-
(b) Deferred Tax Liability (Net)	14	177,098.00	355,060.00
(c) Other Long term liabilities	15	53,938,068.10	44,842,032.09
(3) Current Liabilities			
(a) Short-term borrowings	16	1,698,387,470.85	1,161,778,929.99
(b) Trade payables	17	113,771,370.43	157,236,498.39
(c) Other current liabilities	18	28,144,736.70	13,240,431.00
(d) Short-term provisions	19	2,194,685.00	-
Total		2,512,061,787.85	1,531,013,680.19

"See accompanying Notes to the financial statements"

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For and on behalf of the Board

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

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/05/2019

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note No	Figures for the current reporting period	Figures for the previous reporting period
I. Revenue from operations	20	377,577,808.39	553,778,181.66
II. Other Income	21	19,045,606.44	9,468,609.91
III. Total Revenue (I +II)		396,623,414.83	563,246,791.57
IV. Expenses:			
Purchase of Stock-in-Trade	22	450,072,226.89	372,931,503.22
Changes in inventories of Stock-in-Trade	23	(138,492,343.75)	28,027,792.01
Employee benefit expense	24	5,655,200.74	5,313,852.26
Financial costs	25	57,392,149.65	129,281,707.43
Depreciation and amortization expense	3	1,157,573.00	947,295.00
Other expenses	26	9,196,865.25	4,242,026.71
Total Expenses		384,981,671.78	540,744,176.63
V. Profit before exceptional and extraordinary items and tax (III - IV)		11,641,743.05	22,502,614.94
VI. Exceptional Items (Profit after adjusting loss on sale of fixed asset)		-	-
VII. Profit before extraordinary items and tax (V - VI)		11,641,743.05	22,502,614.94
VIII. Extraordinary Items (prior period expenses)		-	-
IX. Profit before tax (VII - VIII)		11,641,743.05	22,502,614.94
X. Tax expense:			
(1) Current tax		5,407,442.00	7,372,548.45
(2) Deferred tax		177,962.00	(99,117.00)
XI. Profit(Loss) from the period from continuing operations (IX-X)		6,412,263.05	15,030,949.49
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)		6,412,263.05	15,030,949.49
XVI. Earning per equity share:			
(1) Basic	27	1.16	2.73
(2) Diluted	28	1.16	2.73

"See accompanying Notes to the financial statements"

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For and on behalf of the Board

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

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/05/2019

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary

CASH FLOW STATEMENT

	2018-2019 (Amount in Rs. Thousands)		2017-2018 (Amount in Rs. Thousands)	
A. Cash Flow from Operating Activities				
a. Net Profit before taxation and extraordinary items		11,641.74		22,502.61
b. Adjustments for:				
Depreciation	1,157.57		947.30	
Interest income	(18,172.50)		(8,937.61)	
Liabilities/Provisions written back				
(Profit)/Loss on sale of fixed assets	(156.03)		(5.00)	
Interest expense(net)	57,109.08	39,938.12	127,641.14	119,645.83
c. Operating Profit before working capital changes		51,579.86		142,148.44
i. (Increase)/Decrease in sundry debtors	(5,869.66)		147,893.12	
ii. (Increase)/Decrease in inventories	(542,131.86)		(63,705.25)	
iii. Increase/(Decrease) in current liabilities	(19,464.79)		(36,150.65)	
iv. (Increase)/Decrease in loans and advances	(419,931.16)		14,486.01	
v. (Increase)/Decrease in other current assets	(12,400.92)		(2,083.26)	
Total		(999,798.39)		60,439.97
d. Cash generated from operations		(948,218.53)		202,588.41
e. Income Taxes paid net of refund		(3,212.8)		(11,061.80)
f. Net Cash from operating activities		(951,431.29)		191,526.61
B. Cash Flow from Investing Activities				
a. Purchase of Fixed assets	(117.61)		(4,206.77)	
b. Proceeds from sale of asset	200.00		5.00	
c. Advances to subsidiaries/ firms	-		-	
d. Purchase of investments	-		-	
e. Interest received	18,172.50		8,937.61	
f. Net Cash from investing activities		18,254.89		4,735.84
C. Cash Flow from Financing Activities				
a. Issue of shares/Capital introduced	455,000.00		-	
b. Proceeds from long term borrowings	-		-	
c. Repayment of long term borrowings	-		-	
d. Change in working capital finance	4,599.46		(15,457.59)	
e. Net increase/(decrease) in other borrowings	532,484.45		(91,083.78)	
f. Interest paid	(57,109.08)		(127,641.14)	
g. Net Cash from financing activities		934,974.83		(234,182.51)
Net increase in cash and cash equivalents (A+B+C)		1,798.43		(37,920.06)
Cash and cash equivalents at the beginning of the period		7,092.88		45,012.95
Cash and cash equivalents at the end of the period		8,891.31		7,092.89

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

For and on behalf of the Board

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

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/05/2019

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary

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 financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.
- b. The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.
- c. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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. 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 Construction Contracts:

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

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

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

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

c. **Interest Income**

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

7. Interest from customers under agreements to sell

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

8. 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.

9. 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.

10. Segment Reporting

- a. 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.

11. 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 periods 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.

12. Employee Benefits

- a. **Defined Contribution Plan**

The company is not liable for contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme.

- b. **Short-term Benefits**

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered.

13. 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.

14. 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 changes in Equity

A. Equity Share Capital

Particulars	Mar '19 (in Rs.)	Mar '18 (in Rs.)
Opening Balance	55,131,000.00	55,131,000.00
Additional equity share issued during the year		
Closing Balance	55,131,000.00	55,131,000.00

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

Particulars	Mar '19 (in Rs.)	Mar '18 (in Rs.)
Opening Balance	-	-
0.01% Non-Convertible Redeemable Cumulative Preference Shares issued during the year	455,000,000.00	0
Closing Balance	455,000,000.00	-

C. Other Equity

Particulars	Reserves and Surplus		
	General Reserves	Shares Forfeited	Retained Earnings
Balance at 1 April 2017	108,063.44	1,984,500.00	81,306,215.79
Total comprehensive income for the year ended 31 Mar 2018			
Profit for the year			15,030,949.49
Other comprehensive income (net of tax)			
Total comprehensive income	0.00	0.00	15,030,949.49
Transactions with owners in their capacity as owners:			
Dividends Paid			
Appropriations during the year			
Balance at 31 March 2018	108,063.44	1,984,500.00	96,337,165.28

Particulars	Reserves and Surplus		
	General Reserves	Shares Forfeited	Retained Earnings
Balance at 1 April 2018	108,063.44	1,984,500.00	96,337,165.28
Total comprehensive income for the year ended 31 Mar 2019			
Profit for the year			6,412,263.05
Other comprehensive income (net of tax)			
Total comprehensive income	0.00	0.00	6,412,263.05
Transactions with owners in their capacity as owners:			
Dividends Paid			
Appropriations during the year			
Balance at 31 March 2019	108,063.44	1,984,500.00	102,749,428.33

Fixed Asset

3	Tangible asset	Gross Value				Depreciation				Closing balance	
		Opening balance	Additions	Deletions	Total	upto 31/03/2018	Current Year	Deletions	upto 31/03/2019	as on 31/03/2019	as on 31/03/2018
3.1	Building	2,549,310.69			2,549,310.69	1,372,226.91	20,181.00		1,392,407.91	1,156,902.78	1,177,083.78
3.2	Office Equipments	835,863.93	29,028.00		864,891.93	629,430.00	35,080.00		664,510.00	200,381.93	206,433.93
3.3	General Plant & Machinery	-			-	-	-		-	-	-
3.4	Electrical Installation	29,324.00			29,324.00	16,654.00	898.00		17,552.00	11,772.00	12,670.00
3.5	Furniture & Fixtures	766,042.07	6,500.00		772,542.07	427,354.07	26,889.00		454,243.07	318,299.00	338,688.00
3.6	Vehicles	13,855,900.00	58,145.00	879,328.00	13,034,717.00	4,068,095.00	1,038,079.00	835,362.00	4,270,812.00	8,763,905.00	9,787,805.00
3.7	Computers	137,441.60	23,940.00		161,381.60	67,746.00	36,446.00		104,192.00	57,189.60	69,695.60
	Total	18,173,882.29	117,613.00	879,328.00	17,412,167.29	6,581,505.98	1,157,573.00	835,362.00	6,903,716.98	10,508,450.31	11,592,376.31
	Figures for the previous year	14,334,719.69	4,206,774.60	367,612.00	18,173,882.29	6,001,822.98	947,295.00	367,612.00	6,581,505.98	11,592,376.31	8,332,896.71

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

4	<u>Long term loans and advances</u>	As at 31 Mar 2019	As at 31 Mar 2018
	Other Loans and Advances		
	Unsecured Considered Good		
4.1	Sales Tax Recoverable	305,800.00	305,800.00
4.2	Rental Deposit	345,000.00	345,000.00
4.3	Electricity Deposit	19,630.00	19,630.00
4.4	Telephone Deposit	52,021.00	50,974.00
4.5	Other Deposits	12,500.00	12,500.00
4.6	TDS Recoverable	92,494.00	92,494.00
	Total taken to Balance Sheet	827,445.00	826,398.00
5	<u>Current Investments</u>		
5.1	Investment in Partnership Firms	52,973.74	52,973.74
		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	53,196.21
	Mr.Thanushkodi Narayanan - 15%	(1,112.36)	(1,112.36)
	Mr.Narayanan Sreedhar - 15%	(1,112.37)	(1,112.37)
	Mrs.Jothi Narayanan - 15%	(1,112.37)	(1,112.37)
	M/S Rainbow Foundations Limited - 08%	52,973.74	52,973.74
	Mr.Anop Chand Jain - 07%	(519.10)	(519.10)
	Mr.Gajraj Jain - 07%	(519.10)	(519.10)
	Mr.Navin Jain - 07%	(519.10)	(519.10)
	Mr.Vikash Kumar Jain - 07%	(519.10)	(519.10)
	Mr.Nitesh Jain - 07%	(519.10)	(519.10)
	Mr.Ashish Jain - 07%	(519.10)	(519.10)
	Total Contribution	99,718.25	99,718.25
6	<u>Inventories</u>		
6.1	Work in progress	1,741,779,027.46	1,338,139,510.98
6.2	Stock in trade - Finished Flats	209,149,571.79	70,657,228.04
	Total taken to Balance Sheet	1,950,928,599.25	1,408,796,739.02
	a) Work in Progress: This is values based on cost of completion		
	b) Stock in Trade: This is values based on cost of completion or Net Realisable value which ever is lower		
7	<u>Trade receivables</u>		
	Trade receivables outstanding for		
	(Considered good and unsecured)		
7.1	more than 6 months	58,615,742.19	52,746,081.06
7.2	others	-	-
	Total taken to Balance Sheet	58,615,742.19	52,746,081.06
	a) Trade Receivables balances are subject to confirmation		

Notes to and forming part of Financial Statements

		As at 31 Mar 2019	As at 31 Mar 2018
8	<u>Cash and cash equivalents</u>		
	Cash and cash equivalents		
	Balance with banks		
8.1	in current account	6,985,907.05	5,692,818.81
8.2	Cash in hand	1,385,329.81	912,445.81
	Other Bank Balances:		
8.3	Long term deposit with maturity of more than three months but less than twelve months from the Balance Sheet date	520,073.00	487,618.00
	Total taken to Balance Sheet	8,891,309.86	7,092,882.62
	a) Bank deposits have been given as security for the secured loan from a Bank as disclosed in Note 16.1		
9	<u>Short-term loans and advances</u>		
	Other Loans and Advances		
	Unsecured - Considered Good	-	-
9.1	Staff Advances	251,147.00	271,712.00
9.2	Advance to Suppliers	20,515,101.00	27,452,142.00
9.3	Loans & Deposits	446,697,647.00	19,808,880.00
	Total taken to Balance Sheet	467,463,895.00	47,532,734.00
10	<u>Other current assets</u>		
10.1	Service Tax Recoverable	-	328,578.78
10.2	Income Tax Refundable	1,166,267.50	1,166,267.50
10.3	Prepaid Expenses	130,405.00	79,930.44
10.4	TDS Receivable	6,277,328.00	51,434.00
10.5	Rent Receivable	384,855.00	302,339.00
10.6	GST Credit	6,814,517.00	444,945.72
	Total taken to Balance Sheet	14,773,372.50	2,373,495.44

Notes to and forming part of Financial Statements

No	Particulars	As at 31 Mar 2019		As at 31 Mar 2018	
		Number	Amount	Number	Amount
11	SHARE CAPITAL				
	Authorised Capital				
	Equity Shares of Rs. 10 each	20,000,000	200,000,000.00	12,000,000	120,000,000.00
	0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	50,000,000	500,000,000.00		
	Total	70,000,000	700,000,000.00	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
	Preference Share Capital				
	Issued, Subscribed and fully paid up Share Capital				
	0.01% Non-Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	45,500,000	455,000,000.00	-	-
	Total taken to Balance Sheet	51,013,100	510,131,000.00	5,513,100	55,131,000.00
11.1	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
	0.01% Non-Convertible Redeemable Cumulative Preference Shares (Face Value Rs 10.00)				
	Shares outstanding at the beginning of the year	-	-	-	-
	Shares Issued during the year	45,500,000	455,000,000.00		
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	45,500,000	455,000,000.00	-	-

11.2 RIGHTS PREFERENCES AND RESTRICTIONS ATTACHED TO SHARES

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

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

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

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

The company declares and pays dividends in Indian Rupees.

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

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

		As at 31 Mar 2019	As at 31 Mar 2018
12	<u>Reserves and Surplus</u>		
12.1	<u>General Reserve</u>		
	Opening balance	108,063.44	108,063.44
	Add: Current year surplus		
	Closing Balance	108,063.44	108,063.44
	<u>Shares Forfeited</u>		
	Opening 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>		
	Opening balance	96,337,165.28	81,306,215.79
	Add: Current year surplus	6,412,263.05	15,030,949.49
	Closing Balance	102,749,428.33	96,337,165.28
	Total taken to Balance Sheet	104,841,991.77	98,429,728.72
13	<u>Long-term borrowings</u>		
	Secured		
13.1	From NBFC	475,367.00	-
	Total taken to Balance Sheet	475,367.00	-
	a Secured by hypothecation of Vehicles held by the company		
14	<u>Deferred Tax Liability (Net)</u>		
	The composition of Deferred Tax Liability relating to timing difference on account of depreciation	177,098.00	355,060.00
		177,098.00	355,060.00
15	<u>Other Long term liabilities</u>		
15.1	Trade Payables	53,938,068.10	44,842,032.09
	Total taken to Balance Sheet	53,938,068.10	44,842,032.09
16	<u>Short Term Borrowings</u>		
	Secured Borrowings		
	Loans repayable on Demand		
16.1	From Banks	30,876,093.00	26,276,631.44
16.2	From NBFC	129,576,888.85	223,622,659.55
	Unsecured Indian Rupee Borrowings		
	Loans repayable on Demand		
16.3	From related parties	820,280,657.00	431,928,600.00
16.4	From other Parties	717,653,832.00	479,951,039.00
	Total taken to Balance Sheet	1,698,387,470.85	1,161,778,929.99
	Secured Borrowings:		
	a Secured Loan from Banks: Secured by the Term Deposit held in the name of the company, Land and Building owned by the company, and properties owned by the directors and their relatives and personal guarantees given by the directors.		
	b All Short Term Borrowings are Indian Rupees Borrowings		
	c Details of Security for Secured Loan from NBFC		
	Hypothecation of Vehicles Owned by the company	3,273,775.00	
	Mortgage of on going Project Rainbow Siddhachal being developed by the company		223,574,731.55
	d Refer to Note 30 for related party disclosures		

Notes to and forming part of Financial Statements

		As at 31 Mar 2019	As at 31 Mar 2018
17	<u>Trade Payables</u>		
17.1	Trade Payables	113,771,370.43	157,236,498.39
	Total taken to Balance Sheet	113,771,370.43	157,236,498.39
	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 31/03/2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company		
	b Balances due to various parties are subject to confirmation/ reconciliation thereof. Management does not consider any adjustment on completion of reconciliation/confirmation.		
18	<u>Other Current Liabilities</u>		
	Others		
18.1	Expense Payable	11,004,724.70	780,370.00
18.2	Rental Deposit	569,415.00	545,000.00
18.3	TDS Payable	16,570,597.00	11,915,061.00
	Total taken to Balance Sheet	28,144,736.70	13,240,431.00
19	<u>Short-term provisions</u>		
19.1	Provision for Income Tax	2,194,685.00	-
	Total taken to Balance Sheet	2,194,685.00	-

For and on behalf of the Board

As per our report of even date attached
for GASM DANSR AND CO
Firm Reg No: 005986S
(Chartered Accountants)Sd/-
(Anop Chand Jain)
Managing DirectorSd/-
(Gajraj Jain)
Joint Managing DirectorSd/-
(Ananddevkumar)
Partner
Membership No: 023631Place: Chennai
Date: 30/05/2019Sd/-
(Nitesh Jain)
CFOSd/-
(Niroshaa Kathiravan)
Company Secretary

Notes to and forming part of Financial Statements

		As at 31 Mar 2019	As at 31 Mar 2018
20	<u>Revenue from operations</u>		
	Sale of		
20.1	Flats/Houses/Shops	209,939,597.17	317,552,141.66
20.2	Plots/Land / UDS Land	167,638,211.22	236,226,040.00
	Total	377,577,808.39	553,778,181.66
21	<u>Other Income</u>		
21.1	Interest Income	18,172,496.00	8,937,609.91
	Other Non Operating Income		
21.2	Rental Income	541,564.00	526,000.00
21.3	Profit on sale of Assets	156,034.00	5,000.00
21.4	Miscellaneous Income	175,512.44	
		19,045,606.44	9,468,609.91
22	<u>Purchase of Stock-in-Trade</u>		
	Cost of		
22.1	Flats/Houses/Shops	128,812,519.90	372,671,028.03
22.2	Plots/Land / UDS Land	321,259,706.99	260,475.19
	Total	450,072,226.89	372,931,503.22
23	<u>Changes in inventories of stock-in-trade</u>		
	Opening Balance	70,657,228.04	98,685,020.05
	Less: Closing Balance	209,149,571.79	70,657,228.04
	Total	(138,492,343.75)	28,027,792.01
24	<u>Employee benefit expense</u>		
24.1	Salaries & Wages	5,599,300.00	5,246,800.00
24.2	Staff Welfare Expenses	55,900.74	67,052.26
	Total	5,655,200.74	5,313,852.26
	a Refer to Note 30 for related party disclosures		
25	<u>Financial costs</u>		
25.1	Interest Expenses	57,109,075.80	127,641,143.50
25.2	Other borrowing costs	283,073.85	1,640,563.93
	Total	57,392,149.65	129,281,707.43
	a Refer to Note 30 for related party disclosures		

Notes to and forming part of Financial Statements

		As at 31 Mar 2019	As at 31 Mar 2018
26	<u>Other Expenses</u>		
	Payment to Auditors		
26.01	for Audit	125,000.00	75,000.00
26.02	for Tax Representations	-	50,000.00
26.03	for Reimbursement of expenses	4,454.00	13,159.00
26.04	Electricity Charges	94,364.00	92,637.00
26.05	Rent	538,000.00	512,000.00
26.06	Repairs to buildings	651,925.86	582,960.62
26.07	Repairs to machinery	210,383.64	65,270.20
26.08	Insurance	139,694.04	124,902.40
26.09	Rates & Taxes	42,561.00	-
26.10	Compensation paid	910,800.00	-
26.11	Sales Promotion	236,116.80	104,590.66
26.12	Telephone Expenses	101,346.15	111,421.97
26.13	Travelling Expenses	15,093.89	181,791.18
26.14	Vehicle Maintenance	685,100.56	493,018.14
26.15	Listing Fee	297,750.00	325,000.00
26.16	Professional Charges	372,759.00	1,009,120.00
26.17	Conveyance Charges	31,520.00	30,707.00
26.18	Prior Period Items	-	868.39
26.19	Commission	-	60,000.00
26.20	ROC Filing Fee	4,350,000.00	-
26.21	Donation	52,000.00	10,000.00
26.22	Miscellaneous expenses	337,996.31	399,580.15
	Total	9,196,865.25	4,242,026.71
27	<u>Earnings per Equity Share - Basic</u>		
	Net profit / (loss) for the year from continuing operations	6,412,263.05	15,030,949.49
	Weighted average number of equity shares	5,513,100.00	5,513,100.00
	Earnings per share from continuing operations - Basic	1.16	2.73
28	<u>Earnings per Equity Share - Diluted</u>		
	Net profit / (loss) for the year from continuing operations	6,412,263.05	15,030,949.49
	Weighted average number of equity shares	5,513,100.00	5,513,100.00
	Earnings per share from continuing operations - Diluted	1.16	2.73

For and on behalf of the Board

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

Sd/-
(Anop Chand Jain)
Managing Director

Sd/-
(Gajraj Jain)
Joint Managing Director

Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

Place: Chennai
Date: 30/05/2019

Sd/-
(Nitesh Jain)
CFO

Sd/-
(Niroshaa Kathiravan)
Company Secretary

29 Disclosure as per Ind AS 115

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

(b) Disaggregation of revenue from contracts with customers

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

in Rupees		
Particulars	31-Mar-19	31-Mar-18
Primary geographical markets		
India	377,577,808.39	553,778,181.66
Total	377,577,808.39	553,778,181.66

(c) Contract balances

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

in Rupees		
Particulars	31-Mar-19	31-Mar-18
<u>Receivables which are included in Trade and other receivables</u>		
Contract assets		
- Amount due from customers on construction contract	58,615,742.19	52,746,081.06
- Accrued value of work done net off provision	0.00	0.00
Contract liabilities		
- Amount due to customers under construction contracts	100,821,441.83	104,899,033.98
- Advance from clients	0.00	0.00

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The amount of contract assets during the period ended 31 March 2019 was impacted by an impairment charge of INR NIL. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time. Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred. Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activity based on normal operating capacity.

The Company doesn't had any on going contract during this year

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	Maithri Jayakkar-Director
		3	Gajraj Jain-Joint Managing Director
		4	Sampat Raj Singhvi-Director
		5	Anop Chand Jain-Managing Director
		6	Nitesh Jain-CFO
		7	Krishnasamy Pranatharthiharan - Company Secretary
		8	Niroshaa Kathiravan - Company Secretary
29.1	Related Party Transaction		31/03/2019
	Unsecured Loan - Taken		31/03/2018
	Unsecured Loan - Taken		
	Anop Chand Jain	1	10,000,000.00
	Gajraj Jain	2	810,280,657.00
	Total		820,280,657.00
	Salary		
	Anop Chand Jain	1	1,200,000.00
	Gajraj Jain	2	1,200,000.00
	Krishnasamy Pranatharthiharan	3	108,000.00
	Nitesh Jain	4	720,000.00
	Niroshaa Kathiravan	5	80,500.00
	Total		3,308,500.00
	Interest		
	Gajraj Jain	1	103,813,397.00
	Total		103,813,397.00
a	List of related parties are provided by the Management and relied upon by the Auditors		

For and on behalf of the Board

Sd/-
(Anop Chand Jain)
Managing DirectorSd/-
(Gajraj Jain)
Joint Managing DirectorPlace: Chennai
Date: 30/05/2019Sd/-
(Nitesh Jain)
CFOSd/-
(Niroshaa Kathiravan)
Company SecretaryAs per our report of even date attached
for GASMS AND CO
Firm Reg No: 005986S
(Chartered Accountants)Sd/-
(Ananddevkumar)
Partner
Membership No: 023631

ATTENDANCE SLIP**RAINBOW FOUNDATIONS LIMITED****CIN: L55101TN1994PLC027739****Registered Office: NO. 4, THANIKACHALAM ROAD, T. NAGAR, CHENNAI TN 600017****Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.**

Folio No.:	
No. of shares :	

Name(s) in Full	Father's/Husband's Name	Address as Regd. with the Company
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

I/We hereby record our presence at the 25th Annual General Meeting of the Company being held on Monday, 30.09.2019 at 10.00 AM at The Grand Sweets & Snacks, 2nd Floor No.18, Dr. Nair Road, T.Nagar, Chennai-600017.

Please () in the box

Member/Proxy ()

Member's/Proxy's Signature* _____

*** Please strike out whichever is not applicable**

PROXY FORM

RAINBOW FOUNDATIONS LIMITED

CIN: L55101TN1994PLC027739

Registered Office: NO. 4, THANIKACHALAM ROAD, T. NAGAR, CHENNAI TN 600017

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s)	
Registered Address:	
E-mail id:	
Folio No/Client ID:	

I/We _____ being a Member/Members of RAINBOW FOUNDATIONS LIMITED, hereby appoint:

1. _____ residing at _____ having e-mail id _____ or failing him;
2. _____ residing at _____ having e-mail id _____ or failing him;
3. _____ residing at _____ having e-mail id _____ or failing him;

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Monday, 30.09.2019 at 10.00 A.M. at The Grand Sweets & Snacks, 2nd Floor No.18, Dr. Nair Road, T.Nagar, Chennai-600017.

RESOLUTIONS

1.	To consider and adopt the Financial Statements of the Company for the Financial Year ended on 31.03.2019 along with the Auditor's Report and the Boards Report thereon.
2.	To appoint a Director in place of Mr. Gajraj Jain (DIN: 01182117), who retires by rotation and being eligible, offers himself for re-appointment
3.	Re- appointment of Mr. Sampat Raj Singhvi (DIN:01786782) as an Independent Director
4.	Re-appointment and payment of Remuneration to Mr. Anop Chand Jain (DIN: 02215110) as the Managing Director of the Company

(Contd.,)

5.	Re-appointment and payment of Remuneration to Mr. Gajraj Jain (DIN: 01182117) as the Managing Director of the Company
6.	Appointment of Mrs. Maithri Jayakkar (DIN: 07155574) as an Independent Director
7.	Appointment of Mr. Pushpala Motiram Manjith (DIN: 02161987) as an Independent Director

As witness my/our hand(s), this _____ day of _____ 2019.



Signature of the 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.