RAINBOW INFRAPROJECTS LIMITED

Balance sheet as at 31st March 2017

(Amount in Rs)

Particulars	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I. ASSETS				
1 Non-current assets				
a) Property, plant and equipment	2	5,715	5,715	5,715
b) Non-current tax assets (Net)	3	-	-	3,127
2 Current assets				
a) Inventories	4	7,685,169	7,685,169	7,685,169
b) Financial assets				
i) Investments	5	65,946	80,096	-
ii) Cash and Cash Equivalents	6	21,047	50,987	111,131
c) Other current assets	7	115,532,410	115,510,410	115,478,110
TOTAL ASSETS		**123,310,287**	**123,332,378**	**123,283,252**
II. EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	8	500,000	500,000	500,000
b) Other equity	9	122,792,734	122,815,826	1,735,938
Liabilities				
1 Non-current liabilities				
a) Financial liabilities				
i) Borrowings	10	-	-	241,481
b) Deferred tax liabilities (Net)	11	3,178	1,772	977,618
2 Current liabilities				
a) Financial liabilities				
i) Other financial liabilities	12	14,375	14,780	119,828,216
TOTAL EQUITY & LIABILTIES		**123,310,287**	**123,332,378**	**123,283,252**
Significant accounting policies	1			
Notes to the financial statements	1-24	**-**	**-**	**-**

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants
(Firm Registration No.107783W)

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No. 43495

Sunil Agrawal
Director
(DIN : 00377723)

A. Datta
Director
(DIN : 00434224)

Place : Mumbai
Date : 26th May 2017

RAINBOW INFRAPROJECTS LIMITED

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

(Amount in Rs)

Sl. No.	Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
I.	Other Income	13	5,849	96
II.	**Total Revenue**		**5,849**	**96**
III.	Expenses:			
	Changes in Inventories of Work-in-progress	14	-	-
	Finance Costs	15	-	3,162,872
	Other Expenses	16	27,535	30,055
	Total Expenses		**27,535**	**3,192,927**
IV.	**Loss Before Exceptional items and Tax (II-III)**		**(21,686)**	**(3,192,831)**
V.	Exceptional items		-	-
VI.	**Loss Before Tax (IV-V)**		**(21,686)**	**(3,192,831)**
VII.	Tax Expense:			
	(i) Current Tax	17	-	36
	(ii) Deferred Tax Expenses/(Credit)		1,406	(972,755)
			1,406	**(972,719)**
VIII.	**Net Loss After Tax (VI-VII)**		**(23,092)**	**(2,220,112)**
IX.	**Other Comprehensive Income (OCI)**		**-**	**-**
X.	**Total Comprehensive Income for the year (VIII+IX)**		**(23,092)**	**(2,220,112)**
XI.	Earnings per Equity Share:	1		
	Basic & Diluted (in Rs.)		(0.46)	(44.40)
	Face Value per Share (in Rs.)		10	10
	Significant Accounting Policies	1		
	Notes to the financial statements	1-24		

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants
(Firm Registration No.107783W)

For and on behalf of the Board of Directors

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Partner
Membership No. 43495

Sunil Agrawal
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(DIN : 00377723)

A. Datta
Director
(DIN : 00434224)

Place : Mumbai
Date : 26th May 2017

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended on 31st March, 2017

Statement of changes in equity (Amount in Rs)

Equity share capital	Number of shares	Amount
As at 1st April 2015	**50,000**	**500,000**
Changes during the year	-	-
As at 31st March 2016	**50,000**	**500,000**
Changes during the year	-	-
As at 31st March 2017	**50,000**	**500,000**

B. Other equity

2015-16 (Amount in Rs)

Particulars	Reserves and surplus	Equity component of loans from parent company	Optionally fully convertible debentures	Total	
	Retained earnings				
Opening balance as at 1st April 2015	(15,830,825)	17,566,763	-	**1,735,938**	-
Total comprehensive income for the year					
Loss for the year	(2,220,112)	-	-	**(2,220,112)**	
Transactions with Owner in capacity of the Owner					
Optionally fully convertible debentures issued during the year	-	-	123,300,000	**123,300,000**	
Closing balance as at 31st March 2016	**(18,050,937)**	**17,566,763**	**123,300,000**	**122,815,826**	-

2016-17 (Amount in Rs)

Particulars	Reserves and surplus	Equity component of loans from parent company	Optionally fully convertible debentures	Total	
	Retained earnings				
Opening balance as at 1st April 2016	(18,050,937)	17,566,763	123,300,000	**122,815,826**	-
Total comprehensive income for the year					
Loss for the year	(23,092)	-	-	**(23,092)**	
Closing balance as at 31st March 2017	**(18,074,028)**	**17,566,763**	**123,300,000**	**122,792,734**	-

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants
(Firm Registration No.107783W)

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No. 43495

Sunil Agrawal
Director
(DIN : 00377723)

A. Datta
Director
(DIN : 00434224)

Place : Mumbai
Date : 26th May 2017

RAINBOW INFRAPROJECTS LIMITED

Cash Flow Statement for the year ended 31st March 2017

(Amount in Rs)

	Particulars	For the year ended 31st March 2017		For the year ended 31st March 2016	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Loss before tax as per Statement of Profit and Loss		(21,686)		(3,192,831)
	Adjusted for :				
	Finance Cost	-		3,162,872	
	Fair value gains / losses on Financial assets classified and measured at FVTPL	(4,574)		(96)	
	Profit on Sale of Current Investments	(1,275)		-	
			(5,849)		**3,162,776**
	Operating Profit before Working Capital Changes		**(27,535)**		**(30,055)**
	Adjusted for :				
	Other receivables		(22,000)		(32,300)
	Trade and Other Payables		(405)		530
	Cash generated from operations		**(49,940)**		**(61,825)**
	Net Cash Used in Operating Activities		**(49,940)**		**(61,825)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Investments		-		(80,000)
	Sale of Investments		20,000		-
	Net Cash From/(used in) Investing Activities		**20,000**		**(80,000)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Non-current Borrowings		-		123,333,818
	Repayment of Non-Current Borrowings		-		(123,245,685)
	Finance Cost Paid		-		(6,452)
	Net Cash (used in) Financing Activities		**-**		**81,681**
	Net (Decrease) in Cash and Cash Equivalents (A+B+C)		**(29,940)**		**(60,144)**
	Opening Balance of Cash and Cash Equivalents		50,987		111,131
	Closing balance of Cash and Cash Equivalents		**21,047**		**50,987**
	Components of Cash and Cash Equivalents:				
	Balances with Banks in Current Accounts		21,047		50,987
	Cheques, Drafts in Hand				

1 Bracket indicates cash outflow.
2 Previous year figures have been regrouped, reclassified and rearranged wherever necessary
3 The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flow.

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants
(Firm Registration No.107783W)

For and on behalf of the Board of Directors

Mukesh Mehta
Partner
Membership No. 43495

Sunil Agrawal
Director
(DIN : 00377723)

A. Datta
Director
(DIN : 00434224)

Place : Mumbai
Date : 26th May 2017

Company Information

Rainbow Infraprojects Limited ('the Company') is a company limited by shares and is domiciled in India. The Company's registered office is at **82, Maker Chember III, Nariman Point, Mumbai - 400 021**. These financial statements are the separate financial statements of the company. The company is primarily involved in Real Estate business.

Basis of Preparation

The separate financial Statements have been prepared to comply in all material aspects with the Accounting Standards notified under Section 133 of Companies Act, 2013 as per Companies (Indian Accounting Standards (Ind AS)) Rules, 2015 and other relevant provisions of the Companies Act, 2013 and rules framed thereunder. Till the year ended 31st March 2016 the financial statement of the company have been prepared as Companies (Accounting Standards) Rules, 2006 as amended and other relevant provisions of the Companies Act, 2013 and rules framed thereunder. These are the first Ind AS Financial statements of the company. As per the principles of Ind AS 101, the transition date to Ind AS is 1st April 2015 and hence the comparatives for the previous year ended 31st March 2016 and balances as on 1st April 2015 have been restated as per the principles of Ind AS.

The Financial Statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities measured at fair value.

1 Significant accounting policies

a Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

b Investments and financial assets

Classification

The company classifies its financial assets in the following measurement categories:
• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
• those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the company measures a financial asset at its fair value except investments in subsidiaries and associates plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

• **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost, is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

• **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss, is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the year in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The company subsequently measures all equity investments at fair value except invevestments in subsidiaries and associates. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets measured at fair value through profit or loss are recognised as other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when
• The company has transferred the rights to receive cash flows from the financial asset or
• retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

c Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method

Preference shares which are redeemable on a specific date are classified as a financial liability. Dividends on preference shares are recognised in statement of profit and loss.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

d Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

e Borrowing costs

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 intended use. All other borrowing costs are charged to the statement of profit and loss as finance costs.

f Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.
Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

g Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

h Inventories

Cost of inventories consists of cost of land, land development expenses, material services, construction cost, interest and financial charges and other expenses related to project under development. In general, all Inventories of land are stated at lower of cost and net realisable value.

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note 2 - Property plant and equipmentS (Amount in Rs)

	Office Equipments	Total
COST		
At 1st April, 2015	5,715	5,715
Additions	-	-
Disposals	-	-
At 31st March, 2016	**5,715**	**5,715**
Additions	-	-
Disposals	-	-
At 31st March, 2017	**5,715**	**5,715**
ACCUMULATED DEPRECIATION		
At 1st April, 2015		
Depreciation	-	-
Disposals	-	-
At 31st March, 2016	**-**	**-**
Depreciation	-	-
Disposals	-	-
At 31st March, 2017	**-**	**-**
NET BLOCK		
At 1st April, 2015	**5,715**	**5,715**
At 31st March, 2016	**5,715**	**5,715**
At 31st March, 2017	**5,715**	**5,715**

2.1 The carrying value (Gross Block less accumulated depreciation) as on 1st April, 2015 as per previous GAAP of the Property, plant and equipment is considered as a deemed cost on the date of transition.

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note 3 - Non-current tax assets (Net) (Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Income-tax	-	-	3,127
Total	**-**	**-**	**3,127**

Note 4 - Inventories (Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Work-in-progress	7,685,169	7,685,169	7,685,169
Total	**7,685,169**	**7,685,169**	**7,685,169**

4.1 Refer Note No. 1 (h) for mode of valuation of Inventory.

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note 5 - Current investments

(Amount in Rs)

Particulars	As at 31st March 2017			As at 31st March 2016			As at 1st April 2015		
	Quantity (No's)	Face value	Amount	Quantity (No's)	Face value	Amount	Quantity (No's)	Face value	Amount
Financial assets classified and measured at fair value through profit or loss									
a) In Mutual funds - Unquoted fully paid up									
Birla Sun Life Floating Rate Fund Short Term Plan	304	100	65,946	397	100	80,096	-	-	-
Total Units in Mutual Funds at FVTPL			**65,946**			**80,096**			**-**
Total current investments			**65,946**			**80,096**			**-**
Aggregate amount of quoted investments and market value thereof			**-**			**-**			**-**
Aggregate amount of unquoted investments			65,946			80,096			-

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note 6 - Cash and cash equivalents (Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Cash and Cash Equivalents			
Balances with Banks in Current Accounts	21,047	50,987	111,131
Total	**21,047**	**50,987**	**111,131**

6.1 For the purpose of the statement of cash flow, cash and cash equivalnets comprise the followings: (Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balances with Banks in Current Accounts	21,047	50,987	111,131
Total	**21,047**	**50,987**	**111,131**

Note 7 - Other current assets (Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advances other than capital advances			
Advance towards Purchase of Land / Development Rights (Refer Note 7.1 below)	115,510,410	115,510,410	115,478,110
Advance for Expenses	22,000	-	-
Total	**115,532,410**	**115,510,410**	**115,478,110**

7.1 Advance towards Purchase of Development Rights aggregating to **Rs. 42,812,910/-** (Rs. 42,812,910/- as at 31st March, 2016 and Rs. 42,812,910/- as at 1st April, 2015) are subject to confirmation, though management is confident of recovery.

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note 8 - Equity share capital

(Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Authorised:			
60,000 Equity Shares of Rs. 10 each	600,000	600,000	600,000
(60000 Equity Shares of Rs. 10 each as at 31st March, 2016 and 1st April, 2015)			
40,000 1% Optionally Convertible Non-Cumulative, Redeemable	400,000	400,000	400,000
(40,000 Pref Shares of Rs.10 each as at 31st March, 2016 and 1st April, 2015)			
Total	1,000,000	1,000,000	1,000,000

Issued and Subscribed & Paid-up:			
50,000 Equity Shares of Rs. 10 each fully paid up	500,000	500,000	500,000
(50000 Equity Shares of Rs. 10 each as at 31st March, 2016 and 1st April, 2015)			
Total	500,000	500,000	500,000

8.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

Particulars	2016-17		2015-16		2014-15	
	(In Nos.)	(Figures in Rs)	(In Nos.)	(Figures in Rs)	(In Nos.)	(Figures in Rs)
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000	50,000	500,000
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000	50,000	500,000

8.2 Terms / Rights attached to the Equity Shares

Holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by shareholders.

8.3 Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Equity Shares:						
(Including equity shares held jointly with nominees)						
Jai Corp Limited	50,000	100%	50,000	100%	-	-
Jai Realty Ventures Limited	-	-	-	-	50,000	100%

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note 9 - Other equity

(Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016
Retained earnings		
Opening balance	(18,050,937)	(15,830,825)
Add: Net profit for the year	(23,092)	(2,220,112)
Closing balance	(18,074,028)	(18,050,937)
Nature and Purpose - Retained earnings represent the accumulated profits / losses made by the company over the years.		

(Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016
Equity component on interest free loans from parent company		
Opening balance	17,566,763	17,566,763
Transaction during the year	-	-
Closing balance	17,566,763	17,566,763
Nature and purpose - The difference between the fair value of interest free loans on the date of issue and the transaction price is recognised as a deemed equity component by the parent company. Estimation of fair value - For computation of the below fair value benefit, the company has estimated the fair value of the financial liability on the date of issue by considering comparable market interest rates adjusted to the facts and circumstances relevant to the company.		

(Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016
Optionally fully convertible debentures issued to parent treated as equity		
Opening balance	123,300,000	-
Issued during the year	-	123,300,000
Redeemed during the year	-	-
Closing balance	123,300,000	123,300,000
Nature and purpose - The optionally fully convertible debentures issued to parent company are treated as equity.		
Terms - 1,23,300 (1,23,300 as at 31st March 2016 and Nil as at 1st April 2015) Zero% Optianally Fully Convertible Debenture (OFCD) of Rs. 1,000/- each are redeemable at face value at the option of the Company at any time from the date of allotment i.e. 21st July,2015 but before the end of 20 years. The holder of the OFCD have the option to convert each OFCD in to 100 equity shares of face vaue of Rs. 10/- each of the Company at any time from the date of allotment during the tenure of OFCD.		

(Amount in Rs)

Total other equity as at 31st March 2017	
1-Apr-15	1,735,938
31-Mar-16	122,815,826
31-Mar-17	122,792,734

Note 10 - Non - current financial liabilities - Borrowings (Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Borrowings other than from banks			
Unsecured			
Loan from Related Party (Refer note 10.1 below)	-	-	241,481
Total	**-**	**-**	**241,481**

10.1 The above unsecured loan amount of **Rs. NIL** (Previous Year Rs. NIL as at 31st March, 2016 and Rs. 2,41,481 as at 1st April, 2015) from holding company, which carry interest at the rate from 8% to 9 % p.a., is repayable on 31st March 2025 with an option to the Company to repay earlier if sufficent funds are available with the Company.

Note 11 - Deferred tax liabilities (net) (Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deferred Tax Liabilities			
Related to Fixed Assets	1,742	1,742	1,706
Related to interest free loan from parent company	-	-	975,912
Taxable temporary differences on financial assets measured at FVTPL	1,436	30	-
Net deferred tax liability	**3,178**	**1,772**	**977,618**

11.1 Movement in Deferred Tax Liabilites

Particulars	Fixed Assets	Loan from parent company	Financial assets measured at FVTPL	Total
As at 1st April, 2015	1,706	975,912	-	977,618
Charged/(Credited)				
- to Profit & Loss	36	(975,912)	30	(975,846)
As at 31st March, 2016	**1,742**	**-**	**30**	**1,772**
(Charged)/Credited				
- to Profit & Loss	-	-	1,406	1,406
As at 31st March, 2017	**1,742**	**-**	**1,436**	**3,178**

11.2 Unrecognised deferred tax assets:

a) Tax Losses

The Company has the following unused tax losses which arose on incurrence of business losses under the Income Tax Act, 1961 for which no deferred tax asset has been recognised in the Balance Sheet

(Amount in Rs)

In relataion to Financial Year ending	As at 31st March 2017	Expiry Year	As at 31st March 2016	Expiry Year
2008-09	-	-	182,071	2016-2017
2009-10	57,747	2017-2018	57,747	2017-2018
2010-11	35,663	2018-2019	35,663	2018-2019
2011-12	44,823	2019-2020	44,823	2019-2020
2012-13	27,403	2020-2021	27,403	2020-2021
2013-14	27,289	2021-2022	27,289	2021-2022
2014-15	29,712	2022-2023	29,712	2022-2023
2015-16	34,753	2023-2024	34,753	2023-2024
2016-17	26,237	2024-2025	-	-

Note 12 - Other current financial liabilities (Amount in Rs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Other payables	14,375	14,780	14,250
Current Maturities of non-current borrowings	-	-	119,813,966
Total	**14,375**	**14,780**	**119,828,216**

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note 13 - Other income (Amount in Rs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit on Sale of Current Investments	1,275	-
Fair value changes (net) on financial assets classified as fair value through profit and loss - (net expense)	4,574	96
Total	**5,849**	**96**

Note 14 - Changes in Inventories of Work-in-progress (Amount in Rs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
At the end of the year		
Work-in-Progress	7,685,169	7,685,169
At the beginning of the Year		
Work-in-Progress	7,685,169	7,685,169
Changes in Inventories of Work-in-progress	**-**	**-**

Note 15 - Finance costs (Amount in Rs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Interest on Borrowings	-	3,162,872
Total	**-**	**3,162,872**

Note 16 - Other expenses (Amount in Rs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Rates and Taxes	2,500	2,500
Legal, Professional and Consultancy Charges	6,900	7,870
Payment to Auditors - Audit Fees	14,375	14,375
Bank Charges	1,759	46
Other Expenses	2,001	5,264
Total	**27,535**	**30,055**

Note 17 - Tax expense (Amount in Rs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Deferred taxes		
Change in deferred tax assets	-	972,755
Change in deferred tax liabilities	1,406	-
	1,406	**(972,755)**
Total	**1,406**	**(972,755)**

Note 17.1 - Tax reconciliation (for profit and loss) (Amount in Rs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Profit before income tax expense	(21,686)	(3,192,831)
Tax at the rate of 33.063%	(7,170)	(1,055,646)
Tax Assets not created	7,170	1,055,646
Fair Value of Financial Assets/liabilities	1,406	(972,755)
Income Tax expenses	**1,406**	**(972,755)**

1

Note 18 - Earnings per share (Amount in Rs)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Net Profit / (loss) after tax for the year (Rs.)	(23,092)	(2,220,112)
Profit / loss attributable to equity share holders (Rs.)	**(23,092)**	**(2,220,112)**
Weighted Average Number of equity shares outstanding during the year for Basic EPS and Diluted EPS (in Nos)	50,000	50,000
Basic and Diluted Earnings Per Share	(0.46)	(44.40)
Face Value per Share (Rs.)	10	10

Reconciliation between number of shares used for calculating basic and diluted earning per share

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Number of Shares Used for calculating Basic EPS	50,000	50,000
Add:- Potential Equity Shares on conversion (Weighted)	12,330,000	8,590,574
Number of Shares used for Calculating Diluted EPS	**12,380,000**	**8,640,574**

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note 19 Fair value measurements

Financial instruments by category: (Amount in Rs.)

	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
Particulars	**FVOCI**	**FVTPL**	**Amortised cost**	**FVOCI**	**FVTPL**	**Amortised cost**	**FVOCI**	**FVTPL**	**Amortised cost**
Financial assets									
Current assets									
Investment in mutual funds	-	65,946	-	-	80,096	-	-	-	-
Cash and cash equivalents			21,047			50,987			111,131
Total financial assets	**-**	**65,946**	**21,047**	**-**	**80,096**	**50,987**	**-**	**-**	**111,131**
Financial liabilities									
Non-current liabilities									
Borrowings	-	-	-	-	-	-	-	-	241,481
Current liabilities									
Current Maturities of non-current borrowings	-	-	-	-	-	-	-	-	119,813,966
Other financial liabilities	-	-	14,375	-	-	14,780	-	-	14,250
Total financial liabilities	**-**	**-**	**14,375**	**-**	**-**	**14,780**	**-**	**-**	**120,069,697**

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price and financial instruments like Mutual Funds for which NAV is published by Mutual Fund Operator. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and Mutual Fund are valued using the Closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the company include forward exchange contract derivatives.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level. Instruments in level 3 category for the company include unquoted equity shares and FCCDs, unquoted units of mutual funds and unquoted units of venture capital funds

Financial assets and liabilities measured at fair value at each reporting date (Amount in Rs.)

	As at 31st March, 2017			As at 31st March, 2016			As at 1st April, 2015		
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at FVTPL									
Investment in mutual funds	65,946	-	-	80,096	-	-	-	-	-
Total	**65,946**	**-**	**-**	**80,096**	**-**	**-**	**-**	**-**	**-**

During the years mentioned above, there have been no transfers amongst the levels of hierarchy.

Fair value for assets measured at amortised cost

The carrying amounts of cash and cash equivalents, borrowings and other financial liabilities are considered to be approximately equal to the fair value.

20 Financial risk management

The company is exposed to credit risk, liquidity risk and Market risk.

A Credit risk

Credit risk arises from cash and cash equivalents carried at amortised cost.

Credit risk management

To manage the credit risk bank balances are held with only high rated banks.

B Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – borrowings and other financial liabilities.

Liquidity risk management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of financial liabilities

As at 31st March 2017 (Amount in Rs)

Particulars	Less than 6 months	6 months to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Other current financial liabilities	14,375	-	-	-	14,375
Total	**14,375**	**-**	**-**	**-**	**14,375**

As at 31st March 2016 (Amount in Rs)

Particulars	Less than 6 months	6 months to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Other current financial liabilities	14,780	-	-	-	14,780
Total	**14,780**	**-**	**-**	**-**	**14,780**

As at 1st April 2015 (Amount in Rs)

Particulars	Less than 6 months	6 months to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Non-current borrowings	-	-	-	241,481	241,481
Current maturities of non-current borrowing	119,813,966	-	-	-	119,813,966
Other current financial liabilities	14,250	-	-	-	14,250
Total	**119,828,216**	**-**	**-**	**241,481**	**120,069,697**

C	**Market risk**
	Price risk
	The company holds investments in mutual funds. The Company's exposure to equity security's price risks arises from these investments held by the Company and classified in the balance sheet at fair value through profit or loss. **Price risk management** The company evaluates the performance of its investees on a periodic basis. In case, the investments are not performing adequately for a longer duration, the group sells or elects an exit from those investments.

Sensitivity for mutual fund Investments (Amount in Rs)

	Impact on profit/(loss) (Before Tax)	
	31st March, 2017	**31st March, 2016**
Mutual Funds		
Increase in price by1%	659.46	800.96
Decrease in price by1%	(659.46)	(800.96)

21 Capital Management

21.1 Risk management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using net gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents. Equity comprises all components including other comprehensive income.

The capital composition is as follows: (Amount in Rs)

Particulars	**As at 31st March, 2017**	**As at 31st March, 2016**	**As at 1st April, 2015**
Total debts	-	-	120,055,447
Less: Cash and Cash Equivalents	21,047	50,987	111,131
Net Debts	(21,047)	(50,987)	119,944,315
Total equity	123,292,734	123,315,826	2,235,938
Total Capital (Net Debt plus Total Equity)	123,271,687	123,264,839	122,180,253
Net Gearing Ratio	**-**	**-**	**0.98**

22 Related Party Disclosure

22.1 As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:-

(A) List of related parties and relationship.

Holding Company

Jai Realty Ventures Limited (up to 28th June,2015)

Jai Corp Limited (from 29th June,2015)

22.1 Transactions during the year with related parties :

(Amount in Rs)

Nature of Transaction	Name of the Related Party	2016-17	2015-16
0% Optionally fully convertible debentures issued	Jai Corp Limited	-	123,300,000
Non-current Borrowings received	Jai Realty Ventures Limited	-	33,818
Non-current Borrowings refund	Jai Realty Ventures Limited	-	120,089,265
Finance Cost	Jai Realty Ventures Limited	-	4,581

(Amount in Rs)

Nature of Transaction	Name of the Related Party	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Equity Shares	Jai Corp Limited	500,000	500,000	-
	Jai Realty Ventures Limited	-	-	500,000
Optionally fully convertible debentures issued during the y	Jai Corp Limited	123,300,000	123,300,000	-
Non-current Borrowings	Jai Realty Ventures Limited	-	-	120,055,447

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

23.1 Balance sheet as at 1st April 2015

(Amount in Rs.)

	Particulars	IGAAP as at 31st March, 2015	GAAP adjustments	Ind AS as at 1st April, 2015
I.	**ASSETS**			
1	**Non-current assets**			
	a) Property, plant and equipment	5,715	-	5,715
	b) Non-current tax assets (Net)	3,127	-	3,127
2	**Current assets**			
	a) Inventories	7,685,169	-	7,685,169
	b) Financial assets			
	i) Cash and Cash Equivalents	111,131	-	111,131
	c) Other current assets	115,478,110	-	115,478,110
	TOTAL ASSETS	**123,283,252**	**-**	**123,283,252**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	a) Equity share capital	500,000	-	500,000
	b) Other equity	(446,442)	2,182,379	1,735,938
	Liabilities			
1	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	241,481	-	241,481
	b) Deferred tax liabilities (Net)	1,706	975,912	977,618
2	**Current liabilities**			
	a) Financial liabilities			
	i) Other financial liabilities	122,986,507	(3,158,291)	119,828,216
	TOTAL EQUITY AND LIABILITIES	**123,283,252**	**-**	**123,283,252**

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

23.2 Balance sheet as at 31st March 2016

(Amount in Rs.)

Particulars	IGAAP as at 31st March, 2016	GAAP adjustments	Ind AS as at 31st March, 2016
I. ASSETS			
1 Non-current assets			
a) Property, plant and equipment	5,715	-	5,715
2 Current assets			
a) Inventories	7,685,169	-	7,685,169
b) Financial assets			
i) Investments	80,000	96	80,096
ii) Cash and Cash Equivalents	50,987	-	50,987
c) Other current assets	115,510,410	-	115,510,410
TOTAL ASSTS	**123,332,281**	**96**	**123,332,378**
II. EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	500,000	-	500,000
b) Other equity	(484,241)	123,300,067	122,815,826
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	123,300,000	(123,300,000)	-
b) Deferred tax liabilities (net)	1,742	30	1,772
2 Current liabilities			
a) Financial liabilities			
i) Other financial liabilities	14,780	-	14,780
TOTAL EQUITY AND LIABILITIES	**123,332,281**	**96**	**123,332,378**

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

23.3 Statement of Profit and Loss for the year ended 31st March 2016

(Amount in Rs.)

Sl. No.	Particulars	IGAAP as at 31st March, 2016	GAAP adjustments	Ind AS as at 31st March, 2016
I.	Other Income	-	96	96
II.	**Total Revenue**	**-**	**96**	**96**
III.	Expenses:			
	Finance Costs	4,581	3,158,291	3,162,872
	Other Expenses	30,055	-	30,055
	Total Expenses	**34,636**	**3,158,291**	**3,192,927**
IV.	**Loss Before Exceptional items and Tax (II-III)**	**(34,636)**	**(3,158,195)**	**(3,192,831)**
V.	Exceptional items	-	-	-
VI.	**Loss Before Tax (IV-V)**	**(34,636)**	**(3,158,195)**	**(3,192,831)**
VII.	Tax Expense:			
	(i) Current Tax	36	-	36
	(ii) Deferred Tax Expenses/(Credit)	3,127	(975,882)	(972,755)
VIII.	**Net Loss After Tax (VI-VII)**	**(37,799)**	**(2,182,313)**	**(2,220,112)**
IX.	**Other Comprehensive Income**	-	-	-
X.	**Total Comprehensive Income for the year (VIII+IX)**	**(37,799)**	**(2,182,313)**	**(2,220,112)**

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

B Reconciliations of Other equity reported under previous GAAP to equity under Ind AS

(Amount in Rs)

Sr.no	Particulars	Other Equity as at 31st March 2016	Other Equity as at 1st April 2015
	Other Equity as per previous Indian GAAP	**(484,241)**	**(446,442)**
1	Effect of measuring interest free loan initially at fair value and subsequently at amortised cost	-	3,158,291
2	Financial assets classified and measured at fair value through profit and loss	96	-
3	OFCDs treated as equity from parent	123,300,000	
4	Deferred tax impacts	(30)	(975,912)
	Other Equity as per Ind AS	**122,815,826**	**1,735,937**

Reconciliation of profit reported under previous GAAP to profit under Ind AS

(Amount in Rs)

Sr.no	Particulars	For the year ended 31st March 2016
	Net loss as per previous Indian GAAP	**(37,799)**
1	Financial assets classified and measured at fair value through profit and loss	96
2	Effect of measuring interest free loan initially at fair value and subsequently at amortised cost Interest Expenses	(3,158,291)
3	Deferred tax impacts	975,882
	Net loss after tax as per Ind AS	(2,220,112)
	Total comprehensive income as per Ind AS	**(2,220,112)**

Impact of Ind AS adoption on the statement of cash flows for the year ended 31st March 2016 -

All the adjustments on account of Ind AS are non - cash in nature and hence, there is no material impact on the cash flows in the cash flow statement.

Explanation to reconciliation:

B.1 Impact of interest free loan from parent company

Previous GAAP - the interest free loan from parent company was recognised as a liability at the transaction value.

Ind AS - the interest free loan from parent company are classified as a financial liability. The loan is initially recognised at fair value and the difference between the fair value and transaction price is recognised as deemed equity contribution by the parent company. Subsequently, the liability is measured at amortized cost using the effective interest rate. The adjustment for the above arrangement has been recognised in the reserves on the transition date and the subsequent impacts are recognised in the statement of profit and loss.

B.2 Financial assets classified and measured at fair value through profit and loss

Previous GAAP – Mutual funds were carried at lower of cost or fair value.

Ind AS – Mutual fund investments are classified as FVTPL. Initial recognition is done at fair value. The impacts on the date of transition have been recognised in the reserves and subsequently the fair value changes are recognised in the statement of profit or loss.

B.3 Impact of optionally fully convertible debentures issued to parent company

Previous GAAP - the optionally fully covertible debentures issued to parent company were recognised as a borrowing.

Ind AS - the debentures are in the nature of equity based on the terms of the instrument. On redemption, the amount in equity is derecognised.

B.4 Deferred taxes

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the statement of profit and loss for the subsequent periods.

RAINBOW INFRAPROJECTS LIMITED

Notes to the Financial Statements for the year ended 31st March, 2017

Note 24 Segment Reporting

In the opinion of the Management and based on consideration of dominant source and nature of risk and returns, the Company's activities, during the year revolved around the single segment namely, "Builders and Developers". Considering the nature of Company's business and operations, there are no separate reportable segment (Business and/or Geographical) in accordance with the requirement of Ind AS 108 "Operating Segments" as notified.

As per our report of even date
For Pathak H. D. & Associates
Chartered Accountants
(Firm Registration No.107783W)

For and on behalf of the Board of Directors

Mukesh Mehta	**Sunil Agrawal**	**A. Datta**
Partner	Director	Director
Membership No. 43495	(DIN : 00377723)	(DIN : 00434224)

Place : Mumbai
Date : 26th May 2017