

# **G.D. Apte & Co.**

## **Chartered Accountants**

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### **Independent Auditor's Report**

**To the Members of Dasve Business Hotel Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Dasve Business Hotel Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss, the Statement of Changes in equity, the Cash Flow Statement for the period then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, an audit also

G.D. Apte & Co., Chartered Accountants

Office No. 83-87, 8<sup>th</sup> Floor, Mittal Tower- 'B' Wing, Nariman Point, Mumbai – 400 021



## G.D. Apte & Co. Chartered Accountants

includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

The company has carried out the impairment testing and the impairment loss on the carrying value of various assets has been estimated and accounted for during the year. In our opinion, the company may not be able to achieve the business plans based on which the impairment testing has been carried out. The consequential impairment losses, if any, cannot be ascertained.

### **Qualified Opinion**

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

### **Other Matters**

The comparative financial information of the company for the year ended March 31, 2016 and the transition date opening Balance Sheet as at April 1, 2015 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 dated April 21, 2016 expressed modified opinion and for the year ended March 31, 2015 dated April 22, 2015 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

The basis for modification for financial statements for year ended March 31, 2016 was as under:

In view of the liquidity constraints faced by the Company and its Holding Company- Lavasa Corporation Limited, and in the event that such constraints continue, the Company and its Holding Company may not be able to realise the aggressive projections and the equity infusions made by it as per its business plans. These plans also serve as the basis for the expert opinion obtained on impairment of the carrying value of the company's assets. Given this uncertain situation, the consequential impairment of the carrying value of various assets, if any, is not ascertainable.



**G.D. Apte & Co.**  
**Chartered Accountants**

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**Report on Other Legal and Regulatory Requirements**

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1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of changes in equity and the Cash Flow Statement dealt with in this Report are in agreement with the books of account;
  - (d) In our opinion, except for the impacts of the certain matters specified under the 'Basis for Qualified Opinion,' paragraph, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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**Chartered Accountants**

- (iv) The company has disclosed in its financial statements as to holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 and the same are in agreement with the books of account maintained by the company.

For G. D. Apte & Co  
Chartered Accountants  
Firm Registration Number: 100515W



U.S. Abhyankar  
Partner  
Membership No.: 113053  
Mumbai, April 19, 2017

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

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**(Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the period ended March 31, 2017 Dasve Business Hotel Limited)**

- (i)
  - a) The Company has maintained proper records showing full particulars in respect of its fixed assets including quantitative details and situation of fixed assets.
  - b) All fixed 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 explanation given to us and on the basis of our examination of the records of the company, the title deed of immovable property is held in the name of the company.
- (ii) In the absence of inventories during the year, paragraph 3 (ii) of the Order regarding inventory is not applicable.
- (iii) Based on the audit procedures conducted by us and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of paragraph 3 (iii) of the Order are not applicable.
- (iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, in our opinion, the Company has not advanced any loans, made any investments or given any guarantees and security. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from public to which provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules 2014 apply.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records as per sub-section (1) of section 148 of the companies Act, 2013.
- (vii) (a) As per information and explanations given to us, no liability in respect of provident fund, employee state insurance, sales tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues has arisen during the period under audit.

The Company has been generally regular in depositing income tax, service tax dues with the appropriate authority and there are no undisputed amounts payable which are



**G.D. Apte & Co.**  
**Chartered Accountants**

outstanding, as at March 31, 2017 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any disputes.
- (viii) Based on the audit procedures conducted by us and according to the information and explanations given to us, the Company has not borrowed any money from any financial institution, bank, Government or debenture holder, and accordingly paragraph 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given by the management and based on our audit procedures, we report that, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management, no managerial remuneration has been paid during the year. Accordingly, the provisions of paragraph 3 (xi) of the Order are not applicable to the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that the transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details as required by the applicable accounting standards have been disclosed in the financial Statements. Since the company is not listed company or a company prescribed within the class of companies under Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, provisions of section 177 of the Act are not applicable to the company.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) Based on the audit procedure performed for the purpose of reporting the true and fair view of financial statements and as per the information and explanation given to us, we report that the company has not entered into any non- cash transitions of the nature as described in section 192(1) of the Act.

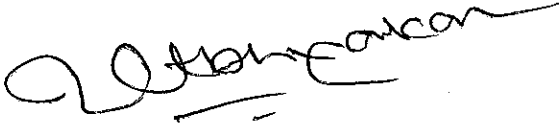


**G.D. Apte & Co.**  
**Chartered Accountants**

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- (xvi) Based upon the audit procedure performed by us and as per the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co  
Chartered Accountants  
Firm Registration Number: 100515W



U.S. Abhyankar  
Partner  
Membership No.: 113053  
Mumbai, April 19, 2017

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**ANNEXURE 'B' TO THE AUDITORS' REPORT**

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(Referred to in paragraph 2 (f) under the heading 'Report on other legal and regulatory requirements' of our report on even date on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of the Company for the period ended March 31, 2017 of Dasve Business Hotel Limited)

**To the Members of Dasve Business Hotel Limited**

We have audited the internal financial controls over financial reporting of Dasve Business Hotel Limited ("the Company"), as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act 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 judgement, 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.

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G.D. Apte & Co., Chartered Accountants

Office No. 83-87, 8<sup>th</sup> Floor, Mittal Tower- 'B' Wing, Nariman Point, Mumbai – 400 021





### **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.

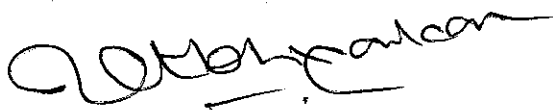
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For G. D. Apte & Co  
Chartered Accountants  
Firm Registration Number: 100515W



U.S. Abhyankar  
Partner  
Membership No.: 113053  
Mumbai, April 19, 2017



Balance Sheet As At 31st March 2017

(₹ in Lakhs)

Particulars	Note No	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	2.01	37.43	54.74	80.44
(b) Capital work-in- progress	2.01	3,029.31	3,059.20	3,099.03
(c) Financial Assets				
Loans and advances	2.02	6.12	6.12	6.12
<b>Current assets</b>				
(a) Financial Assets				
(i) Trade Receivable	2.03	-	0.19	-
(ii) Cash and Cash equivalents	2.04	0.22	0.40	1.09
(b) Current tax assets (net)	2.05	1.51	1.47	0.05
(c) Other current assets	2.06	0.45	0.34	0.27
<b>Total Assets</b>		<b>3,075.04</b>	<b>3,122.46</b>	<b>3,187.00</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	2.07	5.00	5.00	5.00
Other Equity	2.08	1,852.09	1,930.13	2,028.66
<b>Non Current Liabilities</b>				
Deferred tax liabilities (net)	2.09	-	-	-
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	2.10	46.18	31.22	31.22
(ii) Trade payables	2.11	9.26	3.13	7.23
(ii) Other financial liabilities	2.12	1,160.20	1,152.41	1,110.76
(b) Other current liabilities	2.13	2.31	0.57	4.14
<b>Total Equity and Liabilities</b>		<b>3,075.04</b>	<b>3,122.46</b>	<b>3,187.00</b>

Significant accounting policies and notes to financial statements form an integral part of the Balance Sheet.

As per our attached report of even date

For and on behalf of the Board of Directors

For G. D. Apte & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100515W

Vinayak Jadhav  
Director  
DIN:02312072

Neel Patil  
Director  
DIN:07559308

U. S. Abhyankar  
Partner  
Membership No. 113053

Sharad Naik  
Director  
DIN :07511077

Place: Mumbai  
Date : 19th April 2017

Place: Mumbai  
Date : 19th April 2017



*(Signature)*

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

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from Operations	2.14	-	0.21
Other Income	2.15	0.25	13.99
<b>Total Income</b>		<b>0.25</b>	<b>14.20</b>
<b>EXPENSES</b>			
Operation & Maintenance Expenses	2.16	23.22	8.92
Administrative & Other Expenses	2.17	1.46	33.27
Finance Cost	2.18	6.41	5.00
Depreciation and amortization expenses	2.01	9.29	13.27
Impairment of Assets	2.01	37.90	52.26
<b>Total Expenses</b>		<b>78.29</b>	<b>112.73</b>
<b>Profit / (Loss) before tax</b>		<b>(78.03)</b>	<b>(98.53)</b>
Tax expenses			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>operations</b>		<b>(78.03)</b>	<b>(98.53)</b>
<b>Profit / (Loss) from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Tax expenses of discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) from discontinued operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit / loss for the period</b>		<b>(78.03)</b>	<b>(98.53)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other Comprehensive Income for the Year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(78.03)</b>	<b>(98.53)</b>



( ₹ in Lakhs)			
Particulars	Note No.	For the year ended 31st March,2017	For the year ended 31st March,2016
Earning per equity share (For continuing operations):			
i) Basic ( ₹ Per Share)		(156.07)	(197.05)
ii) Diluted ( ₹ Per Share)		(156.07)	(197.05)
Earning per equity share (For discontinued operations):			
i) Basic ( ₹ Per Share)		-	-
ii) Diluted ( ₹ Per Share)		-	-
Earning per equity share (For discontinued & continuing operations):			
i) Basic ( ₹ Per Share)		(156.07)	(197.05)
ii) Diluted ( ₹ Per Share)		(156.07)	(197.05)


Significant accounting policies and notes to financial statements form an integral part of the Statement of Profit and Loss.

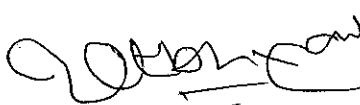
As per our attached report of even date

For and on behalf of the Board of Directors

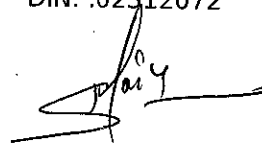
For G. D. Apte & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100515W

Vinayak Jadhav  
Director  
DIN: .02312072

  
Neel Patil  
Director  
DIN:07559308

  
U. S. Abhyankar  
Partner  
Membership No. 113053



  
Sharad Naik  
Director  
DIN : 07511077

Place: Mumbai  
Date : 19th April 2017

Place: Mumbai  
Date : 19th April 2017



Statement of Cash Flow for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
- Net profit / (loss) before tax and Exceptional items	(78.03)	(98.53)
Adjustment for :		
- Depreciation	9.29	13.27
- Impairment of Assets	37.90	52.26
- Unrealized foreign exchange fluctuation	-	-
- Interest	6.41	5.00
Operating Profit/ (Loss) Cash Flow before working Capital changes	(24.43)	(28.00)
- (Increase) / Decrease in Trade Receivables	0.19	(0.19)
- (Increase) / Decrease in Other Current Assets	(0.11)	(0.08)
- Increase / ( Decrease ) in Trade payables	6.13	(4.10)
- Increase / ( Decrease ) in Other Financial Liabilities	7.78	41.65
- Increase / ( Decrease ) in Other current liabilities	1.74	(3.57)
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(8.69)</b>	<b>5.72</b>
Taxes Paid	(0.05)	(1.41)
<b>A. NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(8.74)</b>	<b>4.31</b>
<b>B. NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- (Increase) / Decrease in Borrowings	14.96	-
- Interest Paid on Borrowings	(6.41)	(5.00)
<b>C. NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>8.55</b>	<b>(5.00)</b>
Increase / (Decrease) in cash and cash equivalents	(0.18)	(0.69)
Cash and Cash Equivalents at beginning of the year	0.40	1.09
Cash and Cash Equivalents at end of the year	0.22	0.40



Notes :

i) Details of Cash and cash equivalents are given in note No.2.04.

ii) The above cash- flow statement have been prepared under the indirect method setout in Ind AS 7, 'Statement of Cashflows' specified under section 133 of the Act read with rule 4 of the Companies (Indian Accounting Standard) Rules, 2015 and rule 4 of Companies (India Accounting Standard) Amendment Rules 2016.

iii) Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

iv) All figures in brackets indicate outflow.

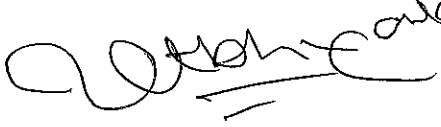
As per our attached Report of even date

For and on behalf of Board of Directors

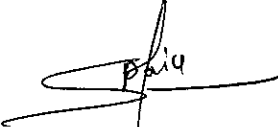
For G. D. Apte & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100515W

Vinayak Jadhav  
Director  
DIN: 02312072

  
Neel Patil  
Director  
DIN:07559308

  
U. S. Abhyankar  
Partner  
Membership No. 113053



  
Sharad Naik  
Director  
DIN : 07511077

Place: Mumbai  
Date : 19th April 2017

Place : Mumbai  
Date : 19th April 2017



Statement of Changes in Equity as at March 31, 2017

A . Equity Share Capital

(₹ in Lakhs)				
Balance at April 01, 2015	Changes in equity share capital during the year	Balance as at March 31, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
5.00	-	5.00	-	5.00

B. Other Equity

Particulars	Equity component of CRPS	Reserve and Surplus				Total
		Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings	
Balance as on 1st April 2015	23.40		2,316.36		(311.10)	2,028.66
Profit (Loss) for the period	-	-	-	-	(98.53)	(98.53)
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-
Balance as on 31st March 2016	23.40		2,316.36		(409.63)	1,930.13
Profit / (Loss) for the period	-	-	-	-	(78.03)	(78.03)
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-
Balance at the end of 31st March 2017	23.40	-	2,316.36	-	(487.67)	1,852.09

Significant accounting policies and notes to financial statements form an integral part of the Statement of Changes in Equity.

As per our attached report of even date

For and on behalf of the Board of Directors

For G. D. Apte & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100515W

U. S. Abhyankar  
Partner  
Membership No. 113053

Place: Mumbai  
Date : 19th April 2017



Vinayak Jadhav  
Director  
DIN: 02312072

Sharad Naik  
Director  
DIN : 07511077

Place: Mumbai  
Date : 19th April 2017

Neel Patil  
Director  
DIN:07559308

*(Signature)*

**Note No.1: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2017**

**A Company Overview**

Dasve Business Hotel Limited ('the company') is a public limited company incorporated and domiciled in India and having its "Entertainment & Hospitality" operations at Lavasa, India. The company was incorporated in 19th August 2008 and having its registered office in Mumbai, India. The Company operates as a subsidiary of Lavasa Corporation Limited.

**B SIGNIFICANT ACCOUNTING POLICIES:**

**1 Basis of Preparation of Financial Statements**

The financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) prescribed under section 133 of the Act read with rules 4 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (India Accounting Standard) Amendment Rules 2016 on historical cost convention on the accrual basis and the provision of Companies Act, 2013.

The Company has adopted all Ind AS and adoption has been carried out in accordance with Ind AS101, First Time Adoption of Indian Accounting Standard. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

**2 Statement of Compliance**

The Financial Statements comprising Balance Sheet, Statement of profit and Loss, Statement of changes in Equity, Cash Flow Statement, together with notes for the year ended March 31, 2017 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016

**3 Basis of measurement**

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial Instruments);

**4 Functional and Presentation Currency**

Items included in financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency").

Indian rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) which is the Company's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest lakhs except where otherwise indicated.

**5 First-time adoption of Ind AS**

The financial statement for the year ended March 31, 2017 are the first financial statement prepared by the company in accordance with Ind AS.

For the periods up to and inclusive of year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards specified in section 133 of companies Act 2013 read together with rule 7 of Companies (Accounting Standards) Rules 2014 (Previous GAAP). Reconciliation and description of the effect of transition from previous GAAP to Ind AS on equity, Profit and cash flows are provided in 2.26, 2.27 & 2.28. The Balance Sheet as on the date of transition has been prepared in accordance with Ind AS 101 first- time Adoption of Indian Accounting Standards.

Ind AS 101 requires that all Ind AS for the first Ind AS Financial Statements, be applied consistently and retrospectively for all fiscal years presented. However this standard provides some exceptions and exemptions to this general requirement in specific cases. The application of these exceptions and exemptions are as discussed below:





## 6 (a) Exceptions to retrospective application of other Ind AS

### i. Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates made in accordance with Previous GAAP.

### ii. Ind AS 109 – Financial Instruments (Classification and measurement of financial assets) :

Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.

## 6 (b) Exemptions from retrospective application of Ind AS

### i. Ind AS 16 Property, Plant and Equipment/ Ind AS 38 Intangible assets :

An entity may elect to measure an item of property, plant and equipment and Intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of Property, plant and equipment, Intangibles by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost. The Company has elected to continue with the carrying amount for all of its property, plant and equipment, Intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition.

### ii. Ind AS 17 Leases :

An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes both land and building elements, an entity shall assess the classification of each element as finance or operating lease. The Company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

## 7 Use of Estimates

The preparations of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities, at the time of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognized in the financial statements are :

Useful lives of property, plant and equipment

Provisions

Utilization of Tax Losses

Useful lives of property, plant and equipment

## 8 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

## 9 Depreciation and Amortization

Depreciation on tangible assets is provided on reducing balance method over the estimated useful lives of the assets on pro-rata basis. The estimated useful lives are as below,

Plant & Machinery : 20 years

Furniture & Fixtures : 15 years

For the above classes of assets, based on internal assessment, Management believes that the useful life as given above represents the period over which it expects to use these assets. Hence the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of Companies Act, 2013.



## 10 Impairment

The Company makes assessment of any indicator that may lead to impairment of the Assets on an annual basis. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and the value in use. Impairment loss, if any, is charged to profit and loss account in the year in which it is identified as impaired.

## 11 Financial Instruments

### I Financial Assets

Financial assets comprises of trade receivables cash and cash equivalents and other financial assets which are measured initially at fair value and subsequently at amortized cost.

#### Initial recognition:

All financial assets are recognized initially at fair value plus transaction cost that are attributable to the acquisition of financial assets purchases or sales of financial assets (in case where financial assets are not recorded at fair value through profit or loss) which require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

#### Subsequent measurement:

##### i. Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in Statement of Profit and Loss.

The Company while applying above criteria has classified the following at Amortized cost

- a) Trade receivable
- b) Other Financial Assets

#### De recognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for de recognition. On de recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of de recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

#### Impairment of financial assets

Trade receivables, lease receivables under Ind AS 109 are tested for impairment based on the expected credit losses for respective financial asset.

##### i. Other financial assets

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is a significant increase in credit risk.

## 12 Financial liabilities

#### Initial Recognition and Measurement:

Financial liabilities are initially recognized at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

#### Subsequent Measurement:

The financial liabilities are classified for subsequent measurement into following categories-

- At amortized cost
- At fair value through profit or loss

##### i. Financial liabilities at amortized cost

The company has classified the following under amortized cost;

- a) Trade payables
- b) Other financial liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

#### De recognition of financial liabilities

A financial liability shall be de recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.



**c. Offsetting of financial assets and financial liabilities -**

Financial assets and liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

**13 Taxes on Income**

The tax expense comprises of current tax & deferred tax charged or credited to the Statement of Profit and Loss for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted by the balance sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. At each balance sheet date, recognized and unrecognized deferred tax assets are reviewed.

**14 Revenue Recognition**

- i) Revenue is recognized as and when services are rendered.
- ii) Interest income is recognized on time proportionate basis.

**15 Borrowing Costs**

Borrowing costs (less any income on the temporary investments of those borrowings) attributable to qualifying assets are capitalized. Other borrowing costs are charged to profit and Loss account.

**16 Contingencies / Provisions**

Provisions are recognized when the Company has a present obligation as a result of a past event and 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.

Contingent liabilities are disclosed in the financial statements. Contingent assets are not recognized and are disclosed where an inflow of economic benefits is probable.

**17 Earning Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit & loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**18 Foreign Currency Transactions**

Foreign currency transactions during the year are accounted at the prevailing rate on the date of transaction. Current assets and current liabilities are translated at the exchange rate prevailing on the last day of the year. Gains or losses arising out of remittance/ translations at the year end are credited/ debited to the profit and loss account for the year.

**19 Segmental Reporting**

The Company's operation is considered under one segment "Entertainment & Hospitality" for internal reporting. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

**C Recent accounting pronouncements**

**1 Standards issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April 2017.

**2 Amendment to Ind AS 7**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.



2.01 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Plant & Machineries	Furniture and fixtures	Total	Capital Work In Progress	Total
Gross Carrying Value as at 1st April 2015	100.71	10.10	110.81	3,099.03	3,099.03
Additions					
Deductions/ disposals					
Gross Carrying Value as at 1st April 2016	100.71	10.10	110.81	3,099.03	3,099.03
Additions					
Deductions/ disposals					
Gross Carrying Value as at 31st March 2017	100.71	10.10	110.81	3,099.03	3,099.03
Accumulated Depreciation as at 1st April 2015	26.52	3.85	30.37	-	-
Depreciation/ amortization charge for the period	11.92	1.35	13.27	-	-
Accumulated depreciation/ amortization on disposals	-	-	-	-	-
Impairment of assets during the year	12.43	-	12.43	39.83	39.83
Accumulated/Impairment Depreciation as at 1st April 2016	50.87	5.20	56.07	39.83	39.83
Depreciation/ amortization charge for the period	8.24	1.05	9.29	-	-
Accumulated depreciation/ amortization on disposals					
Impairment of assets during the year	8.02	-	8.02	29.89	29.89
Accumulated Depreciation/impairment as of 31st March 2017	67.13	6.25	73.38	69.72	69.72
Net Carrying value -					
As at 1st April 2015	74.19	6.25	80.44	3,099.03	3,099.03
As at 31st March 2016	49.84	4.89	54.74	3,059.20	3,059.20
As at 31st March 2017	33.58	3.84	37.43	3,029.31	3,029.31



(₹ in Lakhs)

	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
<b>Non Current Assets</b>			
<b>Financial Assets</b>			
<b>2.02 Loans and advances (Unsecured, considered good)</b>			
(a) Deposits with Government Authorities	6.12	6.12	6.12
	<u>6.12</u>	<u>6.12</u>	<u>6.12</u>
<b>Current Assets</b>			
<b>2.03 Trade Receivables (Unsecured, considered good)</b>			
Outstanding Less than Six Months**	-	0.19	-
	<u>-</u>	<u>0.19</u>	<u>-</u>
**No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member if any.			
<b>2.04 Cash and Cash equivalents</b>			
(a) Balances With Banks	0.21	0.36	1.03
(b) Cheques On Hand	-	-	-
(b) Cash On Hand	0.00	0.04	0.05
	<u>0.22</u>	<u>0.40</u>	<u>1.09</u>
<b>2.05 Current Tax Assets (Net)</b>			
Balance with Tax Authorities (Tax Deducted at Source)	1.51	1.47	0.05
	<u>1.51</u>	<u>1.47</u>	<u>0.05</u>
<b>2.06 Other Current Assets</b>			
Other Amounts Recoverable	0.07	0.05	0.02
Balance with Tax Authorities	0.38	0.29	0.25
	<u>0.45</u>	<u>0.34</u>	<u>0.27</u>



	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
<b>2.08 Other Equity</b>			
<b>A) Preference Share Capital</b>			
<b>a) Authorized</b>			
3,50,000 (Previous Year 3,50,000) 0.001% Convertible Preference Shares of ₹ 10/- each	35.00	35.00	35.00
<b>Total</b>	<u>35.00</u>	<u>35.00</u>	<u>35.00</u>
<b>b) Issued, Subscribed and Paid Up Share Capital</b>			
<b>Convertible Preference Share Capital classified as Equity</b>			
2,33,976 (Previous Year 2,33,976) 0.001% Convertible Preference Shares of ₹ 10/- each.	23.40	23.40	23.40
<b>Total</b>	<u>23.40</u>	<u>23.40</u>	<u>23.40</u>

**c) Reconciliation of shares outstanding at the beginning and at the end of the period**

Preference Shares	As at March 31st, 2017		As at March 31st, 2016		As at April 1st, 2015	
	No of shares	in lakhs	No of shares	in lakhs	No of shares	in lakhs
At the beginning of the year	233,976	23.40	233,976	23.40	233,976	23.40
Shares issued during the year for cash	-	-	-	-	-	-
Redeemed during the year	-	-	-	-	-	-
At the end of the year	233,976	23.40	233,976	23.40	233,976	23.40

**d) Details of shareholders holding more than 5% of shares of the Company and shares held by holding & ultimate holding Company.**

Preference Shares	As at March 31st, 2017		As at March 31st, 2016		As at March 31st, 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Lavasa Corporation Limited (Holding Company)	233,976	100.00%	233,976	100.00%	233,976	100.00%

**e) Rights & restriction attached to Preference shareholders**

Dividend on cumulative redeemable preference shares proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting. Each holder of preference share is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to preference shares. Cumulative preference shareholders are entitled to vote on every resolution if preference dividend remains unpaid for 2 years. As per the Common Loan Agreement with Consortium Lenders, the Company has to satisfy the conditions set therein before declaring preference dividend.

**B) Reserve and Surplus**

**(a) Securities Premium Reserve:**

Opening Balance	2,316.36	2,316.36	2,316.36
Add : Addition during the year	-	-	-
Closing Balance	<u>2,316.36</u>	<u>2,316.36</u>	<u>2,316.36</u>

**(b) Surplus/(Deficit) as per the Statement of Profit & Loss**

Balance brought forward from last year	(409.63)	(311.10)	(166.78)
Add: Profit/ (Loss) for the year	(78.03)	(98.53)	(144.32)
Net Surplus/(deficit)	(487.67)	(409.63)	(311.10)
<b>Total (a+b)</b>	<u>1,828.70</u>	<u>1,906.73</u>	<u>2,005.26</u>
<b>Total (A+B)</b>	<u>1,852.09</u>	<u>1,930.13</u>	<u>2,028.66</u>



	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
<b>2.09 Deferred tax liabilities (net)</b>			
<b>A Deferred tax liabilities</b>			
Property, plant & Equipment	(1.75)	(5.43)	(11.42)
Finance lease obligation	-	-	-
	<u>(1.75)</u>	<u>(5.43)</u>	<u>(11.42)</u>
<b>B Deferred tax assets</b>			
Carried Forward Tax losses	1.72	5.37	11.32
Preliminary expenses	0.03	0.07	0.10
	<u>1.75</u>	<u>5.43</u>	<u>11.42</u>
<b>Net deferred tax liabilities (A-B)</b> (Refer Note No.- 2.29)	<u>-</u>	<u>-</u>	<u>-</u>
<b>2.10 Short Term Borrowings</b>			
(i) Inter Corporate Deposits from related parties(repayable on demand)	46.18	31.22	31.22
	<u>46.18</u>	<u>31.22</u>	<u>31.22</u>
<b>2.11 Trade payables</b>			
Trade payables	9.26	3.13	7.23
	<u>9.26</u>	<u>3.13</u>	<u>7.23</u>
<b>2.12 Other Financial Liabilities (Current)</b>			
(a) Retention Deposit	2.74	2.74	2.74
(b) Payable to Related Parties			
(i) Interest Accrued And Due On Unsecured Borrowing On: Inter Corporate Deposit from holding company	5.77	9.22	4.73
(ii) Payable for Capital Items	875.00	875.00	875.00
(iii) Others	247.42	224.57	196.22
(c) Payable to Others	29.27	40.88	32.07
	<u>1,160.20</u>	<u>1,152.41</u>	<u>1,110.76</u>
<b>2.13 Other Current Liabilities</b>			
(i) Statutory dues payable	2.31	0.57	4.14
	<u>2.31</u>	<u>0.57</u>	<u>4.14</u>



(₹ in Lakhs)

	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
<b>2.07 Share Capital</b>			
<b>A) Authorized Equity Share Capital</b>			
2,00,000 (Previous Year 2,00,000 ) Equity Shares of ₹ 10/- each	20.00	20.00	20.00
	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>

**ISSUED ,SUBSCRIBED AND PAID UP****Equity Share Capital**

50,000 (Previous Year 50,000 ) Equity Shares of ₹ 10/- each fully paid up	5.00	5.00	5.00
	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>

**B) Reconciliation of shares outstanding at the beginning and at the end of the period**

<b>Equity Shares</b>	<b>As at March 31st, 2017</b>		<b>As at March 31st, 2016</b>		<b>As at April 1st, 2015</b>	
	No of shares	(₹ in Lakhs)	No of shares	(₹ in Lakhs)	No of shares	(₹ in Lakhs)
At the beginning of the year	50,000	5.00	50,000	5.00	50,000	5.00
Shares issued during the year for cash	-	-	-	-	-	-
Shares issued during the year pursuant to conversion of CCPs	-	-	-	-	-	-
At the end of the year	50,000	5.00	50,000	5.00	50,000	5.00

**C) Details of shareholders holding more than 5% of shares of the Company and shares held by holding & ultimate holding Company.**

<b>Equity Shares</b>	<b>As at March 31st, 2017</b>		<b>As at March 31st, 2016</b>		<b>As at April 1st, 2015</b>	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity Shares of ₹ 10 each fully paid						
Lavasa Corporation Ltd	50,000	100.00%	50,000	100.00%	50,000	100.00%

**D) Details of Allotment of Shares for consideration other than cash, allotments of Bonus Shares and Shares bought back:**

<b>Particulars</b>	<b>Financial Year (Aggregate No. of Shares)</b>				
	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
<b>Equity Shares :</b>					
Fully paid up by way of bonus shares	-	-	-	-	-
Allotted pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Shares Bought Back	-	-	-	-	-

**E) Rights & restriction attached to equity shareholders**

The Company has only one class of equity shares having face value as ₹ 10/- each. Every 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. Any dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.





Notes to and forming part of the financial statements as at and for the year ended 31st March 2017

(₹ in Lakhs)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>2.14 Revenue from Operations</b>		
Operating Revenues from entertainment activities	-	0.21
	<u>-</u>	<u>0.21</u>
<b>2.15 Other Income</b>		
Net gain on foreign currency difference	0.21	0.08
Miscellaneous Income	0.05	13.91
	<u>0.25</u>	<u>13.99</u>
<b>2.16 Operation &amp; Maintenance Expenses</b>		
Power & Fuel	5.03	8.57
Operation and Maintenance Expenses (others)	18.18	0.35
	<u>23.22</u>	<u>8.92</u>
<b>2.17 Administrative Expenses &amp; Other Expenses</b>		
Office & Other General Expenses	0.28	28.26
Professional & Consultation Charges	0.58	0.85
Insurance	0.21	0.17
Rent	-	2.22
Bank Charges	0.01	0.37
Interest on late payment of statutory dues	0.06	0.92
Rates & Taxes	0.03	0.03
Payment to Auditor		
for Statutory Audit	0.30	0.40
for Other Services	-	0.04
	<u>1.46</u>	<u>33.27</u>
<b>2.18 Finance Cost</b>		
Interest on Inter Corporate Deposit	6.41	5.00
	<u>6.41</u>	<u>5.00</u>



2.19 Contingent Liability

(₹ in Lakhs)

a)	Particulars	31st March 2017	31st March 2016
	Contingent Liabilities	-	-

- b) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)- Nil Lakhs. (Previous year - Nil Lakhs).

2.20 Related Party Disclosure

- i) Particulars of Related Parties, which control or are under common control with the Company :

<b>A) Holding Company &amp; Ultimate Holding Company</b>
Hindustan Construction Company Limited (HCC) - Ultimate Holding Company
HCC Real Estate Limited (HREL)- Parent Company of Holding Company
Lavasa Corporation Limited- Holding Company
<b>B) Fellow Subsidiaries</b>
Hill View Parking Services Limited
Dasve Hospitality Institutes Limited
Dasve Retail Limited
Dasve Convention Center Limited
Full Spectrum Adventure Limited
Future City Multiservices Sez Limited
Green Hills Residences Limited
Hill City Service Apartments Limited
Lakeshore Watersports Company Limited
Kart Racers Limited
Lakeview Clubs Limited
Lavasa Bamboocrafts Limited
Lavasa Hotel Limited
Mugaon Luxury Hotels Limited
My City Technology Limited
Nature Lovers Retail Limited
Our Home Service Apartments Limited
Reasonable Housing Limited
Rhapsody Commercial Space Limited
Rosebay Hotels Limited
Sahyadri City Management Limited
Valley View Entertainment Limited
Verzon Hospitality Limited
Warasgaon Assets Maintenance Limited
Warasgaon Infrastructure Providers Limited
Warasgaon Power Supply Limited
Warasgaon Tourism Limited
Warasgaon Valley Hotels Limited
<b>C) Subsidiaries of Ultimate Holding Company</b>
<b>C) Other Related Parties</b>
<b>Associates:</b>
Knowledge Vistas Limited
<b>Joint Ventures:</b>
Green Hills Residences Limited
Spotless Laundry Services Limited
Whistling Thrush Facilities Services Limited
Ecomotel Hotel Limited
Starlit Resort Limited
Bona Sera Hotels Limited
Apollo Lavasa Health Corporation Limited
Andromeda Hotels Limited



ii) Transactions with Related Parties during the period :

(₹ in Lakhs)

Nature of Transactions	Holding Company & Ultimate Holding Company		Fellow Subsidiaries		Other Related Parties	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Receivables against service provided						
Lavasa Hotel Limited	-	-	-	0.19	-	-
Revenue against services provided						
Lavasa Hotel Limited	-	-	-	0.17	-	-
Dasve Convention Center Limited	-	-	-	0.10	-	-
Warasgaon Tourism Limited	-	-	-	1.31	-	-
Interest on Inter corporate Deposit						
Lavasa Corporation Limited	6.41	5.00	-	-	-	-
Interest Accrued & Due on Inter corporate Deposit						
Lavasa Corporation Limited	5.77	9.22	-	-	-	-
Included in Inter Corporate Deposit						
Lavasa Corporation Limited	46.18	31.22	-	-	-	-
Project & other Services received during the year						
Lavasa Corporation Limited	-	32.51	-	-	-	-
Whistling Thrush Facilities Services Limited	-	-	-	-	-	0.19
Ecomotel Hotel Limited	-	-	-	-	-	0.18
Included in Other Financial Liabilities						
Lavasa Corporation Limited	1,119.41	1,094.99	-	-	3.01	3.01
Whistling Thrush Facilities Services Limited	-	-	-	-	-	1.57
Ecomotel Hotel Limited	-	-	-	-	-	-
Equity Share Capital Outstanding at face value						
Lavasa Corporation Limited	5.00	5.00	-	-	-	-
Convertible Preference Share Capital Outstanding at face value						
Lavasa Corporation Limited	23.40	23.40	-	-	-	-

2.21 Earnings Per Share:

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016
Profit/(Loss) after taxation as per statement of profit and loss (₹ in Lakhs)	(78.03)	(98.53)
Less: Preference Dividend on cumulative preference shares incl distribution tax	-	-
Net Profit / (Loss) after preference dividend	(78.03)	(98.53)
Weighted Average number of Equity Shares (for Basic EPS)	50,000	50,000
Earning Per Share (Basic) (in Rupees)	(156.07)	(197.05)
Weighted Average number of Equity Shares (for Diluted EPS)	50,000	50,000
Earning Per Share (Diluted) (in Rupees)	(156.07)	(197.05)

2.22 Financial Instruments By Category

The carrying value and the fair value of financial instruments by each category as at March 31, 2017 :

(₹ in Lakhs)

Particulars	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Total carrying value	Total fair Value
<b>Assets</b>					
Cash and Cash Equivalents and other bank balances	0.22	-	-	0.22	0.22
Other Financial Assets	6.12	-	-	6.12	6.12
<b>Liabilities</b>					
Borrowings from others	46.18	-	-	46.18	46.18
Trade Payables	9.26	-	-	9.26	9.26
Other Financial Liabilities	1,160.20	-	-	1,160.20	1,160.20

The carrying value and the fair value of financial instruments by each category as at March 31, 2016:

(₹ in Lakhs)

Particulars	Financial assets / liabilities at amortized costs	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Total carrying value	Total fair Value
<b>Assets</b>					
Trade receivables	0.19	-	-	0.19	0.19
Cash and Cash Equivalents and other bank balances	0.40	-	-	0.40	0.40
Other Financial Assets	6.12	-	-	6.12	6.12
<b>Liabilities</b>					
Borrowings from others	31.22	-	-	31.22	31.22
Trade Payables	3.13	-	-	3.13	3.13
Other Financial Liabilities	1,152.41	-	-	1,152.41	1,152.41



2.23 Interest Income / (Expenses), Gains / (Losses) recognized on financial assets and liabilities

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Financial Liabilities</b>		
Interest expenses on Borrowings (Intercompany deposit)	6.41	5.00
<b>Total</b>	<b>6.41</b>	<b>5.00</b>

2.24 Exposure to credit risk

The Gross carrying amount of financial assets, net of any impairment losses recognized represents the maximum credit exposure. The maximum

Particulars	(₹ in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
Trade Receivables (Net of allowance for doubtful debts)	-	0.19
Cash and Cash Equivalents and other bank balances	0.22	0.40
Other Financial Assets	6.12	6.12
<b>Total</b>	<b>6.34</b>	<b>6.72</b>

2.25 Liquidity Risks

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach for managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damages

**Maturity Analysis of financial instruments**

As At March 31, 2017

Particulars	Carrying amount	(₹ in Lakhs)				
		Contractual Cash flow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings from others	46.18	46.18	-	-	-	46.18
Trade payables	9.26	9.26	-	-	-	9.26
Other Financial Liabilities	1,160.20	1,160.20	-	-	-	1,160.20
<b>Total</b>	<b>1,215.64</b>	<b>1,215.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,215.64</b>

As At March 31, 2016

Particulars	Carrying amount	(₹ in Lakhs)				
		Contractual Cash flow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings from others	31.22	31.22	-	-	-	31.22
Trade payables	3.13	3.13	-	-	-	3.13
Other Financial Liabilities	1,152.41	1,152.41	-	-	-	1,152.41
<b>Total</b>	<b>1,186.76</b>	<b>1,186.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,186.76</b>

**Interest Rate Risk:**

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company

The Interest rate profile of the company's Interest bearing financial instruments were as follows:

Particulars	(₹ in Lakhs)	
	Carrying amount	
	As at March 31, 2017	As at March 31, 2016
<b>Financial liabilities</b>		
- Borrowings from Others	46.18	31.22

2.26 Reconciliation of Equity from Previous GAAP to Ind AS at April 1, 2015 and March 31, 2016

Particulars	(₹ in Lakhs)	
	As at April 1, 2015	March 31, 2016
Equity as per Previous GAAP	1,857.09	1,935.13
Add/(Less): Ind AS Adjustments	-	-
<b>Equity as per IND AS</b>	<b>1,857.09</b>	<b>1,935.13</b>



2.27 Reconciliation of Net profit from Previous GAAP to Ind AS for the year ended March 31, 2016

(₹ in Lakhs)

Particulars	March 31, 2016
Net profit as per Previous GAAP	(98.53)
Add/(Less): Ind AS Adjustments	-
Net profit as per Ind AS	(98.53)

2.28 Reconciliation of material items of Statement of Cash flows for the year ended March 31, 2016 as per IND AS with Previous GAAP As at March 31, 2016

(₹ in Lakhs)

Particulars	As per IND AS	As per previous GAAP	Increase/ (Decrease)
Cash generated from operations	4.31	4.31	-
Net cash used in investing activities	-	-	-
Net cash used in financing activities	(5.00)	(5.00)	-
Cash and cash equivalents at the beginning of the year	1.09	1.09	-
Cash and cash equivalents at the end of the year	0.40	0.40	-

2.29 Deferred Tax Assets and Liabilities

Movement in temporary differences during current and previous year

(₹ in Lakhs)

Particulars	Property, Plant & equipment	Tax loss carry forward	Preliminary expenses
Balance as at April 1, 2015	(11.42)	11.32	0.10
Recognised in income statement	5.99	(5.95)	(0.03)
Recognised in Equity	-	-	-
Balance as at March 31, 2016	(5.43)	5.37	0.07
Recognised in income statement	3.68	(3.65)	(0.03)
Recognised in Equity	-	-	-
Balance as at March 31, 2017	(1.75)	1.72	0.03

2 Unrecognized deferred tax asset

(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unrecognized deferred tax asset	-	-	-
Deductible temporary differences	-	-	-
Unrecognized tax losses	88.38	73.51	47.37
Total	88.38	73.51	47.37

3 Income Tax Expenses recognized in P&L

Particulars	As at March 2017	As at March 2016
Current tax expenses/(Reversal)	-	-
Deferred Tax expense	-	-
Origination and reversal of Temporary difference	0.03	0.03
Reversal of previously recognized losses	(0.03)	(0.03)
	-	-

4 Reconciliation of effective tax rates

Particulars	As at March 2017	As at March 2016
Profit Before Tax	(78.03)	(98.53)
Enacted tax rates in India	30.90%	30.90%
Expected Tax Expense/ (Benefit)	(24.11)	(30.44)
Effect of :		
Share based payment expenses/ other expenses not deductible for tax purposes	9.25	12.59
Unrecognized deferred tax assets/ liabilities on temporary differences	14.86	26.15
Expenses/ Income not taxable	-	-
Recognition of previously unrecognized tax losses	-	(8.30)
	-	-

2.30 Foreign currency Exposure (unhedged foreign currency)

(₹ in Lakhs)

Particulars	Foreign currency	As at March 31, 2017		As at March 31, 2016	
		Rate( per GBP)	Amount in Rs.	Rate( per GBP)	Amount in Rs.
Amount payable in foreign currency on account of creditors	1500 GBP	81.17	1.22	94.97	1.42



2.31 Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

As per requirement of Section 22 Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

Particulars	(₹ in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
(ii) Interest due on (i) above remaining unpaid	Nil	Nil
(iii) Amounts paid beyond the appointed day during the accounting year	Nil	Nil
(iv) Interest paid on (iii) above	Nil	Nil
(v) Interest due and payable on (iii) above	Nil	Nil
(vi) Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii) Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.		

2.32 Disclosures as per Notification GSR 308(E) dated March 30, 2017 of Ministry of Corporate Affairs in respect of details of Specified bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016:

(Amount in Rupees)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1,500.00	289.00	1,789.00
(+) Permitted receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	1,500.00	-	1,500.00
Closing cash in hand as on 30.12.2016	-	289.00	289.00

2.33 The company reviewed the impairment loss during FY 2015-16 and FY 2016-17 consequent to certain operational and other indicators. The review led to recognition of impairment loss of ₹ 37.90 Lakhs (previous year ₹ 52.26 Lakhs) which has been recognized in profit/ loss. The impairment loss has been computed as the amount by which the carrying amount of assets forming part of the CGU exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is based on recent market prices of assets with similar age and obsolescence and has been estimated by independent valuer. The value in use is determined on the basis of business plans approved by the management of the company. The discount rate used in measuring value in use is 11.48 % pa. Additional impairment losses recognized during the year amounted to ₹ 37.90 Lakhs. These losses are attributable to reduction in the amount of fair value less costs of disposals.

The impairment losses on non- financial assets have been disclosed in the Statement of Profit and Loss.

2.34 Previous year's figures have been regrouped / recasted where necessary.

As per our attached Report of even date

For and on behalf of the Board of Directors

For G. D. Apte & Co.  
Chartered Accountants  
ICAI Firm Registration No. 100515W

U. S. Abhyankar  
Partner  
Membership No. 113053

Place: Mumbai  
Date : 19th April 2017



Vinayak Jadhav  
Director  
DIN : 02812072

Sharad Naik  
Director  
DIN : 07511077

Place: Mumbai  
Date : 19th April 2017

Neel Patil  
Director  
DIN:07559308

*(Signature)*

*(Signature)*