Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Warasgaon Assets Maintenance Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Warasgaon Assets Maintenance Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. 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

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

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

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5. 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 these financial statements are free from material misstatement.

6. 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 controls 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 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.

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

Basis for Qualified Opinion

8. As stated in Note 29 to the financial statements, the Company's 'Other current financial liabilities' include balances amounting to Rs 103,034.16 lakhs as at 31 March 2018 pertaining to borrowings from the lenders which have been classified as non-performing assets and in respect of which direct confirmations from the respective lenders have not been received. In the absence of such confirmations from the lenders, we are unable to comment on the adjustments, that would be required to the carrying value of these balances on account of changes, if any, in the terms and conditions of the transactions, and the consequential impact, on the accompanying financial statements.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

10. We draw attention to Note 27 to the accompanying financial statements which indicates that the Company has incurred net loss of Rs 12,826.93 lakhs during the year ended 31 March 2018 and as at that date, has accumulated losses amounting to Rs 209,510.22 lakhs which has resulted in erosion of its net-worth and its current liabilities exceeded its current assets by Rs 136,559.89 lakhs. The Company is in the process of submitting a draft resolution plan to consortium of banks for revival of its business and restructuring the repayment of dues. There were no operations in the Company during the year ended 31 March 2018 as the Company is dependent on the project undertaken by the holding company, Lavasa Corporation Limited, and other entities in the group as a whole. The above factors indicate a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. However, basis the support of the holding company and other factors mentioned in the aforesaid note to the financial statements, management is of the view that going concern basis of accounting is appropriate. Our opinion is not modified in respect of this matter.

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Other Matters

11. The audit of the financial statements for the year ended 31 March 2017 was carried out and reported by another auditor, Messrs. G. D. Apte & Co, Chartered Accountants, who had expressed a qualified opinion on those financial statements; vide their audit report dated 17 April 2017.

Report on Other Legal and Regulatory Requirements

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

13. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

    a) we have sought and except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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 financial statements dealt with by this report are in agreement with the books of account;

    d) except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

    e) the matters described in paragraphs under the Basis for Qualified Opinion paragraph and Material uncertainty related to going concern paragraph, in our opinion, may have an adverse effect on the functioning of the Company;

    f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    g) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 2 May 2018 as per "Annexure B" expressed an unmodified opinion;

    h) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph

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i) 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 (as amended), 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 litigation which would impact its financial position;

   ii. except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the Company did not have any long-term contracts for which there were any material foreseeable losses;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 2 May 2018

Annexure A to the Independent Auditor's Report of even date to the members of Warasgaon Assets Maintenance Limited, on the financial statements for the year ended 31 March 2018

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not hold any immovable property (in the nature of 'property, plant and equipment'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

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Annexure A (Contd)

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of dues	Amount (Rs in lakhs)	Period to which it relates	Due date of payment	Actual date of payment
Maharashtra Value Added Tax Act, 2002	Work Contract Tax (WCT)	13.35	2014-15	Various	-
		1.84	2015-16	Various	-
Income tax Act, 1961	Tax deducted at source (194C)	18.66	2014-15	Various	-
		2.28	2016-17	Various	-
Income tax Act, 1961	Tax deducted at source (194C)	31.97	2017-18	Various	-

(b) There are no dues in respect of income-tax, goods and service tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) There are no loan or borrowings payable to government. The Company has defaulted in repayment of loans to the following banks and financial institutions during the year, which were paid on or before the balance sheet date. The Company did not have any outstanding debentures during the year.

(Rs in lakhs)

Bank	Days	Principal	Interest	Total
Axis Bank	0-180	-	262.73	262.73
Karnataka Bank	0-180	-	121.56	121.56
Allahabad Bank	0-180	-	538.62	538.62
Financial institution				
L&T Infrastructure Company Limited	0-180	-	420	420

The Company has defaulted in repayment of loans to the following banks and financial institutions, which were not paid as at the balance sheet date.

(Rs in lakhs)

Bank	Days	Principal	Interest	Total
Axis Bank	0-180	12,969.76	847.68	13,817.44
	Above 180	-	536.85	536.85
Union Bank of India	0-180	-	2,524.98	2,524.98
	Above 180	34,044.00	1,495.82	35,539.82

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Annexure A (Contd)

(Rs in lakhs)

Bank	Days	Principal	Interest	Total
Central Bank of India	0-180	-	1,283.05	1,283.05
	Above 180	17,378.33	1,887.52	19,265.85
Karnataka Bank	0-180	28.10	236.88	264.98
	Above 180	-	71.21	71.21
Allahabad Bank	0-180	-	1,716.72	1,716.72
	Above 180	27,239.19	1,110.15	28,349.34
Financial institutions				
Edelweiss Asset Reconstruction Company Limited	0-180	-	303.34	303.34
	Above 180	4,610.37	334.31	4944.68
L&T Infrastructure Company Limited	0-180	22,272.00	1,445.85	23,717.85
	Above 180	-	563.06	563.06

(ix) The Company did not raise moneys 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, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 2 May 2018

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

1. In conjunction with our audit of the financial statements of Warasgaon Assets Maintenance Limited (the "Company") as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (the "Guidance Note") 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 the Company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR 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

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Annexure B (Contd)

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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, 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 issued by the ICAI.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 2 May 2018

Warasgaon Assets Maintenance Limited
Balance sheet as at 31 March 2018

Particulars	Note No.	As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
ASSETS			
Non-current assets			
Property, plant and equipment	3	0.32	0.37
Financial assets			
Loans	4	77,864.63	56,426.68
Income tax assets (net)	5	18.99	-
Other non-current assets	6	21,943.40	20,154.46
Total non-current assets		**99,827.34**	**76,581.51**
Current assets			
Inventories	7	0.06	0.06
Financial assets			
Cash and cash equivalents	8	5.56	28.78
Loans	4	491.00	5,576.59
Other financial assets	9	-	7,735.13
Income tax assets (net)	5	-	18.99
Other current assets	6	1,515.96	4,602.95
Total current assets		**2,012.58**	**17,962.50**
TOTAL ASSETS		**101,839.92**	**94,544.01**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	707.92	671.84
Other equity		(41,229.09)	(25,021.41)
Total equity		**(40,521.17)**	**(24,349.57)**
Non-current liabilities			
Financial liabilities			
Borrowings	11	3,779.37	110,886.53
Provisions	12	9.25	10.20
Total non-current liabilities		**3,788.62**	**110,896.73**
Current liabilities			
Financial liabilities			
Borrowings	11	2,672.46	2,333.51
Trade payables	13	2,468.99	2,677.30
Other financial liabilities	14	133,243.80	2,894.08
Other current liabilities	15	183.42	88.78
Provisions	12	3.80	3.18
Total current liabilities		**138,572.47**	**7,996.85**
TOTAL EQUITY AND LIABILITIES		**101,839.92**	**94,544.01**

Notes 1 to 30 form an integral part of the financial statements.

This is the Balance Sheet referred to in our audit report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 2 May 2018

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Avinash Harde
Director
DIN.No.06981622

David Amalraj
Director
DIN.No.07533257

Place: Mumbai
Date: 2 May 2018

WARASGAON ASSETS MAINTENANCE LIMITED

Warasgaon Assets Maintenance Limited
Statement of Profit and Loss for the year ended 31 March 2018

Particulars	Note No.	Year ended 31 March 2018 (₹ lakhs)	Year ended 31 March 2017 (₹ lakhs)
Income			
Other income	16	12,481.62	6,271.89
Total income		**12,481.62**	**6,271.89**
Expenses			
Employee benefits expense	17	85.12	92.38
Finance cost	18	17,468.69	12,277.51
Depreciation and amortisation expense	3	0.05	0.06
Other expenses	19	19.35	147.88
Total expenses		**17,573.21**	**12,517.83**
Loss before exceptional items and tax		**(5,091.59)**	**(6,245.94)**
Exceptional Items	19a	7,735.13	-
Loss before tax		**(12,826.72)**	**(6,245.94)**
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Loss for the year (A)		**(12,826.72)**	**(6,245.94)**
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss			
- Gain on fair value of defined benefit plans as per actuarial valuation		(0.21)	1.45
- Income tax effect on above		-	-
Other comprehensive income/(loss) for the year, net of tax (B)		**(0.21)**	**1.45**
Total comprehensive loss for the year, net of tax (A+B)		**(12,826.93)**	**(6,244.49)**
Loss per equity share of nominal value of ₹ 10 each			
Basic and diluted (in ₹)	21	**(182.93)**	**(92.97)**

Notes 1 to 30 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our audit report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 2 May 2018

For and on behalf of Board of Directors

Avinash Harde
Director
DIN.No.06981622

David Amalraj
Director
DIN.No.07533257

Place: Mumbai
Date: 2 May 2018

Warasgaon Assets Maintenance Limited
Cash Flow Statement for the year ended 31 March 2018

Particulars	Year ended 31 March 2018 (₹ lakhs)	Year ended 31 March 2017 (₹ lakhs)
Cash flows from operating activities		
Loss before tax	(12,826.72)	(6,245.94)
Adjustment for:		
Interest income on performance security deposit	(12,173.84)	(6,270.26)
Impairment loss provision on contracts work in progress	7,735.13	-
Interest paid	17,468.69	12,277.51
Excess provision written back	(307.50)	-
Depreciation and amortisation	0.05	0.06
Operating loss before working capital changes	**(104.19)**	**(238.63)**
Changes in working capital		
Increase in loans	(11,134.46)	(73,117.58)
Increase in inventories	-	(421.91)
(Increase) / decrease in other current asset	(3.76)	415.65
Decrease in long term provisions	(1.16)	(0.54)
Increase / (decrease) in short term provisions	0.62	(4.02)
Increase in trade payables	99.19	136.57
Increase in other financial liabilities	1.02	72.62
Increase in other current liabilities	94.65	38.05
Cash used in operations	**(11,048.09)**	**(73,119.79)**
Direct taxes paid (net of refund)	-	-
Net cash used in operating activities (A)	**(11,048.09)**	**(73,119.79)**
Cash flows from investing activities	-	-
Net cash generated from investing activities (B)	-	-
Cash flows from financing activities		
Proceeds from borrowings	11,134.46	73,214.45
Proceeds from issue of equity share capital (including share premium)	3,608.33	7,383.88
Proceeds from issue of preference share capital (including share premium)	8.85	15.35
Interest paid	(3,726.77)	(7,469.52)
Net cash generated from financing activities (C)	**11,024.87**	**73,144.16**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(23.22)	24.37
Cash and cash equivalents at beginning of the year	28.78	4.41
Cash and cash equivalents at end of the year	**5.56**	**28.78**

Note :

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require 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 adoption of amendment did not have any material impact on the financial statements.

Notes 1 to 30 form an integral part of the financial statements

This is the Cash Flow Statement referred to in our audit report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 2 May 2018

For and on behalf of Board of Directors

Avinash Harde
Director
DIN.No.06981622

David Amalraj
Director
DIN.No.07533257

Place: Mumbai
Date: 2 May 2018

WARASGAON ASSETS MAINTENANCE LIMITED

Warasgaon Assets Maintenance Limited
Statement of Changes in Equity for the year ended 31 March 2018

A . Equity share capital

Particulars	Number	(₹ lakhs)
Equity shares of ₹ 10 each issued, subscribed and paid		
As at 31 March 2016	5,980,027	**598.00**
Issue of equity shares	738,388	73.84
As at 31 March 2017	**6,718,415**	671.84
Issue of equity shares	360,833	36.08
As at 31 March 2018	**7,079,248**	707.92

B. Equity component of cumulative redeemable preference shares [also refer note C below and 10 (B)]

Particulars	Number	₹ lakhs
0.001% cumulative preference shares of ₹ 10 each Issued, subscribed and paid		
As at 31 March 2016	4,725	**0.47**
Issue of preference shares	1,535	0.15
As at 31 March 2017	6,260	**0.63**
Issue of preference shares	885	0.09
As at 31 March 2018	7,145	0.71

C. Other equity

(₹ lakhs)

Particulars	Equity component of cumulative redeemable preference shares (Also refer note B above)	Deemed equity investment by Holding company	Reserve and surplus		Other comprehensive Income	Total equity attributable to equity holders
			Securities premium reserve	Retained earnings	Net gain/(loss) on fair value of defined benefit plans	
Balance as at 31 March 2016	16.75	95,790.86	58,707.27	(135,210.57)	(11.31)	19,293.00
Securities premium on issue of shares	-	-	7,310.04	-	-	7,310.04
Deemed dividend	-	-	-	(48,271.04)	-	(48,271.04)
Equity contribution by Holding company	5.28	2,885.80	-	-	-	2,891.07
Other comprehensive income	-	-	-	-	1.45	1.45
Loss for the year	-	-	-	(6,245.94)	-	(6,245.94)
Balance as at 31 March 2017	22.03	98,676.66	66,017.31	(189,727.55)	(9.86)	(25,021.41)
Securities premium on issue of shares	-	-	3,572.25	-	-	3,572.25
Deemed dividend	-	-	-	(6,955.95)	-	(6,955.95)
Equity contribution by Holding company	2.95	-	-	-	-	2.95
Other comprehensive income	-	-	-	-	(0.21)	(0.21)
Loss for the year	-	-	-	(12,826.72)	-	(12,826.72)
Balance as at 31 March 2018	24.98	98,676.66	69,589.56	(209,510.22)	(10.07)	(41,229.09)

Nature and purpose of reserves

i. Deemed equity investment by Holding company
The Holding company when transfers benefit to the Company in form of financial guarantee a deemed equity investment account is created. This will be derecognised on disposal of control in the Company.

ii. Securities premium reserve
Securities premium is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

iii. Net gain/(loss) on fair value of defined benefit plans - OCI
The Company has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

Notes 1 to 30 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 2 May 2018

For and on behalf of Board of Directors

Avinash Harde
Director
DIN.No.06981622

David Amalraj
Director
DIN.No.07533257

Place: Mumbai
Date: 2 May 2018

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

WARASGAON ASSETS MAINTENANCE LIMITED

1 Corporate information

Warasgaon Assets Maintenance Limited ('the Company') is a public limited company domiciled in India and is incorporated under the provisions of the erstwhile Companies Act, 1956. The Company has entered in to a concession agreement on 24 June 2011 with Lavasa Corporation Limited to design, develop, engineer, procure, construct, operate and maintain infrastructure facility for a period of 17 years. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India. The Company was incorporated on 24 June 2011.

The financial statements were authorised for issue in accordance with resolution of the Board of Directors on 2 May 2018.

2 Significant accounting policies

i) Basis of preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the assets and liabilities have been classified as current or non- current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 ("the Act"). Based on the nature of products and time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as project life cycle for the purpose of current / non- current classification of assets and liabilities.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

ii) Accounting estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

iii) Property, plant and equipment (Tangible Assets)

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct allocable overheads.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. 1 April 2015.

iv) Depreciation and amortisation

Depreciation/ amortisation is provided on the written down value basis over the estimated useful lives of the assets on a pro-rata basis. The useful lives have been determined based on technical evaluation carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Office equipment : 5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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WARASGAON ASSETS MAINTENANCE LIMITED

v) **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

Initial recognition:
In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:
For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets measured at Amortized Cost:
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the Effective Interest Rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value
Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. 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 the Statement of Profit and Loss.

In respect of equity investments (other than for investment in subsidiaries and associates) which are not held for trading, the Company has made an irrevocable election to present subsequent changes in the fair value of such instruments in OCI. Such an election is made by the Company on an instrument by instrument basis at the time of transition for existing equity instruments/ initial recognition for new equity instruments.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Impairment of Financial Asets
In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the Statement of Profit and Loss.

De-recognition of Financial Assets
The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of Non-Financial Assets
As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.
Recoverable amount is determined:
- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

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WARASGAON ASSETS MAINTENANCE LIMITED

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

b) Equity Instruments and Financial Liabilities
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) Initial Recognition
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent measurement:
The measurement of financial liabilities depends on their classification, as described below :

Financial Liabilities at Fair Value through Profit or Loss (FVPL)
Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Where the Company issues optionally convertible debenture, the fair value of the liability portion of such debentures is determined using a market interest rate for an equivalent non-convertible debenture. This value is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the instrument. This is recognised and included in shareholders' equity (net of income tax) and are not subsequently re-measured.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Where the terms of a financial liability is re-negotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss; measured as a difference between the carrying amount of the financial liability and the fair value of equity instrument issued.

3) De recognition of Financial Liabilities
Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

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WARASGAON ASSETS MAINTENANCE LIMITED

vi) Income tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a) Current income tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b) Deferred income tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. 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.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

vii) Revenue recognition

The Company recognizes a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from grantor for the construction, upgrade and maintenance of services provided. Such financial assets are measured at fair value on initial recognition and classified as receivables. Subsequent to initial recognition, the financial assets are measured at amortized cost. Under this model financial asset will be reduced as an when annuity has been received from grantor. The difference, if any between the annuity and fair value of revenue recognized, is recognized as Finance Income on a systematic basis.

The Company follows the percentage completion method, on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost to the completion of the contract and the profit so determined accounted for proportionate to the percentage of the actual work done. Foreseeable losses are accounted for as and when they are determined.

Other items of income are accounted as and when the right to receive arises.

Interest income is accrued on a time proportion basis

viii) Employee benefits

Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund and superannuation scheme are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

Defined Benefit Plan

The Company also provides for gratuity which is a defined benefit plans, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the period of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

Short-term Benefits

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

Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

ix) Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

x) **Provisions, Contingent Liabilities and Contingent Assets**
A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are disclosed where an inflow of economic benefit is probable.

xi) **Earning Per Share**
Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

xii) **Foreign currency transactions**
a) Initial recognition
Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

b) Conversion
Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Treatment of exchange difference
Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.
On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

xiii) **Lease**
Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

xiv) **Cash and cash equivalents**
Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xv) **Segmental reporting**
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "operate and maintain the transportation infrastructure/ project facility on annuity basis". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

xvi) **Service concession arrangement**
The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value at the time of initial recognitions of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is regarded to be its cost. Subsequent to initial recognition, the intangible assets are measured at cost, less any accumulated amortisations and accumulated impairment losses.

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WARASGAON ASSETS MAINTENANCE LIMITED *

3. Property, Plant & Equipment
Tangible assets

(₹ lakhs

Particulars	Office equipment	Total
Gross carrying value		
As at 31 March 2016	0.50	0.50
Additions	-	-
Deductions/ disposals	-	-
As at 31 March 2017	**0.50**	**0.50**
Additions	-	-
Deductions/ disposals	-	-
As at 31 March 2018	**0.50**	**0.50**
Accumulated depreciation		
As at 31 March 2016	0.07	0.07
Depreciation charge for the year	0.06	0.06
Accumulated depreciation on disposals	-	-
As at 31 March 2017	**0.13**	**0.13**
Depreciation charge for the year	0.05	0.05
Accumulated depreciation on disposals	-	-
As at 31 March 2018	**0.18**	**0.18**
Net carrying value		
As at 31 March 2018	**0.32**	**0.32**
As at 31 March 2017	0.37	0.37

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		As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
4	**Loans (Unsecured, considered good unless otherwise stated)**		
	Non-current		
	Performance security deposit to related party (refer note 20)	77,864.63	56,426.68
	Total non-current loans	77,864.63	56,426.68
	Current		
	Performance security deposit to related party (refer note 20)	491.00	5,576.59
	Total current loans	491.00	5,576.59
5	**Income tax assets (net)**		
	i. The following table provides the details of income tax assets and liabilities:		
	Income tax assets	18.99	18.99
	Current income tax liabilities	-	-
	Net balance	18.99	18.99
	ii. The gross movement in the current tax asset/ (liability) for the year ended is as follows:		
	Net current income tax asset at the beginning	18.99	18.99
	Income tax paid/(refund)	-	-
	Current income tax expense	-	-
	Income tax on other comprehensive income	-	-
	Net current income tax asset at the end	-	18.99
	Net non current income tax asset at the end	18.99	-
	iii. Income tax expense in the Statement of Profit and Loss comprises:		
	Current income taxes	-	-
	Deferred income taxes	-	-
	Income tax expenses (net)		
6	**Other non-current assets (Unsecured, considered good unless otherwise stated)**		
	Non-current		
	Prepaid guarantee expenses (refer note 20)	21,943.40	20,154.46
	Total non-current assets	21,943.40	20,154.46
	Current		
	Advances to suppliers	-	0.02
	Balances with government authorities	40.62	38.95
	Prepaid expenses		
	- Guarantee expenses (refer note 20)	1,292.78	4,373.85
	- Others	182.56	190.13
	Total current assets	1,515.96	4,602.95
7	**Inventories**		
	Stores and spare material	0.06	0.06
	Total inventories	0.06	0.06
8	**Cash and cash equivalents**		
	Balances with banks	5.53	28.75
	Cash on hand	0.03	0.03
	Total cash and cash equivalents	5.56	28.78
9	**Other financial assets**		
	Contracts work in progress	7,735.13	7,735.13
	Less: Impairment loss provision on contracts work in progress	(7,735.13)	-
	Total other financial assets	-	7,735.13

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WARASGAON ASSETS MAINTENANCE LIMITED

	As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
11 Borrowings		
Non current		
Term loan from banks (Secured)	95,378.42	87,183.95
Less: Current maturities # (refer note 14)	91,659.39	226.90
	3,719.03	**86,957.05**
Loan from financial institution	26,882.37	23,942.37
Less: Current maturities # (refer note 14)	26,882.37	59.86
	-	**23,882.51**
Liability component of cumulative redeemable preference shares (refer note 10B)	60.34	46.97
	60.34	**46.97**
Total non-current borrowings	**3,779.37**	**110,886.53**
Current (Unsecured)		
Inter-corporate deposit from related parties* (refer note 20)	2,672.46	2,333.51
Total current borrowings	**2,672.46**	**2,333.51**

#Repayable on demand as the Company has defaulted the repayment of principal and interest
*Inter corporate deposits from Holding Company at EIR 14.50% per annum

Details of security and terms of repayment
Term loan from banks
Security details

i **Primary Security**
- First charge/hypothecation on the current assets including receivables of the Company.
- First charge on all bank accounts of the Company including but no limit to Escrow account to be established by the Company
- Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement.

Collateral Security
- First pari passu charge on 3,366.18 hectares of land including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode.
- Immovable & movable fixed assets, current assets, receivables, investments and all bank accounts
- Pledge of entire shareholding of LCL by HREL and Vinay Maniar to lenders of Borrower Company (Except for 132 shares of Bennett Coleman & Company Limited)

ii **Primary Security**
- First charge/hypothecation on the current assets including receivables of the Company.
- First charge on all bank accounts of the Company including but no limit to Escrow account to be established by the Company
- Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement.

Collateral Security
- First pari passu charge on 3,366.18 hectares land of entire land including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Palse, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode.
- Immovable and movable fixed assets, current assets, receivables, investments and all bank accounts

Pledge of entire shareholding of Lavasa Corporation Limited in Warasgaon Assets Maintenance Limited
Pledge of entire shareholding of Lavasa Corporation Limited in Sahayadri City Management Limited

iii **Primary Security**
- First charge/ hypothecation on the current assets including receivables of the Company.
- First charge on all bank accounts of the company including but not limited to the escrow account to be established by the Company.
- Negative lien on rights acquired in respect of infrastructure assests under the concession agreement executed between the promoter and the Company.

Collateral Security
- First pari passu on entire land belonging to Lavasa Corporation Limited (LCL) including buildings across the villages of Mugaon, Bhoini, Admaal, Dhamanohal, Mose, Palse, Padalgarh, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugnavali and Bodse.
- Pledge of entire shareholding of LCL by the existing shareholders to lenders of Borrower Company (Except for 132 shares of Bennett Coleman & Company Limited)
- Pledge of promoters holding in the borrower Company
- Pledge of promoter holding in Sahayadri City Management Limited

iv **Primary Security**
- First charge/ hypothecation on the current assets including receivables of the Company.
- First charge on all bank accounts of the company including but not limited to the Escrow account to be established by the Company.
- Negative lien on rights acquired in respect of infrastructure assests under the concession agreement executed between the promoter and the Company.

Collateral Security
- First pari passu charge on Land of 3366.18 hectres including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode.
- Immovable and movable fixed assets, Current assets, receivables, investments and all bank accounts
- Share pledge (on First Pari Passu Basis with existing Lenders of Lavasa Corporation Limited excluding Asset Reconstruction Company (India) Limited)
- Pledge of entire shareholding in Lavasa Corporation Limited by existing shareholders to the lenders of Warasgaon Assets Mainetenace Limited (except for 132 shares held by Bennett Coleman & Company Limited)
- Pledge of promoter (Lavasa Corporation Limited) holding on borrower (Warasgaon Assets Mainetenace Limited)
- Pledge of promoter (Lavasa Corporation Limited) holding in Sahaydri City Management Limited (SCML)

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v **Primary Security**

- First charge/ hypothecation on the current assets including receivables of the Company.
- First charge on all bank accounts of the company including but not limited to the Escrow account to be established by the Company.
- Negative lien on rights acquired in respect of infrastructure assests under the concession agreement executed between the promoter and the Company.

Collateral Security

- First pari passu charge on Land of 3366.18 hectres including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode.
- Immovable and movable fixed assets, current assets, receivables, investments and all bank accounts
- Share Pledge (on First Pari Passu Basis with existing Lenders of Lavasa Corporation Limited excluding Asset Reconstruction Company (India) Limited)
- Pledge of entire shareholding in Lavasa Corporation Limited by existing shareholders to the lenders of Warasgaon Assets Mainetenace Limited (except for 132 shares held by Bennett Coleman & Company Limited)
- Pledge of promoter (Lavasa Corporation Limited) holding on borrower (Warasgaon Assets Mainetenace Limited)

Repayment terms

Term loan from banks

Loan to be repaid in 72 quarterly structured installments starting from 31 December 2017 and ending on 30 September 2035

Term loan from financial institutions

i **Primary Security**

- First charge/hypothecation on the current assets including receivables of the Company.
- First charge on all bank accounts of the Company including but no limit to escrow account to be established by the Company
- Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement.

Collateral Security

- First pari passu charge on land of 3366.18 hectares including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode.
- Immovable and movable fixed assets, current assets, receivables, investments and all bank accounts

ii

- A first pari passu charge by way of hypothection charge on all movable fixed assets of the borrower both present and future.
- A first pari passu charge by way of hypothection charge on current assets, book debts, operating cash flows, receivables, commission, revenue whatsoever nature and wherever arising.
- A first pari passu on all of borrower's bank accounts including but not limited to the Trust and Retention Account opened in a desginated bank
- Negative lien on concession right acquired in respect of transportation infrastructure under the concession agreement as specified by the lender
- First pari passu charge on land of 3366.18 hectares including building across all villages of Mugaon, Bhoini, Admal, Dhamanohol, Mose, Plase, Padalghar, Wadavali, Dasve, Bembatmal, Gadle, Koloshi, Patharset, Saiv, Sakhari, Ugavali & Bhode.
- Share pledge by the promoter to the extent of 100% shareholding in the paid up share capital
- Share pledge (on first pari passu basis with existing lenders of Lavasa Corporation Limited
- Pledge of entire shareholding of Lavasa Corporation Limited by the existing shareholders to lenders of Borrower Company (Except for 132 shares of Bennett Coleman & Company Limited)
- Pledge of promoters holding in the Company
- Pledge of promoter holding in Sahyadri City Management Limited

Term loan from financial institutions

Loan to be repaid in 72 quarterly structured installments starting from 31 December 2017 and ending on 30 September 2035

Corporate guarantee :

Corporate guarantee has been gvien by Lavasa Corporation Limited and HCC Real Estate Limited for all the above loans.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for current year.

	As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
Cash and cash equivalents	5.56	28.78
Current borrowings*	(132,899.28)	(2,550.59)
Non-current borrowings	(3,719.03)	(110,839.56)
	(136,612.75)	(113,361.37)

*inclusive of current maturities of non-current borrowings and Interest accrued on term loans

Particulars	Other current assets	Liabilities from financing activities		
	Cash and bank	Non current borrowings	Current borrowings	Total
Opening	28.78	(110,839.56)	(2,550.59)	(113,361.37)
Cash flows	(23.22)	(11,134.46)	-	(11,157.68)
Interest expense	-	(1,188.41)	(14,630.91)	(15,819.32)
Interest paid	-	1,175.03	2,550.59	3,725.62
Other non-cash movements				
- Classified into current maturity	-	118,268.37	(118,268.37)	-
Net debt as at 31 March 2018	5.56	(3,719.03)	(132,899.28)	(136,612.75)

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		As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
12	**Provisions**		
	Non-current		
	Provision for employee benefits (refer note 24)		
	Compensated absences	2.28	3.68
	Gratuity	6.97	6.52
	Total non-current provisions	9.25	10.20
	Current		
	Provision for employee benefits (refer note 24)		
	Compensated absences	3.46	2.12
	Gratuity	0.34	1.06
	Total current provisions	3.80	3.18
13	**Trade payables**		
	Total outstanding dues of Micro Enterprises and Small Enterprises (refer note (a) below)	-	-
	Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
	Due to related parties (refer note 20)	2,220.20	2,107.62
	Due to others	248.79	569.68
	Total trade payables	2,468.99	2,677.30

a) There are no Micro and Small Enterprises, to whom the Company owes dues and which are outstanding as at 31 March 2018. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act (MSMED) Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There is no interest paid or payable during the year.

		As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
14	**Other financial liabilities**		
	Current maturities of long term borrowings		
	-Term loans from bank	91,659.39	226.90
	-Term loans from financial institutions	26,882.37	59.86
	Interest accrued and due on borrowing	14,357.52	2,263.83
	Employee dues payable	45.53	45.41
	Retention deposit payable	298.99	298.08
	Total other financial liabilities	133,243.80	2,894.08
15	**Other current liabilities**		
	Statutory dues payable	183.42	88.78
	Total other current liabilities	183.42	88.78

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		As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
10	**Share capital**		
	Authorised share capital		
	Equity share capital		
	8,000,000 (31 March 2017: 7,000,000) equity shares of ₹ 10 each	800.00	700.00
	Total equity share capital	800.00	700.00
	0.001% redeemable preference shares		
	100,000 (31 March 2017: 100,000) preference shares of ₹ 10 each	10.00	10.00
	Total redeemble preference share capital	10.00	10.00
A	**Equity share capital**		
a)	**Issued, subscribed and paid up**		
	7,079,248 (31 March 2017: 6,718,415) equity shares of ₹10 each fully paid up	707.92	671.84
	Total issued, subscribed and paid up	707.92	671.84

b) **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No of shares	₹ lakhs	No of shares	₹ lakhs
At the beginning of the year	6,718,415	671.84	5,980,027	598.00
Shares issued during the year	360,833	36.08	738,388	73.84
At the end of the year	7,079,248	707.92	6,718,415	671.84

c) **Details of shareholders holding more than 5% of shares of the Company and shares held by Holding & Ultimate Holding Company.**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No of shares	% holding	No of shares	% holding
Equity shares of ₹ 10 each fully paid				
Lavasa Corporation Limited	7,079,248	100.00%	6,718,415	100.00%

d) **Bonus share/buy back/shares for consideration other than cash issued during past five years from reporting date**
The Company has neither issued any bonus shares, shares issued for consideration other than cash nor has there been any buy back of shares during five years from reporting date

e) **Rights and 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.

		As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
B	**Equity component of cumulative redeemable preference shares**		
a)	**Issued, subscribed and paid up cumulative redeemable preference share capital**		
	7,145 0.001% redeemable preference shares (31 March 2017: 6,260) of ₹10 each	0.71	0.63
	Total issued, subscribed and paid up share capital	0.71	0.63

b) The redeemable preference shares shall carry a dividend at the rate of 0.001% per annum. The dividend on redeemable preference shares shall be cumulative.

c) The redeemable preference shares will be redeemed on 31 October 2035 with a yield of 12 % per annum compounded annually from the date of issue till the date of redemption, such that the redemption amount shall be equal to Subscription Amount * (1+ YTM @12%)n where n is the number of years from subscription date upto the date of redemption.

d) **Reconciliation of cumulative redeemable preference shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No of shares	₹ lakhs	No of shares	₹ lakhs
At the beginning of the year	6,260	0.63	4,725	0.47
Shares issued during the year	885	0.09	1,535	0.15
At the end of the year	7,145	0.71	6,260	0.63

e) **Details of shareholders holding more than 5% of shares of the Company and shares held by Holding company.**

Particulars	As at 31 March 2018		As at 31 March 2017	
	No of shares	% holding	No of shares	% holding
Lavasa Corporation Limited	7,145	100.00	6,260	100.00

f) **Rights and restriction attached to redeemable 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 cumulative redeemable 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 redeemable preference shareholders are entitled to vote on every resolution if preference dividend remains unpaid for 2 years.

Note :

The shareholders of the Company at their meeting held on 1 June 2017, approved the increase in authorised share capital from the existing authorised share capital of ₹ 700 lakhs consisting of 7,000,000 equity shares of ₹ 10 each to ₹ 800 lakhs consisting of 8,000,000 equity shares of ₹ 10 each.

During the year, pursuant to the resolutions passed in the board meetings held on 28 August 2017, 4 May 2017, 25 May 2017, 30 May 2017, 1 June 2017, 5 July 2017, the Company issued 58,735, 7,698, 120,500, 80,900, 78,999, 14,001 equity shares respectively, of ₹ 10 each at an issue price of ₹ 1,000 per equity share (including ₹ 990 per share towards securities premium).

During the year, pursuant to the resolutions passed in the board meeting held on 24 April 2017, 1 June 2017 the Company issued 270, 615 redeemable preference shares respectively, of ₹ 10 each at an issue price of ₹ 1,000 per share (including ₹ 990 per share towards premium).

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		Year ended 31 March 2018 (₹ lakhs)	Year ended 31 March 20' (₹ lakhs)
16	**Other income**		
	Interest on performance security deposit (refer note 20)	12,173.84	6,270
	Excess provision written back	307.50	-
	Miscellaneous income	0.28	1
	Total other income	12,481.62	6,271
17	**Employee benefits expense**		
	Salaries	78.09	83
	Contribution to provident and other funds	4.51	6
	Staff welfare expenses	2.52	2
	Total employee benefits expense	85.12	92
18	**Finance cost**		
	Interest on		
	-Term loans from banks	12,609.18	7,385
	-Term loans from financial institutions	3,210.14	1,874
	Interest on inter corporate deposit (refer note 20)	338.94	296
	Guarantee expenses	1,292.13	2,700
	Other borrowing cost	18.30	20
	Total finance cost	17,468.69	12,277
19	**Other expenses**		
	Operational and direct expenses	-	28
	Office and other general expenses	0.56	47
	Power and fuel	-	36
	Rates and taxes	8.66	20
	Legal and professional	7.86	10
	Insurance	1.49	1
	Payment to auditors		
	Statutory audit fees	0.78	0
	Miscellaneous expenses	-	3
	Total other expenses	19.35	147
19a	**Exceptional items**		
	Impairment loss provision on contracts work in progress	7,735.13	-
	Total exceptional items	7,735.13	-

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20 Disclosure in accordance with Ind AS 24 Related Party Transactions

i) Names of related parties and nature of relationship

A) Holding company
Lavasa Corporation Limited

B) Fellow subsidiaries
Lavasa Hotel Limited
Reasonable Housing Limited
Sahyadri City Management Limited
Warasgaon Power Supply Limited
Steiner India Limited
Whistling Thrush Facilities Services Limited

C) Other related parties
Joint Ventures:
Ecomotel Hotel Limited

ii) Transactions and balances with related parties

(₹ lakhs)

Nature of transactions	Holding company		Fellow subsidiaries		Other related parties	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	Year ended 31 March 2017
Transactions during the year						
Project and other services received						
Lavasa Corporation Limited	56.80	117.73				
Reasonable Housing Limited	-	-	-	0.13	-	-
Lavasa Hotels Limited			0.03	-		
Steiner India Limited	-	-	-	-	-	0.02
Ecomotel Hotel Limited	-	-	-	-	-	0.10
Performance security deposits given						
Lavasa Corporation Limited	16,352.36	31,117.27	-	-	-	-
Interest on performance security deposit						
Lavasa Corporation Limited	12,173.84	6,270.26				
Interest on inter corporate deposit						
Lavasa Corporation Limited	338.94	296.42				
Included in Other Borrowing Cost - guarantee expenses						
Lavasa Corporation Limited	1,292.13	2,700.72				
Outstanding balances:	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Inter corporate deposit						
Lavasa Corporation Limited	2,672.46	2,333.51	-	-	-	-
Performance security deposit						
Lavasa Corporation Limited	78,355.63	62,003.27	-	-	-	-
Prepaid guarantee expenses						
Lavasa Corporation Limited	23,236.18	24,528.31				
Trade payables						
Lavasa Corporation Limited	2,130.51	2,032.37	-	-	-	-
Lavasa Hotels Limited	-	-	-			
Reasonable Housing Limited	-	-	0.50	0.50	-	-
Sahyadri City Management Limited	-	-	0.09	0.09	-	-
Warasgaon Power Supply Limited	-	-	-		-	-
Whistling Thrush Facilities Services Limited	-	-	-	-	21.74	21.74
Steiner India Limited	-	-	-	-	67.36	52.93
Ecomotel Hotel Limited	-	-	-	-	-	-

21 Loss per share:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Net loss as per statement of profit and loss	(12,826.72)	(6,245.94)
Weighted average number of equity shares	7,011,844	6,718,415
Loss per share (Basic and diluted) (in ₹)	(182.93)	(92.97)
Weighted average number of potential equity shares for diluted EPS computation	6,944	6,260
Total Weighted average number of equity shares for diluted EPS computation	7,018,788	6,724,675
Loss per share (Diluted)* (in ₹)	(182.75)	(92.88)

*Potential equity shares are anti-dilutive as their conversion to equity shares would decrease loss per equity shares from ordinary business activities. Therefore the effect of anti-dilutive potential equity has been ignored in computing dilutive earning per share.

22 Financial Instruments
The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:
(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

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A Financial Instruments by category

The carrying value and the fair value of financial instruments by each category as at 31 March 2018:

(₹ lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Cash and cash equivalents	5.56	-	-	5.56	5.56
Loans	78,355.63	-	-	78,355.63	78,355.63
Liabilities					
Borrowings from banks	95,378.42	-	-	95,378.42	95,378.42
Borrowings from financial institutions	26,882.37	-	-	26,882.37	26,882.37
Borrowings from others	2,672.46	-	-	2,672.46	2,672.46
Trade payables	2,468.99	-	-	2,468.99	2,468.99
Other financial liabilities	14,702.05	-	-	14,702.05	14,702.05

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

(₹ lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets					
Cash and cash equivalents	28.78	-	-	28.78	28.78
Loans	62,003.27	-	-	62,003.27	62,003.27
Liabilities					
Borrowings from banks	87,183.95	-	-	87,183.95	87,183.95
Borrowings from financial institutions	23,942.37	-	-	23,942.37	23,942.37
Borrowings from others	2,333.51	-	-	2,333.51	2,333.51
Trade payables	2,677.30	-	-	2,677.30	2,677.30
Other financial liabilities	2,607.32	-	-	2,607.32	2,607.32

23 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

(₹ lakhs)

Particulars	Carrying amount	
	As at 31 March 2018	As at 31 March 2017
Fixed rate instruments		
Financial liabilities		
- Borrowings from others	2,672.46	2,333.51
Variable rate instruments		
Financial liabilities		
- Borrowings from Banks	95,378.42	87,183.95
- Borrowings from Financial Institutions	26,882.37	23,942.37

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	31 March 2018 ₹ in lakhs	31 March 2017 ₹ in lakhs
Increase in basis points	50 basis points	50 basis points
Effect on loss before tax, increase by	611.30	555.63
Decrease in basis points	50 basis points	50 basis points
Effect on loss before tax, decrease by	611.30	555.63

b) Foreign currency risk

The Company has no balances in foreign currency and consequently the Company is not exposed to foreign exchange risk.

ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, cash and cash equivalents and other receivable.

The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

iii) Liquidity risk

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 to the company's reputation. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

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Maturity Analysis of financial instruments

As at 31 March 2018

(₹ lakhs)

Particulars	Contractual Cash flow				
	On demand	0-12 Months	1-3 years	3-5 years	Total
Borrowings from banks	-	91,659.39	159.25	3,559.78	95,378.42
Borrowings from financial institutions	-	26,882.37	-	-	26,882.37
Borrowings from others	2,672.46	-	-	-	2,672.46
Trade payables	-	2,468.99	-	-	2,468.99
Other financial liabilities	-	14,762.38	-	-	14,762.38
Total	**2,672.46**	**135,773.13**	**159.25**	**3,559.77**	**142,164.61**

As at 31 March 2017

(₹ lakhs)

Particulars	Contractual Cash flow				
	On demand	0-12 Months	1-3 years	3-5 years	Total
Borrowings from banks	-	13,648.49	24,357.50	49,177.96	87,183.95
Borrowings from financial institutions	-	2,686.77	4,985.72	16,269.87	23,942.36
Borrowings from others	2,333.51	-	-	-	2,333.51
Trade payables	-	2,677.31	-	-	2,677.31
Other financial liabilities	-	2,356.21	-	-	2,356.21
Total	**2,333.51**	**21,368.78**	**29,343.22**	**65,447.83**	**118,493.34**

24 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	Year ended 31 March 2018 ₹ lakhs	Year ended 31 March 2017 ₹ lakhs
a) Change in benefit obligations		
Present value of obligation as at the beginning of the year	7.58	10.04
Transfer Out	(0.81)	
Current Service Cost	1.23	1.73
Interest Expenses	0.48	0.67
Benefits paid	(0.97)	(3.41)
Remeasurements - Net actuarial (gains)/ losses	(0.21)	(1.45)
Present value of obligation as at the end of the year	7.31	7.58
b) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	1.23	1.73
Net Interest on the net defined benefit liability / asset	0.48	0.67
Total	1.72	2.40
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	(0.07)	0.21
Experience adjustments	(0.14)	(1.66)
Total	(0.21)	(1.45)
d) Actuarial Assumptions:		
Discount Rate	7.80 % p.a.	7.70%
Rate of increase of compensation levels	7.50 % p.a.	7.50%
Expected average remaining working lives of employees	10.86 Years	11.40 Years
Mortality Table	Indian assured	Indian assured

The attrition rate varies from 2% to 8% (previous year 2% to 8%) for various age groups.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	Year ended 31 March 2018 ₹ lakhs	Year ended 31 March 2017 ₹ lakhs
e) Quantities sensitivity analysis for significant assumption is as below:		
	1% increase	1% increase
i. Discount rate	6.64	6.92
ii. Salary escalation rate - over a long-term	7.99	8.27
iii. Attrition rate	7.32	7.59
	1% decrease	1% decrease
i. Discount rate	8.08	8.35
ii. Salary escalation rate - over a long-term	6.69	6.97
iii. Attrition rate	7.29	7.57

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

	Year ended 31 March 2018 ₹ lakhs	Year ended 31 March 2017 ₹ lakhs
f) Maturity analysis of defined benefit obligation		
Within the next 12 months	1.75	1.72
Total expected payments	1.75	1.72

B Defined contribution plans

Amount recognised as an expense and included in the note 17. Contribution to provident and other funds amounted to ₹ 4.51 lakhs (31 March 2017 : ₹ 6.39 lakhs)

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

WARASGAON ASSETS MAINTENANCE LIMITED

		As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
C	**Current/ non-current classification**		
	Gratuity		
	Current	0.34	1.06
	Non-current	6.97	6.52
		7.31	7.58
	Leave entitlement and compensated absences (including sick leave)		
	Current	3.46	2.12
	Non-current	2.28	3.68
		5.74	5.80

25 Summary of borrowing arrangements:

Default in repayment of principal amount as at 31 March 2018 :

(₹ lakhs)

Particulars	0 - 180 days	Above 180 days	Total
Allahabad Bank	-	27,239.19	27,239.19
Axis Bank	12,969.76	-	12,969.76
Central Bank	-	17,378.33	17,378.33
Edelweiss Asset Reconstruction Limited	-	4,610.37	4,610.37
Karnataka Bank	28.10	-	28.10
L&T Infrastructure Finance Company Limited	22,272.00	-	22,272.00
Union Bank	-	34,044.00	34,044.00

Default in repayment of interest amount as at 31 March 2018 :

Particulars	0 - 180 days	Above 180 days	Total
Allahabad Bank	1,716.72	1,110.15	2,826.87
Axis Bank	847.68	536.85	1,384.54
Central Bank	1,283.06	1,887.52	3,170.58
Edelweiss Asset Reconstruction Limited	303.34	334.31	637.65
Karnataka Bank	236.87	71.21	308.08
L&T Infrastructure Finance Company Limited	1,445.85	563.07	2,008.92
Union Bank	2,524.98	1,495.90	4,020.88

26 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total equity plus total debt.

(₹ lakhs)

	As at 31 March 2018	As at 31 March 2017
Total debt	122,321.12	110,946.38
Total equity	(40,521.17)	(24,349.57)
Total debt to equity ratio (Gearing ratio)	**3.02**	**4.56**

27 The Company has incurred net loss of ₹ 12,826.93 lakhs during the year ended 31 March 2018 and as at that date, has accumulated losses amounting to ₹ 209,510.22 lakhs which has resulted in erosion of its net-worth and its current liabilities exceeded its current assets by ₹ 136,559.89 lakhs. The operations of the Company are dependent on the projects undertaken by it and other entities in the group as a whole. The lenders of the Company had invoked Strategic Debt Restructuring (SDR) with reference date of 20 September 2017 as part of a comprehensive solution. During the current period, consequent to the Reserve Bank of India's (RBI) circular dated 12 February 2018, SDR Scheme invoked by the lenders of the Company and its holding company, Lavasa Corporation Limited and fellow subsidiary, Warasgaon Power Supply Limited, stand withdrawn with immediate effect. As required by the revised framework specified in the RBI's circular, the Company, its holding company and fellow subsidiary are in the process of formulating a resolution plan for revival of its business and restructuring of the borrowings which will be presented to the lenders for consideration shortly. Basis this, the Company's management has prepared the above financial statements on a "Going Concern" basis.

28 The Company is principally engaged in a single business segment viz. "operate and maintain the transportation infrastructure/ project facility on annuity basis"

29 Other current financial liabilities (including current maturities of long term borrowings and overdue principal repayment) as at 31 March 2018 includes ₹ 103,034.16 lakhs which were classified as Non-Performing Assets (NPAs) by the lenders during earlier years as there were continuing defaults in repayments of interest and principal amounts. In the absence of confirmations from the lenders, the Company has provided for interest and other penal charges on these borrowings based on the latest communication available from the respective lenders at the interest rate specified in the agreement. The Company's management believes that amount payable on settlement will not exceed the liability provided in books in respect of these borrowings. Further, certain lenders have not recalled for the existing facilities at present. Accordingly, classification of these borrowings into current and non-current as at 31 March 2018 is based on the original maturity terms stated in the agreements with the lenders.

30 Recent accounting update

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. The new revenue standard is applicable to the Company from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No: 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No.: 109632

Place: Mumbai
Date: 2 May 2018

WALKER CHANDIOK & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Avinash Harde
Director
DIN.No.06981622

David Amalraj
Director
DIN.No.07533257

Place: Mumbai
Date: 2 May 2018

WARASGAON ASSETS MAINTENANCE LIMITED