

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Lakeshore Watersports Company Limited

Report on the Financial Statements

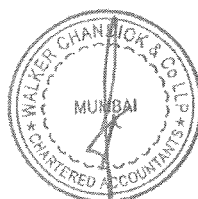
1. We have audited the accompanying financial statements of Lakeshore Watersports Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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.
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.



Lakeshore Watersports Company Limited Independent Auditor's Report on the Financial Statements

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 audit opinion on these financial statements.

Opinion

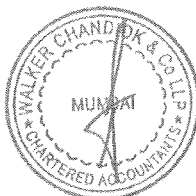
8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India 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 profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. 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 an unmodified opinion on those financial statements; vide their audit report dated 18 April 2017.

Report on Other Legal and Regulatory Requirements

10. 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.
11. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as at 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) 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;



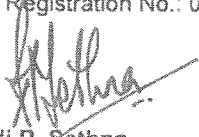
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Lakeshore Watersports Company Limited Independent Auditor's Report on the Financial Statements

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- i. The Company does not have any pending litigation which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. The 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 is 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 Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date : 2 May 2018

Walker Chandiook & Co LLP

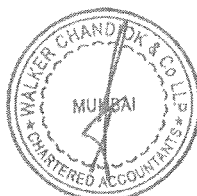
Lakeshore Watersports Company Limited Independent Auditor's Report on the Financial Statements

Annexure to the Independent Auditor's Report of even date to the members of Lakeshore Watersports Company 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 title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment) are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (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)(a), 3(iii)(b) and 3(iii)(c) 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.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (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) The Company has no loans or borrowings payable to a financial institution or a bank or government and the Company did not have any outstanding debentures during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.



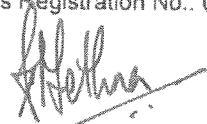
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Lakeshore Watersports Company Limited Independent Auditor's Report on the Financial Statements

Annexure A (Contd)

- (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.


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


per **Adi B. Sethna**
Partner
Membership No.: 108840

Place: Mumbai
Date: 2 May 2018

Lakeshore Watersports Company Limited Independent Auditor's Report on the Financial Statements

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 Lakeshore Watersports Company 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

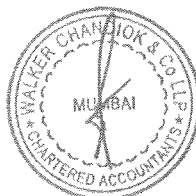
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal 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 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.



Walker Chandiook & Co LLP

Lakeshore Watersports Company Limited Independent Auditor's Report on the Financial Statements

Annexure B (Contd)


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.


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


per **Adi P. Sethna**
Partner
Membership No.: 108840

Place: Mumbai
Date: 2 May 2018

Lakeshore Watersports Company 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	147.83	173.03
Intangible assets	3	0.49	0.65
Financial assets			
Loans	4	0.94	0.94
Income tax assets (net)	5	1.30	-
Total non-current assets		150.56	174.62
Current assets			
Financial assets			
Trade receivables	6	1.47	1.16
Cash and cash equivalents	7	52.14	116.70
Bank balances other than cash and cash equivalents	8	72.87	83.45
Loans	9	4.72	4.84
Other Financial assets	10	93.23	-
Income tax assets (net)	5	-	1.16
Other current assets	11	5.55	5.97
Total current assets		229.98	193.28
TOTAL ASSETS		380.54	367.90
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12A	5.00	5.00
Instrument entirely equity in nature	12B	10.98	10.98
Other equity		334.23	291.91
Total equity		350.21	307.89
Liabilities			
Non-current liabilities			
Provisions	13	7.31	6.00
Total non-current liabilities		7.31	6.00
Current liabilities			
Financial liabilities			
Trade payables	14	10.37	42.78
Other financial liabilities	15	5.97	5.08
Other current liabilities	16	4.47	3.55
Provisions	17	2.21	2.60
Total current liabilities		23.02	54.01
TOTAL EQUITY AND LIABILITIES		380.54	367.90

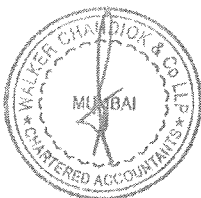
Notes 1 to 30 form an integral part of the financial statements

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

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date: 2 May 2018



For and on behalf of the Board of Directors

Mangesh Kerkar
Director
DIN.07810542

Hemant Bangar
Director
DIN : 07989667

Place: Mumbai
Date: 2 May 2018




Lakeshore Watersports Company 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			
Revenue from operations	18	206.10	199.19
Other income	19	12.34	9.17
Total income		218.44	208.36
Expenses			
Employee benefits expense	20	51.97	53.98
Depreciation and amortisation expense	3	25.37	29.37
Finance Cost	21	2.31	1.18
Other expenses	22	96.32	82.45
Total expenses		175.97	166.98
Profit before tax		42.47	41.38
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Profit for the year (A)		42.47	41.38
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss			
- Gain/(loss) on fair value of defined benefit plans as per actuarial valuation		0.16	(0.16)
- Income tax effect on above		-	-
Other comprehensive income/(loss) for the year, net of tax (B)		0.16	(0.16)
Total comprehensive income for the year, net of tax (A+B)		42.63	41.22
Earning per equity share of nominal value of ₹ 10 each	25		
Basic		84.95	82.77
Diluted		26.58	25.90

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 Chandniok & Co LLP**
Chartered Accountants
Firm Registration No.001076N/N500013

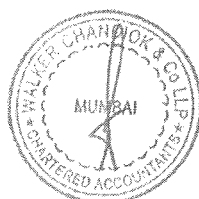

Adi P. Sethna
Partner
Membership No.: 108840

For and on behalf of the Board of Directors

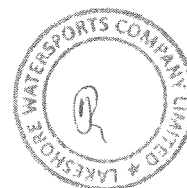

Mangesh Kerkar
Director
DIN.07810542


Hemant Bangar
Director
DIN : 07989667

Place: Mumbai
Date : 2 May 2018



Place: Mumbai
Date : 2 May 2018



Lakeshore Watersports Company 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		
Net profit before tax	42.47	41.38
Adjustment for :		
Depreciation and amortisation	25.37	29.37
Interest on fixed deposit	(9.02)	(6.93)
Impairment loss provision on trade receivables	0.72	0.18
Operating profit before working capital changes	59.55	64.00
Changes in working capital		
(Increase) / decrease in other non current asset	-	5.55
(Increase) / decrease in trade receivables	(1.03)	8.12
(Increase) / decrease in other current asset	0.42	(4.02)
(Increase) / decrease in loans	0.12	-
(Increase) / decrease in other financial asset	(93.23)	-
Increase / (decrease) in trade payables	(32.42)	(14.11)
Increase / (decrease) in other financial liabilities	0.89	6.72
Increase / (decrease) in other current liabilities	1.82	(0.52)
Increase / (decrease) in provisions	0.76	0.24
Cash generated from / (used in) operations	(63.12)	65.98
Direct taxes (paid) / refund	(0.14)	0.12
Net cash generated from / (used in) operating activities (A)	(63.26)	66.10
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(8.66)
Fixed deposits with bank	(9.41)	10.90
Interest received on fixed deposits	8.11	6.93
Net cash generated from / (used in) investing activities (B)	(1.30)	9.17
Cash flows from financing activities		
Net cash generated from / (used in) financing activities (C)		
Increase / (decrease) in cash and cash equivalents during the year (A+B+C)	(64.56)	75.27
Cash and cash equivalents at beginning of the year	116.70	41.43
Cash and cash equivalents at end of the year (Refer note 7)	52.14	116.70

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.

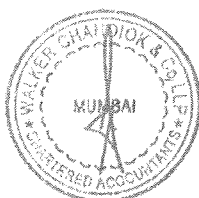
Notes 1 to 30 form an integral part of the financial statements

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

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840

Place: Mumbai
Date : 2 May 2018

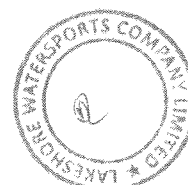


For and on behalf of the Board of Directors

Mangesh Kerkar
Director
DIN.07810542

Place: Mumbai
Date : 2 May 2018

Hemant Bangar
Director
DIN : 07989667



Lakeshore Watersports Company 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	50,000	5.00
Issue of equity shares	-	-
As at 31 March 2017	50,000	5.00
Issue of equity shares	-	-
As at 31 March 2018	50,000	5.00

B. Instruments entirely equity in nature [also refer note 12 (B)]

Particulars	Number	₹ lakhs
0.001% cumulative convertible preference shares of ₹ 10 each issued, subscribed and paid		
As at 31 March 2016	109,796	10.98
Issue of preference shares	-	-
As at 31 March 2017	109,796	10.98
Issue of preference shares	-	-
As at 31 March 2018	109,796	10.98

C. Other equity

Particulars	Reserves and surplus		Other comprehensive income	Total equity attributable to equity holders
	Securities premium reserve	Retained earnings	Net gain on fair value of defined benefit plans	
As at 31 March 2016	1,086.98	(836.25)	(0.04)	250.69
Profit for the year	-	41.38	-	41.38
Other comprehensive income	-	-	(0.16)	(0.16)
As at 31 March 2017	1,086.98	(794.87)	(0.20)	291.91
Profit for the year	-	42.47	-	42.47
Other comprehensive income	-	-	(0.16)	(0.16)
As at 31 March 2018	1,086.98	(752.39)	(0.36)	334.23

Nature and purpose of reserves

i) Instruments entirely equity in nature

This represents the equity component of cumulative convertible preference shares issued by the Holding company; wherein on conversion the fixed number of equity shares has been specified. Post such conversion the same will be transferred to equity.

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 loss on fair value of defined benefit plans - OCI

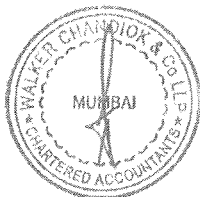
The Company has recognised remeasurement gains/ (loss) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

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 Chandio & Co LLP
Chartered Accountants
Firm Registration No.001076N/N500013

Adi P. Sethna
Partner
Membership No.: 108840



Place: Mumbai
Date : 2 May 2018

For and on behalf of the Board of Directors

Mangesh Kerkar
Director
DIN.07810542

Hemant Bangar
Director
DIN : 07989667

Place: Mumbai
Date : 2 May 2018



1 Corporate information

Lakeshore Watersports Company 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 is principally engaged in the business of "Watersports Operations" at Lavasa, Maharashtra, India. The registered office of the Company is located at Hincon House, LBS Marg, Vikhroli (West), Mumbai - 400 083, India. The Company was incorporated on 12 March 2010. (CIN : U74900MH2010PLC200834)

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 twelve months 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 are reviewed on ongoing basis, 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) Intangible assets

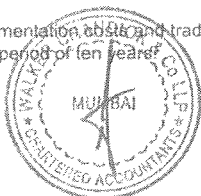
Intangible assets comprise of trademark and design and cost for software. These assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

v) 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.

Buildings and sheds : 10 years
Plant and equipment : 20 years
Computers : 6 years
Office equipment : 5 years
Furniture and fixtures : 15 years

Computer software costs and implementation costs and trademarks are amortised on a straight line basis, from the date they are available for use, over their estimated useful lives that is a period of ten 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.

vi) **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 at Amortised 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 Assets

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.

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.

vii) 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.

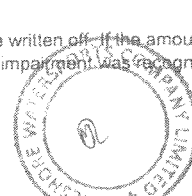
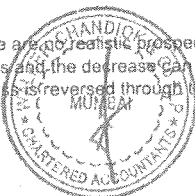
Recoverable amount is determined:

- 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.

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.



viii) 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.

ix) Revenue recognition

i) Revenue is recognised as and when services are rendered and no significant uncertainty exists regarding the amount of the consideration and are accounted as net of taxes.

ii) Interest income is recognised on time proportionate at basis.

x) 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.

xi) 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.

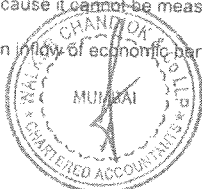
Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing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

xii) 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.



xiii) **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.

xiv) **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.

xv) **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.

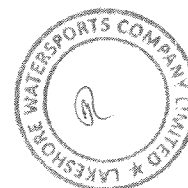
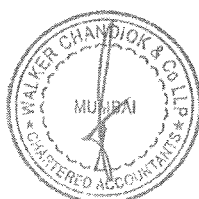
xvi) **Cash and cash equivalents**

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.

xvii) **Segment 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 "Watersports activity" Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

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Lakeshore Watersports Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2018

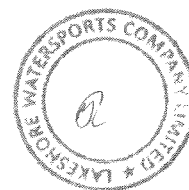
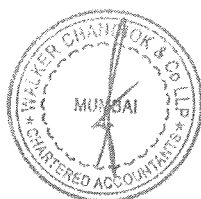
3. Property, plant and equipment

a) Tangible assets

Particulars	Building and sheds	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Total
Gross carrying value						
As at 31 March 2016	12.08	205.24	2.26	4.99	1.15	225.72
Additions	-	6.57	0.92	-	0.43	7.92
Deductions/ disposals	-	-	-	-	-	-
As at 31 March 2017	12.08	211.81	3.18	4.99	1.58	233.64
Additions	-	-	-	-	-	-
Deductions/ disposals	-	-	-	-	-	-
As at 31 March 2018	12.08	211.81	3.18	4.99	1.58	233.64
Accumulated depreciation / amortisation						
As at 31 March 2016	3.13	26.88	0.26	0.90	0.44	31.61
Depreciation/ amortisation charge for the year	2.32	25.14	0.44	0.74	0.36	29.00
Accumulated depreciation/ amortisation on disposals	-	-	-	-	-	-
As at 31 March 2017	5.45	52.02	0.70	1.64	0.80	60.61
Depreciation/ amortisation charge for the year	1.72	22.23	0.34	0.61	0.31	25.21
Accumulated depreciation/ amortisation on disposals	-	-	-	-	-	-
As at 31 March 2018	7.17	74.25	1.05	2.25	1.11	85.82
Net carrying value						
As at 31 March 2018	4.92	137.56	2.13	2.74	0.47	147.83
As at 31 March 2017	6.63	159.79	2.48	3.35	0.78	173.03

b) Intangible assets

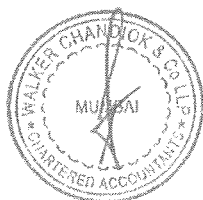
Particulars	Computer software	Trademarks and Designs	Total
Gross carrying value			
As at 31 March 2016	0.49	0.05	0.54
Additions	0.74	-	0.74
Deductions/ disposals	-	-	-
As at 31 March 2017	1.23	0.05	1.28
Additions	-	-	-
Deductions/ disposals	-	-	-
As at 31 March 2018	1.23	0.05	1.28
Accumulated amortisation			
As at 31 March 2016	0.25	0.01	0.26
Amortisation charge for the year	0.36	0.01	0.37
Accumulated amortisation on disposals	-	-	-
As at 31 March 2017	0.61	0.02	0.63
Amortisation charge for the year	0.15	0.01	0.16
Accumulated amortisation on disposals	-	-	-
As at 31 March 2018	0.75	0.04	0.79
Net carrying value			
As at 31 March 2018	0.47	0.01	0.49
As at 31 March 2017	0.62	0.03	0.65



Lakeshore Watersports Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2018

	As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
4 Loans		
Non-current		
Security deposits		
- Related party (refer note 24)	0.36	0.36
- Others	0.58	0.58
Total loans	0.94	0.94
5 Income tax assets (net)		
i. The following table provides the details of income tax assets and liabilities:		
Income tax assets	1.30	1.16
Current income tax liabilities	-	-
Net balance	1.30	1.16
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	1.16	1.28
Income tax paid / (refund)	0.14	(0.12)
Current income tax expense	-	-
Income tax on other comprehensive income	-	-
Net current income tax asset at the end	-	1.16
Net non-current income tax asset at the end	1.30	-
iii. Income tax expense in the Statement of Profit and Loss comprises:		
Current income taxes	-	-
Deferred income taxes	-	-
Income tax expenses (net)	-	-
iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit/(loss) before income taxes is as below:		
Profit/(loss) before income tax	42.47	41.38
Enacted tax rates in India	25.75%	30.90%
Computed expected tax expense	-	-
Effect of expenses not allowed for tax purpose	-	-
Effect of income not considered for tax purpose	-	-
Income tax expense charged to the statement of profit and loss	-	-
6 Trade receivables		
Unsecured		
Considered good		
-Related parties (Refer note 24)	0.01	-
-Others	1.46	1.16
Considered doubtful		
-Related parties (Refer note 24)	-	0.18
-Others	0.90	-
	2.37	1.34
Less: Impairment loss provision (allowance on trade receivables)	(0.90)	(0.18)
Total trade receivables	1.47	1.16
7 Cash and cash equivalents		
Balances with banks	17.25	38.92
Cheques on hand	0.60	0.37
Cash on hand	2.51	0.26
Fixed deposits with bank (maturity less than 3 months)	31.78	77.15
Total cash and cash equivalents	52.14	116.70

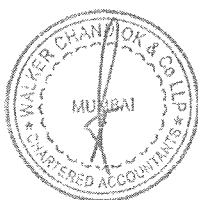


Lakeshore Watersports Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2018

	As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
8 Bank balances other than cash and cash equivalents		
Fixed deposits with bank	72.87	63.45
* Fixed deposit held against bank guarantee		
Total bank balances other than cash and cash equivalents	72.87	63.45
9 Loans		
Security deposits		
- Related party (Refer note 24)	0.72	0.84
- Others	4.00	4.00
Total loans	4.72	4.84
10 Other financial assets		
Interest accrued and due on fixed deposits	0.11	-
Advance to related party (Refer note 24)	93.12	-
Total other financial assets	93.23	-
11 Other current assets		
Prepaid expenses	3.14	5.52
Balances with government authorities	2.41	0.45
Total other current assets	5.55	5.97

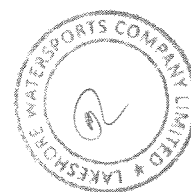
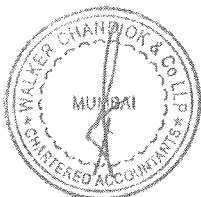
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Lakeshore Watersports Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2018

	As at 31 March 2018 (₹ lakhs)	As at 31 March 2017 (₹ lakhs)
13 Long-term provisions		
Provision for employee benefits (Refer note 29)		
Gratuity	4.72	3.96
Compensated absences	2.59	2.04
Total long-term provisions	7.31	6.00
14 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 24)	0.49	10.66
- others	9.88	32.12
Total trade payables	10.37	42.78
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.		
15 Other financial liabilities		
Deposits	0.50	0.20
Retention deposit payables	0.64	0.64
Employee benefits payable	4.83	4.24
Total other financial liabilities	5.97	5.08
16 Other current liabilities		
Statutory dues payable	4.47	3.55
Total other current liabilities	4.47	3.55
17 Short-term provisions		
Provision for employee benefits (Refer note 29)		
Gratuity	0.31	0.25
Compensated absences	1.90	2.35
Total short-term provisions	2.21	2.60



Lakeshore Watersports Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2018

	As at 31 March 2018 ₹ lakhs	As at 31 March 2017 ₹ lakhs
12A Share capital		
Authorised share capital		
Equity share capital		
200,000 (31 March 2017: 2,00,000) equity shares of ₹ 10 each	20.00	20.00
Total authorised share capital	20.00	20.00
0.001% convertible preference shares		
110,000 (31 March 2017: 110,000) 0.001% Convertible preference shares of ₹ 10 each.	11.00	11.00
Total authorised share capital	11.00	11.00
A Equity share capital		
a) Issued, subscribed and paid up share capital		
50,000 (31 March 2017: 50,000) equity shares of ₹ 10 each fully paid up	5.00	5.00
Total issued, subscribed and paid up share capital	5.00	5.00

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

Equity shares	As at 31 March 2018		As at 31 March 2017	
	No of shares	₹ lakhs	No of shares	₹ lakhs
At the beginning of the year	50,000	5.00	50,000	5.00
Shares issued during the year	-	-	-	-
At the end of the year	50,000	5.00	50,000	5.00

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

Equity shares	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	50,000	100.00%	50,000	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 ₹ 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. 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 Instrument entirely equity in nature		
a) Issued, subscribed and paid up share capital		
Cumulative convertible preference share capital classified as equity		
109,796 (31 March 2017: 109,796) 0.001% cumulative convertible preference shares of ₹ 10 each	10.98	10.98
Total issued, subscribed and paid up share capital	10.98	10.98

b) Each convertible preference share will be entitled for conversion into one equity share of ₹ 10 each.

c) Above preference shares will be converted in 4 equal instalments on 14 February 2021, 14 February 2022, 14 February 2023, 14 February 2024.

d) The Company has option to redeem the preference shares on the date of conversion. In the event, the Company opts for such redemption then the cumulative convertible preference shares eligible for conversion on each of the conversion dates will be redeemed at ₹ 10 each together with premium of ₹ 990 per share.

e) Reconciliation of preference shares outstanding at the beginning and at the end of the period

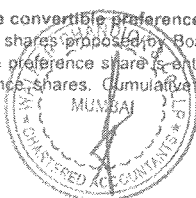
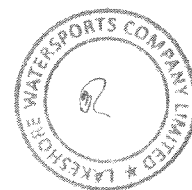
0.001% Cumulative convertible preference shares	As at 31 March 2018		As at 31 March 2017	
	No of shares	₹ lakhs	No of shares	₹ lakhs
At the beginning of the year	109,796	10.98	109,796	10.98
Shares issued during the year	-	-	-	-
At the end of the year	109,796	10.98	109,796	10.98

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

0.001% Cumulative convertible preference shares	As at 31 March 2018		As at 31 March 2017	
	No of shares	% holding	No of shares	% holding
Lavasa Corporation Limited	109,796	100.00	109,796	100.00

g) Rights and restriction attached to cumulative convertible preference shareholders

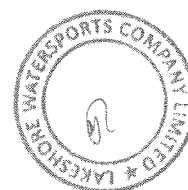
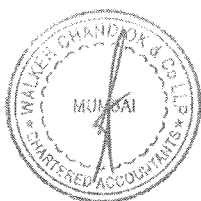
Dividend on cumulative convertible preference shares proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting. Each holder of cumulative convertible preference share is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to preference shares. Cumulative convertible preference shareholders are entitled to vote on every resolution if preference dividend remains unpaid for 2 years.



Lakeshore Watersports Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2018

	Year ended 31 March 2018 ₹ lakhs	Year ended 31 March 2017 ₹ lakhs
18 Revenue from operations		
Sale of services	206.10	199.19
Total revenue from operations	206.10	199.19
19 Other income		
Interest on fixed deposits	9.02	6.93
Miscellaneous income	3.32	2.24
Total other income	12.34	9.17
20 Employee benefits expense		
Salaries	48.88	50.22
Contribution to provident and other funds (Refer note 29B)	2.34	2.75
Staff welfare expenses	0.75	1.01
Total employee benefits expense	51.97	53.98
21 Finance cost		
Bank charges	2.31	1.18
Total finance cost	2.31	1.18
22 Other expenses		
Power and fuel	20.17	15.78
Spares consumed	6.87	12.39
Impairment loss provision (allowance on trade receivables)	0.72	0.18
Legal and professional fees	8.07	2.50
Insurance	8.94	9.34
Car hire charges	7.34	7.91
Security charges	5.26	5.88
Housekeeping charges	9.23	9.20
Rent	15.33	10.72
Rates and taxes	0.36	0.22
Repairs and maintenance	5.39	1.11
Payment to auditor		
Statutory audit fees	0.70	0.60
Other services fees	2.50	0.05
Miscellaneous expenses	5.44	6.57
Total other expenses	96.32	82.45



Lakeshore Watersports Company Limited

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2018

23 Contingent liability

Particulars	As at 31 March 2018 ₹ lakhs	As at 31 March 2017 ₹ lakhs
i) Guarantee given	69.55	45.73
ii) Cumulative dividend payable 0.001% cumulative convertible preference shares, in absence of distributable profits.	43.92	32.94

24 Related party disclosure

i) Particulars of related parties, which control or are under common control with the Company :

Holding company

Lavasa Corporation Limited

Fellow subsidiaries

Dasve Convention Center Limited

Lakeview Clubs Limited

Lavasa Hotel Limited

My City Technology Limited

Reasonable Housing Limited

Sahyadri City Management Limited

HCC Concession Limited

Full Spectrum Adventure Limited

Joint Ventures:

Spotless Laundry Services Limited

Ecomotel Hotel Limited

Apollo Lavasa Health Corporation Limited

ii) Transactions with related parties

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
Services received						
Lavasa Corporation Limited	1.84	1.84	-	-	-	-
Reasonable Housing Limited	-	-	1.76	1.70	-	-
Sahyadri City Management Limited	-	-	0.59	0.80	-	-
My City Technology Limited	-	-	0.55	0.45	-	-
Apollo Lavasa Health Corporation Limited	-	-	-	-	-	0.08
Spotless Laundry Services Limited	-	-	-	-	-	0.01
Ecomotel Hotel Limited	-	-	-	-	-	0.11
Services rendered						
Lavasa Corporation Limited	1.16	0.73	-	-	-	-
Lavasa Hotel Limited	-	-	0.12	0.11	-	-
Dasve Convention Center Limited	-	-	-	0.20	-	-
HCC Concessions Limited	-	-	-	0.04	-	-
Full Spectrum Adventure Limited	-	-	0.02	-	-	-
Ecomotel Hotel Limited	-	-	-	-	-	0.04
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
Loans						
Lavasa Corporation Limited	0.36	0.36	-	-	-	-
Reasonable Housing Limited	-	-	0.72	0.84	-	-
Other financial assets						
Lavasa Corporation Limited	93.12	-	-	-	-	-
Trade receivables						
Full Spectrum Adventure Limited	-	-	0.01	-	-	-
Lakeview Clubs Limited	-	-	-	0.18	-	-
Trade payables						
Lavasa Corporation Limited	-	10.02	-	-	-	-
Reasonable Housing Limited	-	-	0.30	0.38	-	-
Sahyadri City Management Limited	-	-	0.04	0.10	-	-
My City Technology Limited	-	-	0.15	0.12	-	-
Lakeview Clubs Limited	-	-	-	0.04	-	-

25 Earnings per share:

Particulars	₹ lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Net profit after taxation as per statement of profit and loss (₹ lakhs)	42.47	41.38
Weighted average number of equity shares for EPS computation	50,000	50,000
Earning per share (Basic) (in ₹)	84.95	82.77
Weighted average number of potential equity shares for diluted EPS computation	109,796	109,796
Total Weighted average number of equity shares for diluted EPS computation	159,796	159,796
Earning per share (Diluted) (in ₹)	26.58	25.90

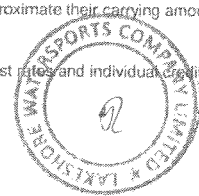
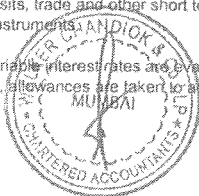
26 Financial Instruments

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.



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					
Trade receivables	1.47	-	-	1.47	1.47
Cash and cash equivalents	52.14	-	-	52.14	52.14
Bank balances other than cash and cash equivalents	72.87	-	-	72.87	72.87
Loans	5.66	-	-	5.66	5.66
Other financial assets	93.12	-	-	93.12	93.12
Liabilities					
Trade payables	10.37	-	-	10.37	10.37
Other financial liabilities	5.97	-	-	5.97	5.97

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					
Trade receivables	1.16	-	-	1.16	1.16
Cash and cash equivalents	116.70	-	-	116.70	116.70
Bank balances other than cash and cash equivalents	63.45	-	-	63.45	63.45
Loans	5.78	-	-	5.78	5.78
Liabilities					
Trade payables	42.78	-	-	42.78	42.78
Other financial liabilities	5.08	-	-	5.08	5.08

27 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. The Company does not have any such instrument that will be affected by market risk.

a) Interest rate risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company. The interest rate profile of the Company's interest bearing financial instruments were as follows:

(₹ lakhs)

Particulars	Carrying amount	
	As at 31 March 2018	As at 31 March 2017
Fixed rate instruments		
Financial assets		
- Fixed deposits with Banks	31.78	77.15
- Bank balances other than cash and cash equivalents	72.87	63.45

b) Foreign currency risk

The Company does not have 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

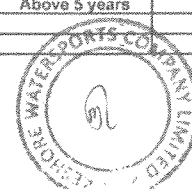
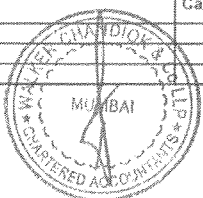
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure as far as possible that it will always 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.

Maturity Analysis of financial instruments

As at 31 March 2018

(₹ lakhs)

Particulars	Carrying amount	Contractual cashflow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Trade payables	10.37	10.37	-	-	-	10.37
Other financial liabilities	5.97	5.97	-	-	-	5.97



As at 31 March 2017		(₹ lakhs)				
Particulars	Carrying amount	Contractual cashflow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Trade payables	42.78	42.78	-	-	-	42.78
Other financial liabilities	5.08	5.08	-	-	-	5.08

28 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.

	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs
a) Change in benefit obligations		
Present value of obligation as at the beginning of the year	4.21	3.67
Current service cost	0.66	0.61
Interest expenses	0.32	0.27
Benefits paid	-	(0.50)
Remeasurements - Net actuarial (gains)/ losses	(0.16)	0.16
Present value of obligation as at the end of the year	5.03	4.21
b) Expenses recognised in the Statement of Profit and Loss		
Current service cost	0.66	0.61
Net Interest on the net defined benefit liability / asset	0.32	0.27
Total	0.98	0.88
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in financial assumptions	(0.16)	0.15
Experience adjustments	-	0.01
Total	(0.16)	0.16
d) Actuarial Assumptions:		
Discount Rate	7.80 % p.a.	7.70 % p.a.
Rate of increase of compensation levels	7.50 % p.a.	7.50 % p.a.
Expected average remaining working lives of employees	12.65	13.00
Mortality Table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

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

	Year ended 31 March 2018 In ₹ lakhs	Year ended 31 March 2017 In ₹ lakhs
e) Quantities sensitivity analysis for significant assumption is as below:		
i. Discount rate	1% increase	1% increase
ii. Salary escalation rate - over a long-term	4.48	3.74
iii. Attrition rate	5.61	4.71
	5.04	4.21
i. Discount rate	1% decrease	1% decrease
ii. Salary escalation rate - over a long-term	5.67	4.76
iii. Attrition rate	4.52	3.77
	5.01	4.2
Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation.		
f) Maturity analysis of defined benefit obligation		
Within the next 12 months	0.31	0.25
Between 2 and 5 years	1.49	1.34
Between 6 and 10 years	2.62	2.41
Total expected payments	4.42	4.00

B Defined contribution plans

Amount recognised as an expense and included in the Note 20, Contribution to provident and other funds amounted to ₹ 2.34 Lakhs (31 March 2017 ₹ 2.75 lakhs)

C Current/ non-current classification

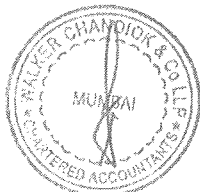
Gratuity

Current
Non-current

Leave entitlement and compensated absences (including sick leave)

Current
Non-current

0.31	0.25
4.72	3.96
5.03	4.21
1.90	2.35
2.59	2.04
4.49	4.39



29 The Company is principally engaged in a single business segment viz. "Watersports activity".

30 Recent accounting update

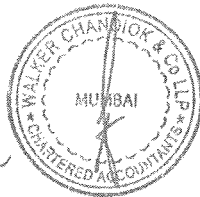
In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is 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 Chandlok & Co LLP
Chartered Accountants
Firm Registration No.001076N/N500013


Adi P. Sethna
Partner
Membership No.: 108840

Place : Mumbai
Date : 2 May 2018



For and on behalf of the Board of Directors


Mangesh Kerkar
Director
DIN.07810542


Hemant Bangar
Director
DIN : 07989667

Place : Mumbai
Date : 2 May 2018

