

# G.D. Apte & Co.

## Chartered Accountants

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### Independent Auditors' Report

To the members of Lavasa Hotel Limited

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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



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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.

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

### **Basis for Qualified Opinion:**

Current and Non-Current Borrowings including finance charges are subject to confirmation, reconciliation and consequential adjustments, if any.

### **Qualified Opinion**

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

### **Other Matters**

The comparative financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Standalone Ind AS financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated April 20, 2016 and April 21, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

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



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

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2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of changes in equity and the Cash Flow Statement dealt with in this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (India Accounting Standards) Rules, 2015.
- (e) On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March,31 2017 from being appointed as director in terms of section 164(2) of the Act.
- (f) With respect of the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company does not have any pending litigations which would impact its financial position;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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

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



U. S. Abhyankar  
Partner  
Membership No.: 113053  
Mumbai, April 18, 2017



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

**Annexure 'A' to the Auditor's Report**

**(Referred to in Paragraph 1 under the heading 'Report on Other Legal and Reporting Requirement' of our Report of even date to the members of company for the period ended March 31, 2017 of Lavasa Hotel Limited)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The company does not have any immovable properties. Accordingly, the provisions of paragraph 3(i)(c) of the Order is not applicable.
- (ii) The inventories have been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts.
- (iii) As per the information and explanations given and on the basis of audit procedure performed by us, the Company has not granted any loans, secured and unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) of the Order are not applicable.
- (iv) As per the information and explanations given and on the basis of audit procedure performed by us, the Company has not advanced any loans, made any investments or given any guarantees and securities. Accordingly paragraph 3 (iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public to which the provision of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules 2014 apply.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Act.
- (vii) (a) According to the records of the Company, provident Fund, income tax, sales tax, service tax, duty of custom, duty of excise, cess, value added tax and other statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities though there has been delay in a few cases.

There are no undisputed amounts payable thereof which are outstanding, as at March



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

However, Service tax/Value Added Tax input credit/ liability is subject to reconciliation with the returns.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have been deposited on account of any dispute.
- (viii) According to the information to the extent compiled by the company, the defaults in repayment of loans and borrowings are as below, which are subject to confirmation from the financial institutions, banks and debenture holders:

(Rs. in lacs)

Delay	Principal-paid with delay	Principal Unpaid	Interest-Paid with delay	Interest Unpaid
<b>Axis Bank</b>				
1 to 30 days	8.49	-	44.78	4.20
31 to 60 days	3.34	-	-	3.33
Above 60 days	-	-	-	-
<b>Total</b>	<b>11.83</b>	<b>-</b>	<b>44.78</b>	<b>7.53</b>

- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and the term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations given to us and based on our audit procedures, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management, no managerial remuneration has been paid during the year. Accordingly, provisions of paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that the transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details as required by the applicable accounting standards have been disclosed in the financial Statements. Since the company is



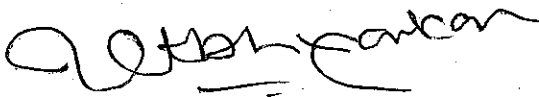
**G.D. Apte & Co.**  
**Chartered Accountants**

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Companies (Meetings of Board and its Powers) Rules, 2014, provisions of section 177 of the Act are not applicable to the company.

- (xiv) The company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year under review.
- (xv) Based on the audit procedure performed for the purpose of reporting the true and fair view of financial statements and as per the explanation and information given to us, we report that the Company has not entered into any non- cash transitions of the nature as described in section 192(1) of the Act.
- (xvi) Based upon the audit procedure performed by us and as per the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



U. S. Abhyankar  
Partner  
Membership No.: 113053  
Mumbai, April 18, 2017



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

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

**To the Members of Lavasa Hotel Limited**

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

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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





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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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



U.S. Abhyankar  
Partner  
Membership No.: 113053,  
Mumbai, April 18, 2017



Balance Sheet as at March, 31st 2017

(₹ in Lakhs)

Particulars	Note No	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	2.01	291.77	358.98	317.67
(b) Capital work-in- progress	2.01	-	-	130.36
(c) Intangible Assets	2.01	3.18	4.25	4.30
(d) Financial Assets				
(i) Loans	2.02	26.77	27.76	28.87
(e) Other Non Current Assets	2.03	3.15	3.87	55.52
<b>Current assets</b>				
(a) Inventories	2.04	22.51	21.84	18.23
(b) Financial Assets				
(i) Trade Receivable	2.05	313.30	311.36	197.43
(ii) Cash and Cash equivalents	2.06	18.10	15.04	35.16
(iii) Loans	2.07	145.81	145.74	144.56
(iv) Other financial assets	2.08	112.01	95.60	71.51
(c) Current tax assets (net)	2.09	8.82	14.87	10.34
(d) Other current assets	2.10	51.38	161.06	97.62
<b>Total Assets</b>		<b>996.79</b>	<b>1,160.37</b>	<b>1,111.57</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	2.11	5.00	5.00	5.00
(b) Other Equity	2.12	(1,931.65)	(1,556.95)	(1,265.52)
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	2.13	350.00	400.00	1,850.00
(b) Provisions	2.14	8.81	8.74	15.33
(c) Deferred tax liabilities (net)	2.15	-	-	-
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	2.16	1,551.82	1,526.68	-
(ii) Trade payables	2.17	614.81	423.06	278.51
(iii) Other financial liabilities	2.18	300.55	149.05	85.26
(b) Other current liabilities	2.19	92.80	201.86	134.73
(c) Provisions	2.20	4.65	2.94	8.26
<b>Total Equity and Liabilities</b>		<b>996.79</b>	<b>1,160.37</b>	<b>1,111.57</b>

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

As per our attached report of even date

For and on behalf of the Board of Directors

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

Sangameshwar Iyer  
Director  
DIN : 6946838

Praveen Sood  
Director  
DIN : 0018013

U. S. Abhyankar  
Partner  
Membership No. 113053



Vinayak Jadhav  
Director  
DIN : 02312072

Place: Mumbai  
Date : 18th April 2017

Place: Mumbai  
Date : 18th April 2017

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

(₹ in Lakhs)

Particulars	Note no	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Revenue from Operations	2.21	992.46	1,071.42
Other Income	2.22	0.42	-
<b>Total Income</b>		<b>992.88</b>	<b>1,071.42</b>
<b>EXPENSES</b>			
Operating Expenses	2.23	479.56	505.93
Cost of Materials Consumed	2.24	157.45	153.51
Employee Benefits expense	2.25	270.58	242.21
Finance Costs	2.26	276.43	294.40
Depreciation and amortization expense	2.01	72.24	89.65
Other expenses	2.27	112.16	89.31
<b>Total Expenses</b>		<b>1,368.42</b>	<b>1,375.01</b>
<b>Profit/(Loss) before tax</b>		<b>(375.54)</b>	<b>(303.59)</b>
Tax expenses			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Profit / (Loss) for the period from continuing operations</b>		<b>(375.54)</b>	<b>(303.59)</b>
Profit(Loss) from discontinued operations		-	-
Tax expenses of discontinued operations		-	-
<b>Profit / (Loss) from discontinued operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the period</b>		<b>(375.54)</b>	<b>(303.59)</b>
<b>Other Comprehensive Income Items that will not be reclassified to profit or loss :</b>			
Re-measurement gains/ (losses) on defined benefit plans		0.84	12.16
Income tax effect		-	-
<b>Total other Comprehensive Income for the Year, net of tax</b>		<b>0.84</b>	<b>12.16</b>
<b>Total Comprehensive Income for the period (Comprising Profit / (Loss) and Other Comprehensive Income for the period)</b>		<b>(374.70)</b>	<b>(291.43)</b>



(₹ in Lakhs)			
Particulars	Note no	For the year ended March 31st, 2017	For the year ended March 31st, 2016
Earning per equity share (For continuing operation):			
i) Basic (₹ per share)		(749.40)	(582.86)
ii) Diluted (₹ per Share)		(749.40)	(582.86)
Earning per equity share (For discontinued operation):			
i) Basic (₹ per share)		-	-
ii) Diluted (₹ per Share)		-	-
Earning per equity share (For discontinued and continuing operations):			
i) Basic (₹ per share)		(749.40)	(582.86)
ii) Diluted (₹ per Share)		(749.40)	(582.86)

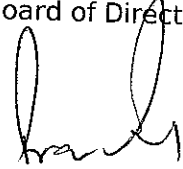
Significant accounting policies and notes to financial statements form an integral part of the Statement of Profit and Loss.

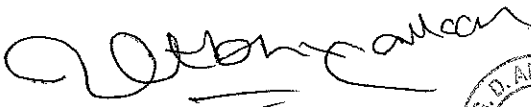
As per our attached report of even date

For and on behalf of the Board of Directors

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

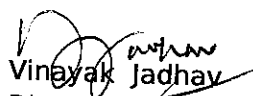
Sangameshwar Iyer  
Director  
DIN : 6946838

  
Praveen Sood  
Director  
DIN : 0018013

  
U. S. Abhyankar  
Partner  
Membership No. 113053



Place: Mumbai  
Date : 18th April 2017

  
Vinayak Jadhav  
Director  
DIN : 02312072

Place: Mumbai  
Date : 18th April 2017



## LAVASA HOTEL LIMITED

CIN:U55100MH2007PLC173728

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

Particulars	(₹ in Lakhs)	
	For the Year ended 31st March 2017	For the Year ended 31st March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	(375.54)	(303.59)
<b>Add:</b>		
Interest Expenses	276.43	294.40
Depreciation	72.24	89.65
Provision for Doubtful Advances	8.42	0.06
Provision for Doubtful Receivables	33.68	-
Other comprehensive income	0.84	12.16
<b>Operating profit before working capital changes</b>	<b>16.07</b>	<b>92.68</b>
- (Increase) / Decrease in Inventories	(0.67)	(3.61)
- (Increase) / Decrease in Trade Receivables	(35.62)	(113.93)
- (Increase) / Decrease in Short term Loans	(0.06)	(1.18)
- (Increase) / Decrease in Other financial assets	(16.41)	(24.09)
- (Increase) / Decrease in Other Current Assets	101.26	(70.51)
- (Increase) / Decrease in Long term loans	0.99	1.11
- (Increase) / Decrease in Other non current assets	0.73	1.17
- Increase / (Decrease) in Non current Provisions	0.07	(6.59)
- Increase / (Decrease) in Trade Payables	191.74	144.55
- Increase / (Decrease) in Other Financial Liabilities	(24.67)	23.99
- Increase / (Decrease) in Provisions	1.72	(5.32)
- Increase / (Decrease) in Other Current liabilities	(109.06)	67.13
<b>CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>126.10</b>	<b>105.40</b>
Taxes (Paid) / refund	6.04	(4.53)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>132.14</b>	<b>100.87</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of fixed assets	(3.96)	(0.56)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(3.96)</b>	<b>(0.56)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Interest Paid	(100.27)	(222.11)
- Proceeds from / (Repayment of) Borrowings from banks	(50.00)	(1,425.00)
- Proceeds from/ (Repayment of) borrowings from others	25.14	1,526.68
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(125.12)</b>	<b>(120.43)</b>



(₹ in Lakhs)

Particulars	For the Year ended 31st March 2017	For the Year ended 31st March 2016
Increase / (Decrease) in cash and cash equivalents	3.06	(20.12)
Cash and cash equivalents at beginning of the year	15.04	35.16
Cash and cash equivalents at end of year	18.10	15.04

Notes:

- i) Details of Cash and cash equivalents are given in note No. 2.06
- ii) The above cash- flow statement have been prepared under the indirect method setout in Ind AS 7, 'Statement of Cashflows' specified under section 133 of the Act read with rule 4 of the Companies (Indian Accounting Standard) Rules, 2015 and rule 4 of Companies (India Accounting Standard) Amendment Rules 2016.
- iii) Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
- iv) All figures in brackets indicate outflow.

As per our attached report of even date

For and on behalf of the Board of Directors

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

Sangameshwar Iyer  
Director  
DIN : 6946838

Praveen Sood  
Director  
DIN : 0018013

U. S. Abhyankar  
Partner  
Membership No. 113053



Place: Mumbai  
Date : 18th April 2017

Vinayak Jadhav  
Director  
DIN : 02312072

Place: Mumbai  
Date : 18th April 2017

*[Handwritten signature]*

Statement of Changes in Equity as at March 31, 2017

A. Equity Share Capital

(₹ in Lakhs)

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

B. Other Equity

(₹ in Lakhs)

Particulars	Reserve and Surplus		Remeasurement of net defined benefit liability/ asset	Total
	Retained Earnings	Equity contribution by fellow subsidiary		
Balance as on 1st April 2015	(1,322.48)	57.50	(0.54)	(1,265.52)
Profit / (Loss) for the period	(303.59)	-	-	(303.59)
Other Comprehensive income for the year	-	-	12.16	12.16
Total Comprehensive income for the year	(303.59)	-	12.16	(291.43)
Balance at the end of 31st March 2016	(1,626.07)	57.50	11.62	(1,556.95)
Profit / (Loss) for the period	(375.54)	-	-	(375.54)
Other Comprehensive income for the year	-	-	0.84	0.84
Total Comprehensive income for the year	(375.54)	-	0.84	(374.70)
Balance at the end of 31st March 2017	(2,001.61)	57.50	12.46	(1,931.65)

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

As per our attached report of even date

For and on behalf of the Board of Directors

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

Sangameshwar Iyer  
Director  
DIN : 6946838

Praveen Sood  
Director  
DIN : 0018013

U. S. Abhyankar  
Partner  
Membership No. 113053

Vinayak Jadhav  
Director  
DIN : 02312072

Place: Mumbai  
Date : 18th April 2017

Place: Mumbai  
Date : 18th April 2017

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

**A Company Overview**

Lavasa Hotel Limited ('the company') is a public limited company incorporated and domiciled in India and is engaged in " Hotel " at Lavasa, India. The company was incorporated on 5th September, 2009 and is having its registered office in Mumbai, India. The Company operates as a subsidiary of Lavasa Corporation Limited.

**B Basis of Preparation of Financial Statements**

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

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

**C Statement of Compliance**

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

**D Basis of measurement**

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

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii. Defined benefit and other long-term employee benefits.

**E Functional and Presentation Currency**

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

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

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

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

For the periods up to and inclusive of year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards specified in section 133 of Companies Act, 2013 read together with rule 7 of Companies (Accounting Standards) Rules, 2014 (Previous GAAP). Reconciliation and description of the effect of transition from previous GAAP to Ind AS on equity, profit and cash flows are provided in Note 2.37, 2.38 and 2.39. The Balance Sheet as on the date of transition has been prepared in accordance with Ind AS 101 first- time Adoption of Indian Accounting Standards.

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





**(a) Exceptions to retrospective application of other Ind AS**

**i. Estimates:**

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

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

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

**iii. Ind AS 109 Financial Instruments (Impairment of Financial assets):**

Impairment requirements under Ind AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort. The Company has applied impairment requirements retrospectively.

**(b) Exemptions from retrospective application of Ind AS**

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

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

**ii. Ind AS 17 Leases :**

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

**G Use of Estimates**

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

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

- i. Valuation of financial instruments
- ii. Useful lives of property, plant and equipment
- iii. Lease classification
- iv. Measurement of defined employee benefit obligations
- v. Provisions
- vi. Utilisation of Tax Losses



## H SIGNIFICANT ACCOUNTING POLICIES:

### a) Property, Plant and Equipment

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

### b) Depreciation and Amortization

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

Plant & Machinery : 20 years

Network and Connectivity : 20 years

Computers : 6 years

Office Equipments : 20 years

Furniture & Fixtures : 15 years

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

### c) Intangible Assets

Intangible assets are valued at cost less accumulated amortisation and impairment loss if any. Intangible assets are amortized over their respective individual estimated useful lives on straight line basis.

### d) Financial Instruments

#### i Financial Assets

Financial assets comprises of investments in the equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

##### Initial recognition:

All financial assets are recognised initially at fair value plus, in case of financial assets not are recorded fair value through profit or loss, transaction cost that are attributable to the acquisition of financial assets. 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 assets.

##### Subsequent measurement:

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

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

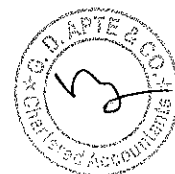
The Company while applying above criteria has classified the following at Amortised cost

##### a) Trade receivable

##### b) Other Financial Assets

##### ii. Financial assets at Fair Value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income.



### iii. Financial asset are measured at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the Statement of Profit and Loss.

### Derecognition of financial assets

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

### Impairment of financial assets

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

#### i. Trade Receivables

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecast of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

#### ii. Other financial assets

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

## II Financial liabilities

### Initial Recognition and Measurement:

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

### Subsequent Measurement:

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

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

#### i. Financial liabilities at amortised cost

The companies classifying the following under amortised cost;

- a) Trade payables
- b) Other financial liabilities

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

#### ii. Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at FVTPL.

### De recognition of financial liabilities

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



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

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

**d. Reclassification of Financial Assets -**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets of liabilities that are specifically designated at FVTPL. For Financial Assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the company's operations. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**e) Impairment**

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

**f) Inventories**

Stock of traded goods are valued at lower of cost or net realisable value. Cost includes material cost, labour, direct expenses and related overheads. Cost is determined on weighted average basis.

**g) Taxes on Income**

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

**h) Revenue Recognition**

i) Revenue from sale of goods is recognised when significant risk and rewards of ownership are transferred to the customer. Revenue from services is recognised as and when services are rendered. Revenue from goods and services is accounted as net of taxes.

ii) Interest income is recognised on time proportionate at basis

**i) Employee Benefits**

**i) Defined Contribution Plans**

Company's Contributions paid/payable during the year to Provident Fund and Labour Welfare Fund are recognized in the Profit and Loss Account.

**ii) Defined Benefit Plan & Other long term benefits**

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The Company recognises all measurements of net defined benefit liability/asset directly in other comprehensive income and presented within equity. Obligation is measured at the present value of estimated future cash flows using a discounted rate that determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.



**iii) Short term benefits**

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

**iv) Compensated absences**

The company recognises an obligation for compensated absences in the period in which the employee renders the services. The company provides for the expected cost of compensated absence in the Statement of Profit or Loss as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated based on actuarial valuations carried out by an independent actuary at the Balance Sheet date.

**j) Borrowing Costs**

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

**k) Contingencies / Provisions**

A provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in Financial Statements. Contingent assets are neither recognised nor disclosed in the financial statements.

**l) Earning Per Share**

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

**m) Foreign Currency Transactions**

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

**n) Lease:**

Where the Company is the lessee and the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss account on a straight-line basis over the lease term.

**o) Segmental Reporting**

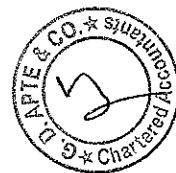
The Company's operation is considered under one segment "Hotel " for internal reporting. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.



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

2.01 Property, Plant and Equipment

Particulars	Tangible Assets							Intangible Assets	Total
	Building and sheds	Plant & Machineries	Office Equipments	Furniture and fixtures	Computers	Capital work in progress	Total	Computer software	
Gross Carrying Value									
As of 1st April 2015	-	529.89	56.93	435.70	25.82	130.36	1,178.70	10.64	1,189.34
Additions	130.36	-	0.10	0.37	0.10	-	130.92	-	130.92
Deductions/ disposals	-	-	-	-	-	(130.36)	(130.36)	-	(130.36)
As at 31st March 2016	130.36	529.89	57.03	436.07	25.92	-	1,179.26	10.64	1,189.90
Additions	-	0.13	0.76	-	3.07	-	3.96	-	3.96
Deductions/ disposals	-	-	-	-	-	-	-	-	-
As at 31st March 2017	130.36	530.02	57.79	436.07	28.99	-	1,183.22	10.64	1,193.86
Accumulated Depreciation									
As at 1st April 2015	-	307.10	43.95	355.36	24.26	-	730.67	6.34	737.02
Depreciation/ amortisation charge for the period	33.75	34.37	-	20.85	0.64	-	89.60	0.05	89.65
Accumulated depreciation/ amortisation on disposals	-	-	-	-	-	-	-	-	-
As at 31st March 2016	33.75	338.09	47.33	376.21	24.90	-	820.28	6.39	826.67
Depreciation/ amortisation charge for the period	24.94	26.62	2.59	15.45	1.57	-	71.18	1.06	72.24
Accumulated depreciation/ amortisation on disposals	-	-	-	-	-	-	-	-	-
As at 31st March 2017	58.69	364.71	49.92	391.66	26.48	-	891.45	7.46	898.91
Net carrying value									
As at 31st March 2017	71.66	165.31	7.87	44.41	2.51	-	291.77	3.18	294.95
As at 31st March 2016	96.61	191.80	9.70	59.85	1.01	-	358.98	4.25	363.23
As at 1st April 2015	-	222.79	12.98	80.34	1.55	130.36	448.02	4.30	452.32



*[Handwritten signature]*

		(₹ in Lakhs)		
		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
<b>2.02 Long-term loans</b>				
Deposits (Unsecured, considered good)		26.77	27.76	28.87
		<u>26.77</u>	<u>27.76</u>	<u>28.87</u>
<b>2.03 Other Non Current Assets</b>				
Prepaid Expenses :				
(a) Gaurantee Expense		-	-	50.48
(b) Other expenses		3.15	3.87	5.05
		<u>3.15</u>	<u>3.87</u>	<u>55.52</u>
<b>2.04 Inventories</b>				
Food and Beverages		14.33	15.73	14.46
General Stores		8.18	6.11	3.77
		<u>22.51</u>	<u>21.84</u>	<u>18.23</u>
<b>2.05 Trade Receivables</b>				
Unsecured				
Outstanding for a period exceeding six months from due date				
- considered good		239.16	199.99	112.73
- considered doubtful		33.68	-	-
Outstanding for a period less than six months from due date		74.14	111.37	84.69
		<u>346.98</u>	<u>311.36</u>	<u>197.43</u>
Less: Provision for doubtful receivables		(33.68)	-	-
		<u>313.30</u>	<u>311.36</u>	<u>197.43</u>
No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.				
<b>2.06 Cash and Cash equivalents</b>				
(a) Balances With Banks (Current accounts)		17.91	14.70	34.81
(b) Cheques On Hand		-	-	0.19
(c) Cash On Hand		0.18	0.34	0.17
		<u>18.10</u>	<u>15.04</u>	<u>35.16</u>
<b>2.07 Short-term Loans</b>				
Deposits		145.81	145.74	144.56
		<u>145.81</u>	<u>145.74</u>	<u>144.56</u>
<b>2.08 Other Financial assets</b>				
Unsecured ,considered good				
Other Amounts Recoverable from related parties		112.01	95.60	71.51
		<u>112.01</u>	<u>95.60</u>	<u>71.51</u>
<b>2.09 Current Tax Assets (Net)</b>				
Tax Deducted at Source		8.82	14.87	10.34
		<u>8.82</u>	<u>14.87</u>	<u>10.34</u>
<b>2.10 Other Current Assets</b>				
(a) Advances to Suppliers (Unsecured)				
- Considered good		25.82	24.90	11.65
- Considered doubtful		8.42	0.06	-
		<u>34.24</u>	<u>24.95</u>	<u>11.65</u>
Less: Provision for doubtful receivables		(8.42)	(0.06)	-
		<u>25.82</u>	<u>24.90</u>	<u>11.65</u>
(b) Prepaid expenses :				
- Guarantee Expense		-	-	7.02
- Other expenses		7.37	6.70	9.31
(c) Balances with tax authorities		18.19	129.47	69.64
		<u>51.38</u>	<u>161.06</u>	<u>97.62</u>



(₹ in Lakhs)

**2.11 Share Capital****A) Authorised**

	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
10,00,000 (Previous Year 10,00,000 ) Equity Shares of Rs. 10/- each	100.00	100.00	100.00
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

**Issued, subscribed and paid up**

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

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

Equity Shares	As at March 31st, 2017		As at March 31st, 2016		As at April 1st, 2015	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
At the beginning of the year	50,000	5.00	50,000	5.00	50,000	5.00
Shares issued during the year for cash	-	-	-	-	-	-
At the end of the year	50,000	5.00	50,000	5.00	50,000	5.00

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

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

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

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

**E) Rights 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.



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	(₹ in Lakhs)		
	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
<b>2.12 Other Equity</b>			
<b>i Reserves and Surplus</b>			
Surplus/(Deficit) as per the Statement of Profit & Loss			
Opening Balance	(1,626.07)	(1,322.48)	(1,191.15)
Add: Profit/ (Loss) for the year	(375.54)	(303.59)	(131.33)
Net Surplus/(deficit)	<u>(2,001.61)</u>	<u>(1,626.07)</u>	<u>(1,322.48)</u>
<b>ii Other Components of Equity</b>			
<b>a. Remeasurement of net defined benefit liability/ asset</b>			
Opening Balance	11.62	(0.54)	-
Add: Additions during the year	0.84	12.16	(0.54)
Closing Balance	<u>12.46</u>	<u>11.62</u>	<u>(0.54)</u>
<b>b. Equity contribution by fellow subsidiary</b>	57.50	57.50	57.50
<b>Total</b>	<u>(1,931.65)</u>	<u>(1,556.95)</u>	<u>(1,265.52)</u>
<b>2.13 Long-Term Borrowings</b>			
<b>Term loan from Bank (Secured)</b>			
(a) Axis Bank	350.00	400.00	450.00

**Details of Security**

Exclusive first charge on the current assets of the company.

Exclusive first charge on the moveable fixed assets of the company.

Negative lien on the immovable fixed assets of the company.

Company to maintain minimum Assets Cover of 1.33 during the tenure of the facility.

**Collateral Security**

Company to provide clear and marketable immovable property to secure the term loan. Further company to maintain a minimum collateral cover of 1.50 times of the outstanding during the tenure of the facility.

**Repayment**

Repayment is 28 Quarterly ballooning installment , commencing 27 months after the date of initial disbursement i.e. 27th March 2012.

The Yearly repayment schedule is as given below ;

Year	% Term Loan	Amount
1	5%	2,500,000
2	5%	2,500,000
3	10%	5,000,000
4	15%	7,500,000
5	20%	10,000,000
6	20%	10,000,000
7	25%	12,500,000
<b>Total</b>		<b>50,000,000</b>

The repayment in any particular year is to be in equal quarterly installment, totalling to the total repayment due in a year.



		(₹ in Lakhs)		
		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
(b)	ICICI Bank Limited	-	-	1,400.00
	<b>Details of Security</b>			
	Second charge on the current assets & movable fixed assets of Lavasa Hotel Limited			
	Mortgage over land situated at Kavsa, Thane Ghodbunder Road, Maharashtra (32 Acres) of HRL (Thane) Real Estate Limited on first pari passu basis (to be shared with the facilities aggregating Rs.2.20 million sanctioned to Highbar Technologies Limited by ICICI Bank (Mortgage).			
	Pledged over 30% shareholding of Lavasa Corporation Limited held in Lavasa Hotel Limited. Pledge of Shares is subject to section 19 (2) of the Banking Regulation Act, 1949.			
	<b>Total</b>	<b>350.00</b>	<b>400.00</b>	<b>1,850.00</b>
2.14	<b>Long Term Provisions</b>			
	Provision For Employee Benefits	8.81	8.74	15.33
		<b>8.81</b>	<b>8.74</b>	<b>15.33</b>
2.15	<b>Deferred tax liabilities (net)</b>			
A	<b>Deferred Tax Liabilities</b>			
	<b>Deferred tax liabilities</b>			
	Financial asset - financial guarantee	-	-	(17.77)
		-	-	(17.77)
	<b>Deferred tax assets</b>			
	Provision for Gratuity	-	-	4.19
	Provision for Leave Encashment	-	-	3.09
	Property, plant & Equipment	-	-	10.48
		-	-	17.77
	<b>Net Deferred Tax Liabilities (A-B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	(Refer Note No. - 2.41)			
2.16	<b>Short Term Borrowings</b>			
	Inter Corporate Deposits from related parties (repayable on demand)			
	- ICD from Lavasa Corportion Limited	1,507.54	1,482.40	-
	- ICD from Highbar Technology Limited	44.28	44.28	-
		<b>1,551.82</b>	<b>1,526.68</b>	<b>-</b>
2.17	<b>Trade Payables</b>			
	Payables for purchase of goods and services			
	- to Related parties	281.14	211.35	114.47
	- to Others	333.67	211.71	164.04
		<b>614.81</b>	<b>423.06</b>	<b>278.51</b>
2.18	<b>Other Financial Liabilities (Current)</b>			
	(i) Current maturities of Long Term Borrowings	50.00	50.00	25.00
	(ii) Interest accrued on Unsecured Borrowings :			
	- Inter Corporate Deposit From Holding And Ultimate Holding Company	196.73	27.94	-
	- Inter Corporate Deposit From Highbar Technologies Limited	6.53	1.95	-
	(iii) Interest accrued on Secured borrowings	7.53	4.74	19.83
	(iv) Creditors for expenses	9.80	45.81	25.48
	(v) Temporary Book Overdraft	29.95	18.61	14.95
		<b>300.55</b>	<b>149.05</b>	<b>85.26</b>



	(₹ in Lakhs)		
	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
<b>2.19 Other Current Liabilities</b>			
(i) Booking Advances	32.84	43.38	33.08
(iii) Other Payables			
- Statutory dues payable	19.21	120.15	68.03
- Employee benefits payable	40.75	38.33	33.62
	<u>92.80</u>	<u>201.86</u>	<u>134.73</u>
<b>2.20 Short Term Provisions</b>			
Provision For Employee Benefits	4.65	2.94	8.26
	<u>4.65</u>	<u>2.94</u>	<u>8.26</u>




(₹ in Lakhs)

	For the year ended March 31st, 2017	For the year ended March 31st, 2016
<b>2.21 Revenue from Operations</b>		
(a) Room Revenue	602.50	623.92
(b) Food & Beverages & Others	295.82	370.11
(c) Liquor Sale	61.24	45.07
(d) Miscellaneous Sale	32.90	32.32
	<b>992.46</b>	<b>1,071.42</b>
<b>2.22 Other Income</b>		
Miscellaneous Income	0.42	-
	<b>0.42</b>	<b>-</b>
<b>2.23 Operating Expenses</b>		
Power and Fuel	212.89	220.58
Management and Franchise Fees	83.70	90.72
Security Charges	31.11	28.15
Laundry and Housekeeping Charges	26.95	32.32
Guest Supplies and Entertainment Expenses	25.76	24.17
Equipment Hire charges	17.79	15.99
Water Charges	10.37	10.79
Rates and Taxes	2.95	3.10
<b>Repairs &amp; Maintenance:</b>		
- Building and Property	25.22	25.21
- Plant and Machinery	42.13	50.27
- Others	0.70	4.65
	<b>479.56</b>	<b>505.93</b>
<b>2.24 Cost of Materials Consumed</b>		
Opening Stock	21.84	18.23
Add: Purchases	158.11	157.12
Less: Closing Stock	22.51	21.84
	<b>157.45</b>	<b>153.51</b>
<b>2.25 Employee Benefits expense</b>		
Salaries and wages	234.45	204.44
Contribution / provisions to and for provident, Gratuity and other funds	17.53	18.37
Staff welfare expenses	18.59	19.40
	<b>270.58</b>	<b>242.21</b>
<b>2.26 Finance Costs</b>		
Interest on Term Loans	52.30	207.02
Interest Paid On Inter Corporate Deposit	224.13	29.89
Gaurantee Expenses Amortised	-	57.50
	<b>276.43</b>	<b>294.40</b>
<b>2.27 Other expenses</b>		
Office and Other General Expenses	49.13	68.16
Provision for Doubtful Advances	8.42	0.06
Provision for Doubtful Receivables	33.68	-
Professional and Consultation Charges	2.39	3.16
Insurance	12.73	12.01
Selling and Marketing Expenses	5.22	5.22
Payment to Auditor		
- for Statutory Audit	0.60	0.50
- for Reimbursement of Expenses	-	0.20
	<b>112.16</b>	<b>89.31</b>



Note No. 2 Notes to and forming part of the financial statements as at and for the year ended March, 31st 2017

2.28 Contingent Liability

(₹ In Lakhs)

a) Particulars	31st March 2017	31st March 2016
Contingent Liability	Nil	Nil

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

2.29 Related Party Disclosure

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

**A) Holding Company & Ultimate Holding Company**  
Hindustan Construction Company Limited (HCC) - Ultimate Holding Company  
HCC Real Estate Limited (HREL)- Parent Company of Holding Company  
Lavasa Corporation Limited- Holding Company

**B) Fellow Subsidiaries**

Dasve Business Hotel Limited  
Dasve Hospitality Institutes Limited  
Dasve Retail Limited  
Dasve Convention Center Limited  
Full Spectrum Adventure Limited  
Future City Multiservices Sez Limited  
Hill City Service Apartments Limited  
Hill View Parking Services Limited  
Kart Racers Limited  
Lakeview Clubs Limited  
Lavasa Bamboocrafts Limited  
Mugaon Luxury Hotels Limited  
My City Technology Limited  
Nature Lovers Retail Limited  
Our Home Service Apartments Limited  
Reasonable Housing Limited  
Rhapsody Commercial Space Limited  
Rosebay Hotels Limited  
Sahyadri City Management Limited  
Valley View Entertainment Limited  
Verzon Hospitality Limited  
Warasgaon Assets Maintenance Limited  
Warasgaon Infrastructure Providers Limited  
Warasgaon Power Supply Limited  
Warasgaon Tourism Limited  
Warasgaon Valley Hotels Limited

**C) Subsidiaries of Ultimate Holding Company**

HRL (Thane) Real Estate Limited  
High Bar Technologies Limited

**D) Other Related Parties**

**Associates:**

Knowledge Vistas Limited

**Joint Ventures:**

Andromeda Hotels Limited  
Green Hills Residences Limited  
Spotless Laundry Services Limited  
Whistling Thrush Facilities Services Limited  
Ecomotel Hotel Limited  
Starlit Resort Limited  
Bona Sera Hotels Limited  
Apollo Lavasa Health Corporation Limited



ii) Transactions with Related Parties during the period :

(₹ In Lakhs)

Nature of Transactions	Parent Company		Fellow Subsidiaries		Other Related Parties	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
<b>Project and Other Services Received</b>						
Lavasa Corporation Limited	33.85	20.36	-	-	-	-
Sahyadri City Management Limited	-	-	25.40	5.90	-	-
Dasve Convention Centre Limited	-	-	0.37	6.64	-	-
Reasonable Housing Limited	-	-	14.89	14.72	-	-
Apollo Lavasa Health Corporation Limited	-	-	-	-	1.18	0.45
Whistling Thrush Facilities Services Limited	-	-	-	-	-	4.67
Full Spectrum Adventure Limited	-	-	0.32	0.69	-	-
My City Technology Limited	-	-	3.74	4.06	-	-
Verzon Hospitality Limited	-	-	13.97	-	-	-
Ecomotel Hotel Limited	-	-	-	-	0.25	-
<b>Income for Services Rendered</b>						
Lavasa Corporation Limited	99.30	87.79	-	0.00	-	-
Hindustan Construction Company Limited	-	-	-	-	0.16	-
Dasve Convention Centre Limited	-	-	-	2.43	-	-
Verzon Hospitality	-	-	-	2.32	-	-
Steiner India Limited	-	-	0.37	0.66	-	-
Warasgaon Tourism Ltd	-	-	0.66	0.06	-	-
Starlit Resort Limited	-	-	-	-	0.14	-
<b>Included in Loans &amp; Advances</b>						
Lavasa Corporation Limited	140.00	140.00	-	-	-	-
<b>Interest on Inter corporate Deposit</b>						
Lavasa Corporation Limited	218.59	27.94	-	-	-	-
<b>Inter corporate Deposit Outstanding</b>						
Lavasa Corporation Limited	1,507.54	1,482.40	-	-	-	-
Highbar Technologies Limited	-	-	-	-	44.28	44.28
Interest Accrued & Due on Inter Corporate Deposit	196.73	27.94	-	-	4.58	1.95
<b>Inter corporate Deposit Received</b>						
Lavasa Corporation Limited	25.14	1,482.40	-	-	-	-
<b>Included in Trade Receivables</b>						
Lavasa Corporation Limited	240.51	169.83	-	-	-	-
Dasve Convention Center Limited	-	-	-	2.52	-	-
Dasve Hospitality Institutes Limited	-	-	59.43	54.36	-	-
Hindustan Construction Company Limited	-	-	-	-	1.11	0.95
Spotless Laundry Services Limited	-	-	-	-	0.75	0.75
Warasgaon Tourism Limited	-	-	1.21	0.06	-	-
Starlit Resort Limited	-	-	-	-	0.14	-
<b>Included in Trade Payables</b>						
Lavasa Corporation Limited	101.96	82.17	-	-	-	-
Sahyadri City Management Limited	-	-	103.84	76.48	-	-
My City Technology Limited	-	-	0.99	0.98	-	-
Dasve Convention Center Limited	-	-	1.63	4.81	-	-
Apollo Lavasa Health Corporation Limited	-	-	-	-	1.53	0.84
Full Spectrum Adventures Limited	-	-	1.39	1.93	-	-
Reasonable Housing Limited	-	-	41.71	28.31	-	-
Warasgaon Power Supply Limited	-	-	0.25	0.25	-	-
Warasgaon Tourism Ltd	-	-	2.47	-	-	-
Whistling Thrush Facilities Service Limited	-	-	-	-	4.67	4.67
Verzon Hospitality Limited	-	-	19.49	-	-	-
Ecomotel Hotel Limited	-	-	-	-	3.15	3.59

2.30 Earnings Per Share:

(₹ In Lakhs)

Particulars	31st March 2017	31st March 2016
Profit/(Loss) after taxation as per statement of profit and loss (₹ in Lakhs)	(374.70)	(291.43)
Less: Preference Dividend on cumulative preference shares incl distribution tax	-	-
Net Profit / (Loss) after preference dividend	(374.70)	(291.43)
Weighted Average number of Equity Shares (for Basic EPS)	50,000	50,000
Earning Per Share (Basic) (₹ per share)	(749.40)	(582.86)
Weighted Average number of Equity Shares (for Diluted EPS)	50,000	50,000
Earning Per Share (Diluted) (₹ per share)	(749.40)	(582.86)

2.31 Financial Instruments By Category

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

(₹ In Lakhs)



Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
<b>Assets</b>					
Long term Loans	26.77	-	-	26.77	26.77
Short term Loans	145.81	-	-	145.81	145.81
Trade receivables	313.30	-	-	313.30	313.30
Cash and Cash Equivalents and other bank balances	18.10	-	-	18.10	18.10
Other Financial Assets	112.01	-	-	112.01	112.01
<b>Liabilities</b>					
Borrowings from Banks	400.00	-	-	400.00	400.00
Borrowings from others	1,551.82	-	-	1,551.82	1,551.82
Trade Payables	614.81	-	-	614.81	614.81
Other Financial Liabilities	250.55	-	-	250.55	250.55

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

(₹ In Lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
<b>Assets</b>					
Long term loans	27.76	-	-	27.76	27.76
Short term loans	145.74	-	-	145.74	145.74
Trade receivables	311.36	-	-	311.36	311.36
Cash and Cash Equivalents and other bank balances	15.04	-	-	15.04	15.04
Other Financial Assets	95.60	-	-	95.60	95.60
<b>Liabilities</b>					
Borrowings from Banks	450.00	-	-	450.00	450.00
Borrowings from others	1,526.68	-	-	1,526.68	1,526.68
Trade Payables	423.06	-	-	423.06	423.06
Other Financial Liabilities	99.05	-	-	99.05	99.05

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

(₹ In Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Financial Assets at amortised cost</b>		
Allowance for doubtful debts	33.68	-
<b>Financial Liabilities at Amortised Cost</b>		
Interest expenses on borrowings, overdrafts and Intercompany deposit	276.43	236.90
<b>Total</b>	<b>310.11</b>	<b>236.90</b>



**2.33 Exposure to credit risk**

The Gross carrying amount of financial assets, net of any impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2017 and 2016 was as follows:

(₹ In Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Long term Loans	26.77	27.76
Trade Receivables (Net of allowance for doubtful debts)	313.30	311.36
Cash and Cash Equivalents and other bank balances	18.10	15.04
Short term Loans	145.81	145.74
Other Financial Assets	112.01	95.60
<b>Total</b>	<b>615.99</b>	<b>595.50</b>

**2.34 Financial assets that are past due but not impaired:**

There is no other class of financial assets that is past due but not impaired other than trade receivables. The age analysis of trade receivables have been considered from the date of invoice. The aging of trade receivables, net of allowances, that are past due, is given below

(₹ In Lakhs)		
Period (in days)	As at March 31, 2017	As at March 31, 2016
0-30 days past due	28.80	47.75
31-1 year past due	93.94	122.70
1-3 year past due	190.56	127.31
More than 3 years past due	-	13.60
<b>Total</b>	<b>313.30</b>	<b>311.36</b>

**Financial assets that are neither past due nor impaired**

(₹ In Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash Equivalents and other bank balances	18.10	15.04
Long term loans	26.77	27.76
Short term loans	145.81	145.74
Other financial assets	112.01	95.60

**Details of collateral and other credit enhancements held**

(₹ In Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
	-	-

**2.35 Liquidity Risks**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach for managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damages 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 March 31, 2017

(₹ In Lakhs)

Particulars	Carrying amount	Contractual Cash flow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings from bank	400.00	75.00	200.00	125.00	-	400.00
Borrowings from others	1,551.82	1,551.82	-	-	-	1,551.82
Trade payables	614.81	614.81	-	-	-	614.81
Other Financial Liabilities	250.55	250.55	-	-	-	250.55
<b>Total</b>	<b>2,817.18</b>	<b>2,492.18</b>	<b>200.00</b>	<b>125.00</b>	<b>-</b>	<b>2,817.18</b>





As At March 31, 2016

(₹ In Lakhs)

Particulars	Carrying amount	Contractual Cash flow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings from bank	450.00	50.00	175.00	225.00	-	450.00
Borrowings from others	1,526.68	1,526.68	-	-	-	1,526.68
Trade payables	423.06	423.06	-	-	-	423.06
Other Financial Liabilities	99.05	99.05	-	-	-	99.05
<b>Total</b>	<b>2,498.79</b>	<b>2,098.79</b>	<b>175.00</b>	<b>225.00</b>	<b>-</b>	<b>2,498.79</b>

**2.36 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:

(₹ In Lakhs)

Particulars	Carrying amount	
	As at March 31, 2017	As at March 31, 2016
<b>Financial liabilities</b>		
- Borrowings from Banks	400.00	450.00
- Borrowings from Others	1,551.82	1,526.68

**Fair value sensitivity for fixed rate instruments**

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit and loss.

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

(₹ In Lakhs)

Particulars	As at April 1, 2015	March 31, 2016
Equity as per Previous GAAP	(1,318.02)	(1,551.96)
<b>IND AS Adjustments</b>		
Equity Contribution by Fellow Subsidiary	57.50	57.50
Guarantee Expense amortised	-	(57.50)
<b>Equity as per IND AS</b>	<b>(1,260.52)</b>	<b>(1,551.96)</b>

**2.38 Reconciliation of material items of Balance Sheet as per IND AS with Previous GAAP As at April 1, 2015**

(₹ In Lakhs)

Particulars	As per IND AS	As per perviousn GAAP	Increase/ (Decrease)
<b>Assets</b>			
Property, Plant and Equipment	317.67	317.67	-
Capital work-in- progress	130.36	130.36	-
Intangible Assets	4.30	4.30	-
Long term loans	28.87	28.87	-
Other Non Current Assets	55.52	5.05	50.48
Inventories	18.23	18.23	-
Trade Receivables	197.43	197.43	-
Cash and cash equivalents	35.16	35.16	-
Short term Loans	144.56	144.56	-
Other financial assets	71.51	71.51	-
Current tax assets (net)	10.34	10.34	-
Other current assets	97.62	90.60	7.02
<b>Liabilities</b>			
Long Term Borrowing	1,850.00	1,850.00	-
Provisions -Non current	15.33	15.33	-
Trade Payables	278.51	278.51	-
Other Financial liabilities	85.26	85.26	-
Other current liabilities	134.73	134.73	-
Provisions -Current	8.26	8.26	-



Reconciliation of material items of Balance Sheet as per IND AS with Previous GAAP As at March 31, 2016

(₹ In Lakhs)

Particulars	As per IND AS	As per perviousn GAAP	Increase/ (Decrease)
<b>Assets</b>			
Property, Plant and Equipment	358.98	358.98	-
Intangible Assets	4.25	4.25	-
Long term loans	27.76	27.76	-
Other Non Current Assets	3.87	3.87	-
Inventories	21.84	21.84	-
Trade Receivables	311.36	311.36	-
Cash and cash equivalents	15.04	15.04	-
Short term Loans	145.74	145.74	-
Other financial assets	95.60	95.60	-
Current tax assets (net)	14.87	14.87	-
Other current assets	161.06	161.06	-
<b>Liabilities</b>			
Long Term Borrowing	400.00	400.00	-
Provisions -Non current	8.74	8.74	-
Short term borrowing	1,526.68	1,526.68	-
Trade Payables	423.06	423.06	-
Other financial liabilities	149.05	149.05	-
Other current liabilities	201.86	201.86	-
Provisions -Current	2.94	2.94	-

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

(₹ In Lakhs)

Particulars	March 31, 2016
Net profit as per Previous GAAP	(233.94)
Add / (Less): Ind AS Adjustments	
Re-measurement (gains)/losses on defined benefit plans	(12.16)
Gaurantee Expense Amortised	(57.50)
Net profit as per Ind AS	(303.59)

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

(₹ In Lakhs)

Particulars	As per IND AS	As per perviousn GAAP	Increase/ (Decrease)
Cash generated from operations	100.87	100.87	-
Net cash used in investing activities	(0.56)	(0.56)	-
Net cash used in financing activities	(120.43)	(120.43)	-
Cash and cash equivalents at the beginning of the year	35.16	35.16	-
Cash and cash equivalents at the end of the year	15.04	15.04	-

2.41

1

Movement in temporary differences of Deferred Tax during current and previous year

(₹ In Lakhs)

Particulars	Financial asset - financial guarantee	Property, Plant & equipment	Liability u/s 43B
Balance as at April 1, 2015	(17.77)	10.48	7.29
Recognised in income statement	17.77	(10.48)	(7.29)
Recognised in Equity	-	-	-
Recognised in OCI	-	-	-
Balance as at March 31, 2016	-	-	-
Recognised in income statement	-	-	-
Recognised in Equity	-	-	-
Recognised in OCI	-	-	-
Balance as at March 31, 2017	-	-	-



2 Unrecognised deferred tax asset

(₹ In Lakhs)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deductible temporary differences	68.63	53.92	34.53
Unrecognised tax losses	517.54	416.20	346.07
	586.17	470.12	380.60

Considering the probability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognized in respect of tax losses carried forward by the Company. Of the above, some tax losses expire at various dates.

3 Income Tax Expenses recognised in Statement of Profit and Loss

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

4 Reconciliation of effective tax rates

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

(₹ In Lakhs)

	As at March 2017	As at March 2016
Profit Before Tax	(375.54)	(303.59)
Enacted tax rates in India	30.90%	30.90%
Expected Tax Expense/ (Benefit)	(116.04)	(93.81)
Effect of :		
Share based payment expenses/ other expenses not deductible for tax purposes		
Unrecognised deferred tax assets/ liabilities on temporary differences	116.04	93.28
Expenses/ Income not taxable	-	-
True up due to IND AS impact		0.53
	-	-

2.42 Employee Benefits

a Defined Benefit Plans / Long Term Compensated Absences – As per Actuarial Valuation on March 31, 2017 and March 31, 2016

(₹ In Lakhs)

Particulars	Gratuity		Leave Encashment & Sick Leave	
	Unfunded		Unfunded	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation				
Defined Benefit Obligation at beginning of the period	7.55	13.57	4.12	10.02
Current Service Cost	3.16	5.38	1.55	4.19
Interest Expenses	0.60	1.05	0.33	0.65
Benefits paid	-	(0.28)	-	(3.39)
Remeasurements - Actuarial ( Gains ) / Losses	(0.84)	(12.16)	(3.01)	(7.34)
Defined Benefit Obligation at the end of the period	10.47	7.55	2.99	4.12

Recognised in the statement of profit and loss under employee benefit expenses				
Current Service Cost	3.16	5.38	1.55	4.19
Net Interest on the net defined benefit liability / asset	0.60	1.05	0.33	0.65
Curtailment gain	-	-	-	-
Net periodic benefit cost recognised in the Statement of Profit & Loss at the end of period	3.76	6.42	1.88	4.84

Remeasurements of the net defined benefit liability / (asset)				
Actuarial (gains) / losses	(0.84)	(12.16)	(3.01)	(7.34)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	-	-	-	-
	(0.84)	(12.16)	(3.01)	(7.34)



<b>Actuarial Assumptions:</b>				
Discount Rate	7.70%	7.90%	7.70%	7.90%
Rate of increase of compensation levels	7.50%	7.50%	7.50%	7.50%
Expected average remaining working lives of employees (In years)*	13.38	13.34	13.38	13.34
Mortality Table	IALM (2006-08) (ultimate)	IALM (2006-08) (ultimate)	IALM (2006-08) (ultimate)	IALM (2006-08) (ultimate)
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.				
The attrition rate varies from 2% to 8% (previous year 2% to 8%) for various age groups.				
*It is actuarially calculated term of liability using probabilities of death, withdrawal and retirement.				

**Remeasurement of the net defined benefit liability recognised in other comprehensive income**

(₹ In Lakhs)

Particulars	March 31, 2017	March 31, 2016
Amount recognised in other comprehensive income for the year ending March 31, 2017 and March 31, 2016 are as follows:		
Remeasurement (gain)/loss arising from		
- Change in demographic assumptions	-	-
- Change in financial assumptions	0.20	(0.08)
- Experience variance	(1.04)	(12.08)
- Return on plan assets, excluding amount recognised in net interest expense / income	-	-
<b>Total</b>	<b>(0.84)</b>	<b>(12.16)</b>

**Sensitivity Analysis of significant actuarial assumption**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ In Lakhs)

Sensitivity Analysis for Gratuity	March 31, 2017		March 31, 2016	
	Decrease	Increase	Decrease	Increase
Discount rate (-/+ 1%)	11.60	9.55	8.43	6.84
(% change compared to base due to sensitivity)	10.79%	-8.83%	11.57%	-9.45%
Salary Growth Rate (-/+1%)	9.62	11.50	6.90	8.34
(% change compared to base due to sensitivity)	-8.14%	9.76%	-8.72%	10.47%
Withdrawal Rate (-/+1%)	10.45	10.49	7.52	7.59
(% change compared to base due to sensitivity)	-0.22%	0.19%	-0.49%	0.42%

**b Defined Contribution Plans-**

Amounts recognized as an expense and included in the note no.2.24 contribution to Provident and other funds of Profit and Loss accounts- ₹ 13.77 Lakhs ( Previous Year ₹ 11.95 Lakhs)



**2.43 Trade Receivables**

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the aging of the days the receivables are due, the rates as given in the provision matrix and qualitative management review on case to case basis. The provision matrix at the end of the reporting period is as follows:

( ₹ In Lakhs)

Age of Receivables	Expected Credit loss %
0-30 days past due	-
31 days -1 year past due	-
1-3 year past due	-
More than 3 years past due	100%

Age of Receivables	As at March 31, 2017	As at March 31, 2016
0-30 days past due	28.80	47.75
31 days -1 year past due	93.94	122.70
1-3 year past due	190.56	127.31
More than 3 years past due	33.68	13.60
<b>Total</b>	<b>346.98</b>	<b>311.36</b>

Movement in Provision for Doubtful receivables	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	33.68	-
<b>Balance at the end of the year</b>	<b>33.68</b>	<b>-</b>

**2.44 Summary of borrowing arrangements:**

- i The Company has variable rate loan with a Axis Bank with remaining maturity periods of 4 years. The weighted average effective interest rate on this loan is 14.4% per annum. For the details of security refer Note no. 2.13.
- ii Details of Breaches and defaults during the year are as follows -

( ₹ In Lakhs)

Particulars	Principal paid with delay	Unpaid principal	Interest paid with delay	Unpaid Interest
<b>Axis Bank</b>				
1 to 30 days	8.49	-	44.78	4.20
31 to 60 days	3.34	-	-	3.33
above 60 days	-	-	-	-
<b>Total</b>	<b>11.83</b>	<b>-</b>	<b>44.78</b>	<b>7.53</b>

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

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

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



## 2.46 Details of Foreign Currency Expenditure

(₹ In Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Sales Commission	Nil	0.41

## 2.47 Operating Lease

(₹ In Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
<b>a) Future Lease Rental payments</b>		
(i) Not later than one year	7.52	6.29
(ii) Later than one year and not later than five years	-	-
(iii) Later than five years	-	-
<b>b) Lease payment recognised during the year</b>	6.76	9.16
<b>c) General description of the leasing arrangement:</b>		
i) Leased Assets : Employee Accommodation		
ii) Future lease rental payments are determined on the basis of lease payable as per the agreement.		

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

(Amount in ₹)			
Particulars	SBNs	Other Denominatin Notes	Total
Closing cash in hand as on 08.11.2016	766,000.00	4,490.00	770,490.00
(+) Permitted receipts	-	1,190,907.00	1,190,907.00
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	766,000.00	1,174,087.00	1,940,087.00
Closing cash in hand as on 30.12.2016	-	21,310.00	21,310.00

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

As per our Attached Report of even date

For and on behalf of the Board of Directors

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

Sangameshwar Iyer  
Director  
DIN : 6946838

Praveen Sood  
Director  
DIN : 0018013

U. S. Abhyankar  
Partner  
Membership No.



Vinayak Jadhav  
Director  
DIN : 02312072

Place : Mumbai  
Date : 18th April 2017

Place : Mumbai  
Date : 18th April 2017