

Auditor's Report on Standalone Half yearly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
Lavasa Corporation Limited

We have audited the standalone half yearly financial results (the financial results) of Lavasa Corporation Limited ('the Company') for the half year ended March 31, 2017 and the financial results for the year ended March 31, 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding half year ended March 31, 2016 and the corresponding year to date from April 1, 2015 to March 31, 2016 including the reconciliation of profit/ loss under Ind AS of the corresponding half year with profit/ loss reported under previous GAAP, as reported in these financial results have been approved by company's Board of Directors but have not been subjected to audit.

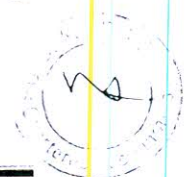
The financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) for Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

The financial results for the half year ended 31 March 2017 are the balancing figures between audited figures in respect of the full financial year and the unaudited year to date figures up to the half year of the current financial year.

We conducted our audit in accordance with the auditing standards issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

Basis for Qualified Opinion

1. The liability, if any, in respect of the compliance of the terms and conditions laid down by the Ministry of Environment and Forests granting the Environment Clearance for Development of the Hill Station Township vide its Order dated November 9, 2011 cannot be ascertained.



2. The impairment testing carried out by the company during the year 2015-16 did not indicate any impairment and according to the contentions of the company, since there is no change in the business conditions, no impairment testing is carried out during the year 2016-17. In our opinion, the company may not be able to achieve the business plans based on which the impairment testing has been carried out. The consequent impairment losses, if any, cannot be ascertained.
3. Current and Non-Current Borrowings including finance charges, trade payables, advances to suppliers and certain balances with banks are subject to confirmation, reconciliation and consequential adjustments, if any.

Qualified Opinion:

Based on our audit conducted as above, except for the matters specified in the 'Basis for Qualified Opinion' paragraph, in our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated November 27, 2015 and August 10, 2016 in this regard; and
- (ii) give a true and fair view of the net loss (financial performance including other comprehensive income) and other financial information for the half year ended March 31, 2017 as well as the year to date results for the period from April 1, 2016 to March 31, 2017.

For G. D. Apte & Co.
Chartered Accountants
Firm registration number: 100515W



U. S. Abhyankar
Partner
Membership No.: 113053
Mumbai, April 24, 2017



(₹ in Lakhs)

Particulars	Half Year Ended 31st March 2017	Half Year Ended 31st March 2016	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
	Audited	Unaudited	Audited	Unaudited
Revenue from Operations	5,107.84	1,786.33	6,433.47	5,920.51
Other Operating Revenue	0.16	187.22	0.16	187.22
Other Income	32,174.38	79,509.48	54,515.49	93,812.56
Total Income	37,282.38	81,483.03	60,949.12	99,920.29
EXPENSES				
Construction expenses	2,134.29	3,353.61	4,822.99	7,787.81
Changes in inventories of finished goods, Stock-in-Trade and Work-in-progress	(1,040.16)	(23,162.86)	(2,807.20)	(39,515.01)
Employee Benefits expenses	198.21	965.44	907.78	1,988.38
Finance Cost	36,102.64	23,596.98	69,022.38	49,181.68
Depreciation and amortization expenses	2,480.76	2,719.64	4,975.17	5,439.34
Impairment loss on financial/non financial assets	7,277.30	27,263.20	7,277.30	27,263.20
Reversal of impairment on financial/non financial assets	(214.08)	-	(214.08)	-
Other expenses	1,536.04	715.89	2,308.39	2,366.97
Total Expenses	48,475.00	35,451.90	86,292.73	54,512.37
Profit/(Loss) before exceptional items and tax	(11,192.62)	46,031.13	(25,343.61)	45,407.92
Exceptional Items	-	-	-	-
Profit/(Loss) before tax	(11,192.62)	46,031.13	(25,343.61)	45,407.92
Tax Expenses / (Income)				
(1) Current tax	-	-	-	-
(2) Deferred tax	(9,878.35)	24,259.77	(8,713.94)	18,503.05
Profit/(Loss) for the period from continuing operations	(1,314.27)	21,771.36	(16,629.67)	26,904.87
Profit/(Loss) from discontinued operations	-	-	-	-
Tax expenses of discontinued operations	-	-	-	-
Profit/(Loss) from discontinued operations (after tax)	-	-	-	-
Profit/(Loss) for the period	(1,314.27)	21,771.36	(16,629.67)	26,904.87
Other Comprehensive Income				
Items that will not be reclassified to profit or (loss)				
- Remeasurement gains / (losses) on defined benefit plans	(29.30)	6.12	2.43	19.98
- Income tax relating to items that will not be reclassified to profit or loss	(10.14)	2.12	0.84	6.91
Items that will be reclassified to profit or loss	-	-	-	-
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Other Comprehensive Income for the year, net of tax	(19.16)	4.00	1.59	13.07
Total Comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Income for the period)	(1,333.43)	21,775.36	(16,628.09)	26,917.94



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(₹ in Lakhs)

Particulars	Half Year Ended 31st March 2017	Half Year Ended 31st March 2016	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
	Audited	Unaudited	Audited	Unaudited
Earnings per equity share (For continuing operations):				
i) Basic (₹ Per Share)	(0.32)	2.12	(2.24)	2.76
ii) Diluted (₹ Per Share)	(0.32)	2.12	(2.24)	2.76
Earnings per equity share (For discontinued operations):				
i) Basic (₹ Per Share)	-	-	-	-
ii) Diluted (₹ Per Share)	-	-	-	-
Earning per equity share (For discontinued & continuing operations):				
i) Basic (₹ Per Share)	(0.32)	2.12	(2.24)	2.76
ii) Diluted (₹ Per Share)	(0.32)	2.12	(2.24)	2.76
Debt Equity Ratio	3.63	3.29	3.63	3.29
Debt Service Coverage Ratio	0.40	(1.97)	0.40	0.90
Interest Service Coverage Ratio	0.69	2.95	0.63	1.92
Networth		110,198.17	93,570.08	110,198.17

Note:

- 1 Paid up debt capital represents Non-convertible Debentures, Deep Discount Convertible Debentures, Fully Convertible Debentures and Preference Shares.
- 2 In view of suspended active development at project Lavasa, borrowing cost to the tune of ₹ 9,012.38 Lakhs and ₹ 36,801.25 Lakhs, which otherwise would have been capitalized, has not been capitalized in CWIP and PWIP respectively. Due to this the above results are not comparable with results for the year ended on 31st March, 2017. The Management is positive in terms of restarting active development activity on project Lavasa at the earliest.
- 3 As the Company operates in a single segment, viz. "Comprehensive Urban Development and Management", disclosure of other Segment information is not applicable.
- 4 Considering the positivity in the business sentiments in general, the Company looks forward to an early business recovery. The major business is expected from institutional sales which are directly related to general uptrend in the economy and investment decisions to be made by various corporate/business houses. The Company is planning to take various measures in terms of arranging financial resources till the business recovers. These steps include replacing the existing debt with long tenure debt and additional infusion of funds through structured Debt and Equity. As a result the entity is considered a going concern.
- 5 a) Results for the year ended 31st March 2017 are in accordance with the Indian Accounting Standard (Ind AS) notified by the Ministry of Corporate Affairs (the Ministry), which are applicable to the Company for the accounting period beginning on or after 1st April 2016. Consequently results for the corresponding year ended 31st March 2016 have been restated as per the requirements of the said notification, to comply with Ind AS to make them comparable.
b) The Board of Directors have approved the above results in the meeting held on 24th April 2017 and the same are subjected to audit by the statutory auditor of the company.

For Lavasa Corporation Limited

Sd/-

Chairman

Place: Mumbai
Date : 24th April, 2017

AN
P.K.



(₹ in Lakhs)

Particulars	As at 31st March 2017	As at 31st March 2016
ASSETS		
Non-current assets		
Property, Plant and Equipment	70,975.47	75,937.70
Capital work-in- progress	123,338.50	123,323.84
Other Intangible Assets	25.55	36.53
Financial Assets		
(i) Investments	200,713.02	191,580.12
(ii) Loans	4,691.14	4,086.19
(iii) Other Financial assets	811.99	618.81
Other Non current assets	4,921.52	5,707.82
Total Non Current Assets	405,477.19	401,291.01
Current assets		
Inventories	190,906.12	188,252.04
Financial Assets		
(i) Trade Receivable	27,434.26	18,306.98
(ii) Cash and Cash equivalents	206.26	257.63
(iii) Bank balances other than (ii) above		
(iv) Loans	14,770.08	12,965.39
(v) Other Financial assets		996.36
Current tax assets (net)	9,495.24	9,830.07
Other current assets	12,960.54	15,278.35
	255,772.50	245,886.82
Assets Classified as held for sale	200.18	200.18
Total Current Assets	255,972.68	246,087.00
Total Assets	661,449.87	647,378.01
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	79,594.44	79,594.44
Other Equity	13,975.64	30,603.73
Total Equity	93,570.08	110,198.17
Liabilities		
Non-current liabilities		
Financial Liabilities		
(i) Borrowings	76,060.00	165,653.09
(ii) Other financial liabilities	138,373.23	104,735.61
Provisions	32.11	165.94
Deferred tax liabilities (net)	26,047.34	34,760.44
Total Non current Liabilities	240,512.68	305,315.08
Current liabilities		
Financial Liabilities		
(i) Borrowings	31,625.94	29,290.94
(ii) Trade payables	19,033.49	22,860.92
(iii) Other financial liabilities	234,911.23	143,549.11
Other current liabilities	37,736.47	32,358.30
Provisions	4,059.98	3,805.49
Total Current Liabilities	327,367.11	231,864.76
Total Equity and Liabilities	661,449.89	647,378.01

At
9/2/17



- 7 Reconciliation of Net Profit as previously reported on account of transition from the previous GAAP to Ind AS for the year ended 31st March 2016:

(₹ in Lakhs)		
Particulars	Year ended 31st March 2016	Half Year ended 31st March 2016
Net Profit / (Loss) for the period under previous GAAP	(23,532.99)	(17,900.43)
Add / (Less):		
Impact of Recognition of Financial Instruments measured initially at Fair value and subsequently at amortized cost (net)	84,055.91	77,067.59
Adjustments pertaining to Property Held for Sale	(38.22)	(15.44)
Allowance for Doubtful Receivables	(15,056.82)	(15,056.82)
Reclassification of net actuarial gain on employee defined benefit obligation to Other Comprehensive Income	(19.98)	(6.13)
Deferred Tax on above adjustments (Net)	(18,503.03)	(22,317.43)
Net Profit / (Loss) for the period under Ind AS	26,904.87	21,771.35

- 8 Reconciliation of Total Equity (Shareholders' Fund) as previously reported on account of transition from the previous Indian GAAP to Ind AS for the year ended 31st March 2016:

(₹ in Lakhs)	
Particulars	Year ended 31st March 2016
Total Equity (Shareholders' Fund) under previous GAAP	108,876.60
Allowance for doubtful debts (Expected Credit Loss)	(51,816.83)
Impacts of Recognition of Financial Instruments measured initially at fair value and subsequently at amortised cost	88,342.21
Adjustments pertaining to property held for sale	(443.37)
Deferred Tax Liabilities	(34,760.44)
Total Equity (Shareholders' Fund) under IND AS	110,198.17

- 9 Asset Cover available:

(₹ in Lakhs)		
Non Convertible Securities	Asset Cover %	Instrument Amount
Jammu & Kashmir Bank	1%	9,639.00
Asset Reconstruction Company (India) Ltd	145%	25,000.00
SSG Investment Holding India Ltd	418%	9,945.00
India Opportunities II PTE Ltd (Redkite)	74%	1,500.00
Total		46,084.00

- 10 Overdue status:

Non convertible debt securities	Principal Unpaid		Interest Unpaid	
	As on 31st March 2017	As on 31st March 2016	As on 31st March 2017	As on 31st March 2016
Overdue less than one month	510.00	510.00	1,173.95	622.18
1 to 3 months	-	-	1,013.94	381.05
3 to 6 months	7,110.00	510.00	2,984.36	868.90
More than 6 months	38,464.00	36,424.00	24,387.85	16,931.10
Total	46,084.00	37,444.00	30,360.11	18,803.23

- 11 Outstanding Redeemable Preference Shares:

(₹ in Lakhs)		
Outstanding Shares	No of shares	Amount
Redeemable Preference Shares	37,249,997	3,725.00

- 12 Figures for the previous period have been regrouped/recast wherever necessary.

For Lavasa Corporation Limited

Sd/-
Chairman

Place: Mumbai
Date : 24th April, 2017

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P.K.M.

