



INDEPENDENT AUDITOR'S REPORT

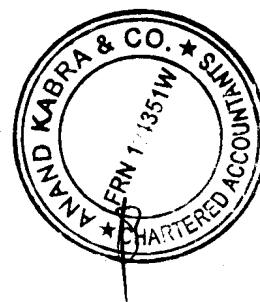
To the Members of
Hotel Kankeshwar Private Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Hotel Kankeshwar Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of 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 of these financial statements that give a true and fair view of the financial position, financial performance 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 7 of the Companies (Accounts) Rules, 2014. 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.



AUDITORS' 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 thereunder.

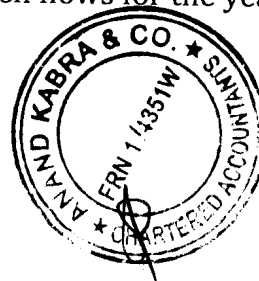
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 audit opinion on the financial statements.

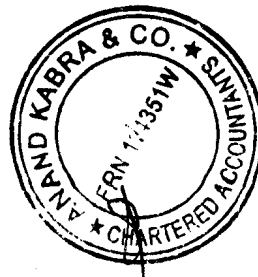
OPINION

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



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 statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014; and
 - e. On the basis of written representation received from the Directors as on 31st March 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017 from being appointed as a Director in terms of sub section 2 of Section 164 of the Act.
 - f. 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 did not have any pending litigations having impact on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- iii. There are no amounts required to be transferred to Investor Education and Protection Fund by the Company.

**For ANAND KABRA & CO.
Chartered Accountants
Firm Registration No: 114351W**



**Sham Vartikar
Partner
Membership No.: 048301
Place: Mumbai
Date: 25.04.2017**





Annexure II to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Hotel Kankeshwar Private Limited** ("the Company") as at March 31, 2017 in conjunction with our audit of the standalone 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 Control 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For ANAND KABRA & CO.

Chartered Accountants

Firm Registration No: 114351W



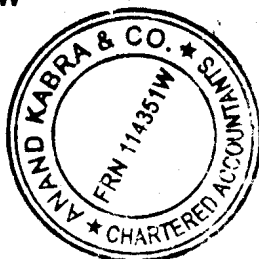
Sham Vartikar

Partner

Membership No.: 048301

Place: Mumbai

Date: 25.04.2017



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

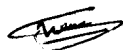
Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets on the basis of available information.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner every year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) In our opinion and according to the information and explanation given to us there are no inventories.
- (iii) In our opinion and according to the information and explanations provided by the management, the Company has not granted any loans secured or unsecured to companies, firms, limited Liabilities Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. and hence in our opinion clause (a). (b) and (c) of sub- paragraph(iii) of the order is not applicable to the company.
- (iv) In our opinion according to information and explanation provided to us by the management, the company has not given loans, investments, guarantees, & security covered under the provisions of section 185 & 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations provided to us by the management, the Company has not accepted any deposits from the public within the meaning of the sections 73 to 76 or any other provision of the Companies Act, 2013 and the rules framed there under.
- (vi) According to the information and explanations provided to us by the management, the maintenance of cost records was not prescribed by the Central Government under section 148(1) of the Act for any of the activities of the Company.
- (vii) According to the information and explanations provided to us by the management and on the basis of our examination of the records of the company, in respect of statutory dues:
 - (a) The company, is regular in depositing with the appropriate authorities the undisputed statutory dues including provident fund, employees' state Insurance Income Tax, Wealth Tax, sales tax, value added tax, service tax, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, there are no disputed dues of Income tax/Sales Tax/Service tax/Custom duty/Excise Duty/ Value AddedTax which have not been deposited.



- (viii) According to the information and explanations given to us and the records made available to us, the Company has not defaulted in repayment of loans to bank, financial institution, Government. The company does not have any dues to debenture holders during the period covered by our audit report
- (ix) According to the information and explanations given to us and the records made available to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the period covered by our audit report. Accordingly, Paragraph 3(ix) of the Order is not applicable.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us by the company, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on the records made available to us, the provisions of sec 197 are not applicable to company. Accordingly, Paragraph 3(xi) of the order is not applicable
- (xii) According to the information and explanations given to us and based on the records made available, the company is not Nidhi Company. Accordingly Paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on the records made available to us the company has complied with sections 177 and 188 of Companies Act, 2013 in respect of all transactions where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and based on the records made available to us the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on the records made available to us the company has not entered into any non-cash transactions with directors or persons connected with him during the year under review. Accordingly, Paragraph 3(xv) of the order is not applicable.
- (xvi) According to the information and explanations given to us and based on the records made available to us the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 during the year under review.

For ANAND KABRA & CO.
Chartered Accountants
Firm Registration No: 114351W



Sham Vartikar
Partner
Membership No.: 048301
Place: Mumbai
Date: 25.04.2017



HOTEL KANKESHWAR PRIVATE LIMITED

Balance Sheet as at 31st March, 2017

(Rs in lacs)

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share capital	1	24.50	24.50
Reserves and surplus	2	37.20	37.96
		61.70	62.46
Non-current Liabilities			
Long-term borrowings	3	83.87	83.57
		83.87	83.57
Current Liabilities			
Other current liabilities	4	0.09	0.06
		0.09	0.06
		145.66	146.09
<u>ASSETS</u>			
Non-current Assets			
Fixed Assets :			
Tangible assets	5	144.48	11.57
Capital work-in-progress		-	133.65
		144.48	145.22
Long-term loans and advances	6	0.03	0.03
		144.51	145.25
Current Assets			
Cash and Bank Balances	7	1.15	0.87
Short-term loans and advances	8	-	(0.03)
		1.15	0.84
		145.66	146.09

Significant Accounting policies and other
Notes forming part of financial statements


13

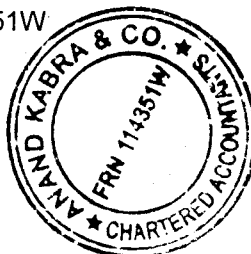
As per our report of even date

For Anand Kabra & Co.


Chartered Accountants

Firm Registration No. 114351W


Sham Vartikar
Partner
Membership No. 048301




Sunil Pardal
Director


Anil Jain
Director

Place: Mumbai
Date: 25-04-2017

HOTEL KANKESHWAR PRIVATE LIMITED

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

(Rs in lacs)

Particulars	Note No.	For the Year ended 31-03-2017	For the Year ended 31-03-2016
Income			
Revenue from operations	9	0.27	-
Total Revenue		0.27	-
Expenses			
Depreciation and amortisation expenses	10	0.74	-
Other expenses	11	0.29	0.06
Total Expenses		1.03	0.06
Profit / (loss) for the period		(0.76)	(0.06)
Earning per equity share	12		
(a) Basic		(0.31)	(0.02)
(b) Diluted		(0.31)	(0.02)

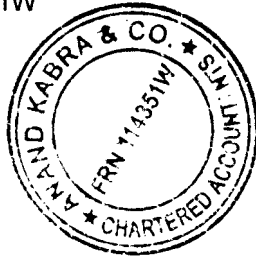
Significant Accounting policies and other Notes forming part of financial statements

13

As per our report of even date
For Anand Kabra & Co.
 Chartered Accountants
 Firm Registration No. 114351W

Sham Vartikar
 Partner
 Membership No. 048301

Place: Mumbai
 Date: 25-04-2017




Sunil Pardal
 Director


Amit Jain
 Director

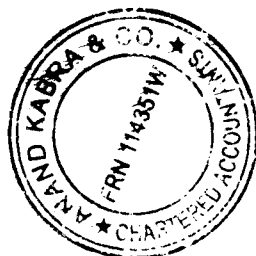
Cash Flow Statement for the year ended 31st March, 2017

(Rs in lacs)

Particulars	As at 31-03-2017	As at 31-03-2016
<u>Cash flows from operating activities</u>		
Net profit before taxation, and extraordinary item	(0.76)	(0.06)
<u>Adjustments for:</u>		
Depreciation	0.74	-
Operating profit before working capital changes	(0.02)	(0.06)
Increase / (decrease) in other current liabilities	0.03	(0.21)
Decrease / (Increase) in short-terms loans and advances	(0.03)	-
	-	(0.21)
Cash generated from operations	(0.02)	(0.27)
Income taxes paid		
Net cash from operating activities (A)	(0.02)	(0.27)
<u>Cash flows from investing activities</u>		
Net cash from investing activities (B)	-	-
<u>Cash flows from financing activities</u>		
Proceeds/(Repayment) from Long-term borrowings	0.30	0.00
Net cash used in financing activities (C)	0.30	0.00
Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)	0.28	(0.27)
<u>Net increase in cash and cash equivalents</u>		
<u>Cash and cash equivalents at beginning of period</u>		
Cash on hand and balances with banks	0.87	1.14
Total (D)	0.87	1.14
<u>Cash and cash equivalents at end of period</u>		
Cash on hand and balances with banks	1.15	0.87
Total (E)	1.15	0.87
Net Increase / (Decrease) in Cash and cash equivalents (D-E)	(0.28)	0.27

As per our report of even date
For Anand Kabra & Co.
 Chartered Accountants
 Firm Registration No. 114351W


Sham Vartikar
 Partner
 Membership No. 048301



Place: Mumbai
 Date: 25-04-2017

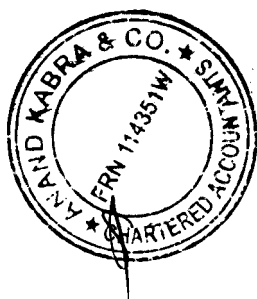

Sunil Pardal
 Director


Amit Jain
 Director

Notes forming part of the Financial Statements as at 31st March 2017

(Rs in lacs)

		As at 31-03-2017	As at 31-03-2016
1	Share Capital		
a	Authorised :		
	10,00,000 Equity shares of Rs. 10 each	100.00	100.00
		100.00	100.00
b	Issued, Subscribed and fully paid-up :		
	2,45,000 Equity shares of Rs. 10 each for cash	24.50	-
	<u>2,45,000</u>	<u>24.50</u>	<u>24.50</u>
	(2,45,000)		
c	Reconciliation of the number of shares		
	Opening	2,45,000	2,45,000
	Add: Issued	-	-
	Closing	2,45,000	2,45,000
d	Shares held by holding company- Graviss Hospitality Limited		
	2,45,000 Equity shares of Rs. 10 each	24.50	24.50
2	Reserve and Surplus		
	Share Premium Account:		
	As per last account	17.50	17.50
		17.50	17.50
	Profit and Loss Account:		
	Opening balance	20.46	20.52
	Add : Net profit after tax transferred from Statement of Profit and Loss	(0.76)	(0.06)
	Amount available for appropriation	19.70	20.46
	Balance in Profit and Loss account	19.70	20.46
		37.20	37.96
3	Long-term borrowings :		
a)	Unsecured Loans:		
	From Holding Company (Refer Note "13.3")	83.87	83.57
		83.87	83.57
4	Other Current liabilities		
	Expenses payable	0.09	0.06
		0.09	0.06

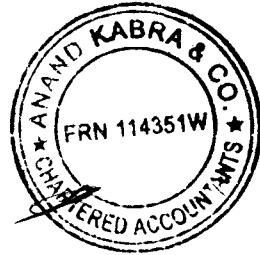


Note: 5

Notes forming part of the Financial Statements as at 31st March 2017

(Rs in lacs)

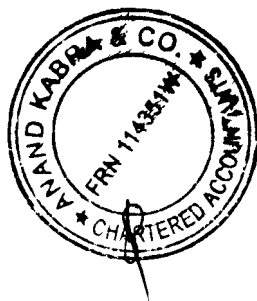
DESCRIPTION	Gross Block				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2016	Additions	Deductions / Adjustments	As at 31-03-2017	Upto 31-03-2016	For the year	Deductions / Adjustments	Upto 31-03-2017	As at 31-03-2017	As at 31-03-2016
5. Tangible Assets:										
Land	11.57	-	-	11.57	-	-	-	-	11.57	11.57
Buildings	-	133.65	-	133.65	-	0.74	-	0.74	132.91	-
Plant and Equipment	0.01	-	-	0.01	0.01	-	-	0.01	-	-
Total	11.58	133.65	-	145.23	0.01	0.74	-	0.75	144.48	11.57
Total (previous year)	11.58	-	-	11.58	0.01	-	-	0.01	11.57	



Notes forming part of the Financial Statements as at 31st March 2017

(Rs in lacs)

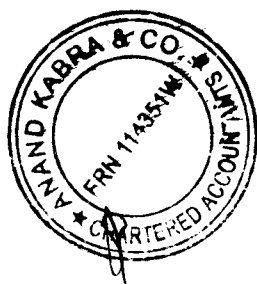
		As at 31-03-2017	As at 31-03-2016
6	Long-term loans and advances		
	Security Deposits	0.03	0.03
		0.03	0.03
7	Cash and bank balances:		
	Balances with banks in:		
	Current accounts	0.12	0.11
	Cash on hand	1.03	0.76
		1.15	0.87
8	Short-term loans and advances		
	(Unsecured, considered good)		
	Advance Income taxes (net)	-	(0.03)
		-	(0.03)



Notes forming part of the Financial Statements as at 31st March 2017

(Rs in lacs)

		For the Year ended 31-03-2017	For the Year ended 31-03-2016
9	Revenue from Operations		
	Sale of services	0.27	-
		0.27	-
10	Depreciation and Amortisation expenses:		
	Depreciation of tangible assets	0.74	-
		0.74	-
11	Other expenses		
	Operating Expenses:		
	Business Operating expenses	0.22	-
	Payments to Auditors	0.07	0.06
		0.29	0.06
12	Earnings per Equity share		
	Net profit after Taxation (in Rs.)	(0.76)	(0.06)
	Weighted average number of equity shares	2,45,000	2,45,000
	Earnings per equity shares (in Rs.)	(0.31)	(0.02)
	Nominal value per share (Rs.)	10.00	10.00



HOTEL KANKESHWAR PRIVATE LIMITED

Note -13

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017.

1. SIGNIFICANT ACCOUNTING POLICIES

I SYSTEM OF ACCOUNTING

- a The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

- b Financial statements are prepared on historical cost basis and as a going concern.

II FIXED ASSETS AND DEPRECIATION :

A) Fixed Assets

Fixed assets are stated at cost of acquisition including attributable expenses and are stated at cost less depreciation. Cost comprises price and other identifiable direct expenses attributed to acquisition of fixed assets upto the date of its intended use.

B) Depreciation

Depreciation is charged in the Accounts on written down value method in accordance with the useful life specified in the Companies Act 2013.

IV REVENUE RECOGNITION

Income and Expenditure are generally accounted on actual basis.

V CONTINGENT LIABILITIES:

Contingent Liabilities are generally not provided for and disclosed separately by way of notes on accounts.

VI GRATUITY ETC:

Company has not provided for gratuity liability in the account since the same will be accounted on cash basis.

- 2a The entire equity shares of 2,45,000 of Rs. 10 each fully paid up of the company were held by its erstwhile holding company Graviss Hotels and Resorts Limited (GHRL) till 1st February 2017. GHRL has transferred the shares on 1st February to Graviss Hospitality Limited (GHL), the holding company of GHRL. From 1st February 2017, the company has become a subsidiary of GHL.

- b The company has commenced hospitality business in its Alibaug property from 1st March 2017.

3 List of Related Parties (relied on the details provided by the management):

i Shareholders/Directors

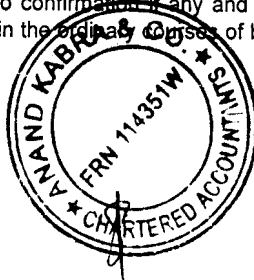
Graviss Hospitality Limited

ii Other related parties where the common control exists

Hotel Kankeshwar Pvt Ltd.

	(Rs. in lacs)	(Rs. in lacs)
	2016-17	2015-16
Unsecured Loans taken		
Graviss Hospitality Limited	84	-
Graviss Hotels and Resorts Limited	-	84

- 4 Sundry Creditors and advances are subject to confirmation if any and in the opinion of the board the value of realization of loans and advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.



5 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denominations notes	Rupees
			Total
Closing cash inhand as on November 8, 2016	-	75,173	75,173
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash inhand as on December 30, 2016	-	75,173	75,173

6 Previous years figures have been rearranged/regrouped wherever necessary to conform to this year's classifications.

SIGNATURES TO Note '1' TO '13'

For Anand Kabra & Co.
Chartered Accountants
Firm Registration No. 114351W



Sham Vartikar
Partner
Membership No. 048301

Place: Mumbai
Date: 25-04-2017




Sunil Pardal
Director


Anil Jain
Director