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The Members of Hotel Kanakeshwar Private Limited  
Mumbai

### Report on the audit of the financial statements

#### Opinion

We have audited the accompanying financial statements of Hotel Kanakeshwar Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ('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, 2020, its Loss and cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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



### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

### **Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's responsibility for the financial statements**

The Company's board of directors are responsible for the matters stated in section 134 (5) of 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, 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 the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



(f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and

(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;

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For AnandKabra & Co.**

**Chartered Accountants**

**Firm's Registration Number: 114351W**



**Sham Vartikar**

**Partner**

**Membership Number: 048301**

**Place: Mumbai**

**Date: 29.06.2020**



## Annexure “A” to the Independent Auditor’s Report\*

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of Hotel Kanakeshwar Private Limited of even date)

1. In respect of the Company’s fixed assets:

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

The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations (b) given to us and as examined by us, no material discrepancies were noticed on such verification.

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.

4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

7. In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in



the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable

- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

8 In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.

9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.

12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.




15 According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16 According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For AnandKabra & Co.**

**Chartered Accountants**

**Firm's Registration Number: 114351W**



**Sham Vartikar**

**Partner**

**Membership Number: 048301**

**Place: Mumbai**

**Date: 29.06.2020**





## HOTEL KANAKESHWAR PRIVATE LIMITED

Balance Sheet as at 31-03-2020

(Rs in lacs)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	5	221.50	226.81
<b>Total Non-current Assets</b>		<b>221.50</b>	<b>226.81</b>
<b>Current Assets</b>			
<b>Financial assets</b>			
Trade receivables	6	1.37	-
Cash and Cash equivalents	7	0.15	0.43
Other current Assets	8	0.17	8.08
<b>Total Current Assets</b>		<b>1.69</b>	<b>8.51</b>
<b>Total Assets</b>		<b>223.19</b>	<b>235.32</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	9	24.50	24.50
Other Equity	10	3.44	13.49
<b>Total Equity</b>		<b>27.94</b>	<b>37.99</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Long-term borrowings	11	33.96	121.16
Other Payables	11	0.16	75.16
Other Non-current liabilities	12	152.85	-
<b>Total Non-current liabilities</b>		<b>186.97</b>	<b>196.32</b>
<b>Current Liabilities</b>			
<b>Trade payables</b>			
Total outstanding dues of creditors other than Micro and Small Enterprises		0.03	0.73
Other Financial liabilities	13	0.12	0.06
Other Current Liabilities	14	8.13	0.22
<b>Total current liabilities</b>		<b>8.28</b>	<b>1.01</b>
<b>Total Liabilities</b>		<b>195.25</b>	<b>197.32</b>
<b>Total Equity and Liabilities</b>		<b>223.19</b>	<b>235.32</b>

Summary of Significant Accounting Policies and Other Notes to the financial statements

1 to 28

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: 29-06-2020



**Sunil Pardal**  
Director  
(DIN:0089342)

**Harsh Varma**  
Director  
(DIN:03421941)

**HOTEL KANAKESHWAR PRIVATE LIMITED**

**Statement of Profit and Loss Account for the year ended 31-03-2020**

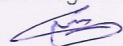
(Rs in lacs)

Particulars	Note No.	For the Year ended 31-03-2020	For the Year ended 31-03- 2019
<b>Income</b>			
Revenue from operations	15	-	0.93
Other Income	16	5.05	3.59
<b>Total Revenue</b>		<b>5.05</b>	<b>4.52</b>
<b>Expenses</b>			
Finance costs	17	0.50	-
Depreciation and amortisation expenses	18	5.31	5.54
Other expenses	19	9.29	10.07
<b>Total Expenses</b>		<b>15.10</b>	<b>15.61</b>
<b>Profit / (loss) after tax</b>		<b>(10.05)</b>	<b>(11.09)</b>
<b>Other comprehensive income:</b>	20		
(i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Items that will be reclassified to profit or loss		-	-
(iv) Income tax relating to items that will be reclassified to profit or loss		-	-
		-	-
		<b>(10.05)</b>	<b>(11.09)</b>
<b>Earning per equity share</b>	21		
(a) Basic		<b>(4.10)</b>	<b>(4.53)</b>
(b) Diluted		<b>(4.10)</b>	<b>(4.53)</b>

Summary of Significant Accounting Policies and Other Notes to the financial statements

1 to 28

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: 29-06-2020

**Sunil Pardal**  
 Director  
 (DIN:0089342)

**Harsh Varma**  
 Director  
 (DIN:03421941)

## HOTEL KANAKESHWAR PRIVATE LIMITED

## Cash Flow Statement for the year ended 31 March, 2020


(Rs in lacs)

Particulars		As at 31-03-2020		As at 31-03-2019	
A	<b>Cash flows from operating activities</b>				
	Net profit before taxation, and extraordinary item		(10.05)		(11.08)
	Less: Remeasurement of Employees Benefits Adjusted in OCI		-		-
	Net profit before Tax After Adjustment in OCI		(10.05)		(11.08)
	<b>Adjustments for:</b>				
	<b>Non Cash Items</b>				
	Depreciation and Amortisation Expenses	5.31		5.54	
	Income Recognized Against Capital Grant		5.31	-	5.54
	<b>Operating profit before working capital changes</b>		<b>(4.74)</b>		<b>(5.54)</b>
	<b>Adjustments for:</b>				
	Trade and other receivables	(1.37)		0.26	
	Inventories				
	Other current assets	7.91		0.87	
	Other Financial Liabilities	0.06		0.06	
	Other Current Liabilities	7.91		0.20	
	Trade and other payables	(0.70)	<b>13.81</b>	0.30	1.69
	<b>Cash generations from operations</b>		<b>9.07</b>		<b>(3.85)</b>
	Direct taxes paid		-		-
	<b>Net cash flow from Operating Activities</b>		<b>9.07</b>		<b>(3.85)</b>
B	<b>Cash flows from investing activities</b>				
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	-		(1.54)	
	Sale of Fixed Assets	-		-	
	<b>Net cash used in Investing Activities</b>				<b>(1.54)</b>
C	<b>Cash flows from financing activities</b>				
	Proceeds from Long-term borrowings	(9.35)		1.08	
	<b>Net cash used in financing activities (C)</b>		<b>(9.35)</b>		<b>1.08</b>
	<b>Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(0.28)</b>		<b>(4.30)</b>
	Opening Cash and Cash Equivalents		0.43		4.73
	Closing Cash and Cash Equivalents		0.15		0.43
			<b>0.28</b>		<b>4.30</b>
	<b>Breakup of Opening Cash and Cash Equivalents</b>				
	<b>Balances with Banks</b>				
	In Current Accounts		0.20		0.25
	Cash on Hand		0.23		4.48
	Cash and Cash Equivalents		0.43		4.73
	<b>Breakup of Closing Cash and Cash Equivalents</b>				
	<b>Balances with Banks</b>				
	In Current Accounts		0.13		0.20
	Cash on Hand		0.02		0.23
	Cash and Cash Equivalents		0.15		0.43

## Disclosure as per Ind AS -7 as below:

Particulars	01/04/2019	Cash Flows	31/03/2020
Long Term Borrowings	121.16		121.16
Short Term Borrowings			
Total Liabilities from financing activities	121.16	-	121.16

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

  
Sham Vartikar  
Partner  
Membership No. 048301

Place: Mumbai  
Date: 29-06-2020



Sunil Pardal  
Director  
(DIN:0089342)

Harsh Varma  
Director  
(DIN:03421941)

## HOTEL KANAKESHWAR PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 <sup>st</sup> MARCH 2020				
A Equity Share Capital		Rs in lacs		
	Opening balance	Changes during the year	Closing balance	
As at 31st March 2020	24.50	-	24.50	
As at 31st March 2019	24.50	-	24.50	
B Other Equity		Reserves and Surplus		
	Retained Earnings	Security Premium	Other Comprehensive Income	Total
Balance as at 01st April 2019	(4.01)	17.50	-	13.49
Additions during the year	-	-	-	-
Surplus in the Statement of profit and loss	(10.05)	-	-	(10.05)
Balance as at 31 March 2020	(14.06)	17.50	-	3.44
C. Nature of reserves				
Retained Earnings and Security premium				

