

GRAVISS HOSPITALITY LIMITED

BOARD OF DIRECTORS

Ravi Ghai	: Chairman & Managing Director
Gaurav Ghai	: Joint Managing Director
R.K.P. Shankardass	: Director
Dalip Sehgal	: Director
Mahendra V. Doshi	: Director
Harindra Singh	: Director
Gulshan Bijlani	: Director
Arun Todarwal	: Director — Resigned w.e.f. 06/03/2015
Tinha Pardal	: Additional Director — w.e.f. 27/03/2015

COMPANY SECRETARY

Lajja Shah

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai-400 078.
Phone No. 022-2596 3838 Fax No. 022-2596 2691

BANKERS

Vijaya Bank
Industrial Finance Branch, Excelsior Building, Fort, Mumbai-400 001

Axis Bank

Ground floor, Aman Chambers, Opp. New Passport office,
Veer Savarkar Marg, Prabhadevi, Mumbai-400 025

AUDITORS

M/s. V. Sankar Aiyar & Co.
Chartered Accountants

REGISTERED OFFICE

“Dairy Tops” Plot No. J-177, MIDC, Bhosari, Pune-411 026
Maharashtra
Phone No. 020-30681102, Fax No. 020-30681139

ADMINISTRATIVE OFFICE

254-C, Dr. Annie Besant Road, Worli, Mumbai-400 030
Phone No. 022-4050 1111, Fax No. 022-2491 5555

UNIT

Hotel Inter-Continental, Marine Drive, Mumbai-400 020
Phone No. 022-3987 9999, Fax No. 022-3987 9600

MAYFAIR BANQUETS

254-C, Dr. Annie Besant Road, Worli, Mumbai-400 030

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Notice

NOTICE is hereby given that the 54th Annual General Meeting of the members of GRAVISS HOSPITALITY LIMITED will be held on Friday, 24th July 2015, 12.30 p.m. at the registered office of the Company, Dairy Tops, Plot No. J-177, M.I.D.C., Bhosari, Pune-411 026, Maharashtra to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet (Consolidated and Standalone) as at 31st March 2015 and Profit and Loss Account for the year ended on that date together with the schedules annexed thereto as well as the reports of the Board of Directors and Auditors' attached thereon.
2. To appoint a Director in place of Mr. Dalip Sehgal (DIN 00217255) who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force), Messrs. V. Sankar Aiyer & Co. Chartered Accountants (Firm Registration No. 109208W), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (subject to ratification of such appointment by the Members at every Annual General Meeting) till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: **Appointment of Mrs. Tina Pardal (DIN: 07148874) as a Woman Director of the Company:**
"RESOLVED THAT Mrs. Tina Pardal (DIN: 07148874) who was appointed as an Additional Director of the Company with effect from 30th March, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("the Act") but who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as Woman Director of the Company, liable to retire by rotation."
5. **Approval of transactions with Graviss Holdings Private Limited(GHPL)of the Company As a Special Resolution:**
"RESOLVED THAT pursuant to the provisions of Clause 49 (VII) of the Listing Agreement, entered into with the Stock Exchanges (including any statutory modifications or amendments or re-enactments thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contracts / arrangements / transactions in the normal course of business with Graviss Holdings Private Limited (GHPL) a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Clause 49 (VII) of the Listing Agreement, as set out under the Statement setting out the material facts annexed to this Notice dated 28th April 2015, on such terms and conditions as may be mutually agreed upon between the Company and GHPL.
RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, expedient or desirable, in order to give effect to this Resolution."

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Lajja Shah
Company Secretary

Dated: April 28, 2015

Registered Office:

Dairy Tops, Plot No. J-177, M.I.D.C.
Bhosari, Pune-411 026, MAHARASHTRA

Notes:

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be deposited at the company's registered office not less than forty-eight hours before the commencement of the meeting. The proxy form is enclosed.
- (b) Members are requested to bring their copy of the Annual Report to the Meeting.
- (c) Members are requested to intimate changes in their addresses, if any, to the Company.

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- (d) Members are requested to note that the Register of Members and the Share Transfer Books of the Company will be closed from Monday, July 13, 2015 to Friday, July 24, 2015 (both days inclusive).
- (e) As required under Clause 49 of the Listing Agreement particulars of director seeking appointment/re-appointment are annexed to this Notice below.
- (f) Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 3.00 p.m. and 5.00 p.m. on all working days up-to the date of the Annual General Meeting.
- (g) The Directors would appreciate advance mailing of queries on accounts, if any, which the members may wish to raise so as to enable the Directors to keep the replies ready.
- (h) It is requested that the queries be mailed to Registrars and Share Transfer Agents:
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078.
Phone No. 022-2596 3838, Fax No. 022-2596 2691

- (i) Electronic copy of the Annual Report (including Notice of the 54th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form) for 2015 is being sent to all the members whose email-ID's are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the Annual Report (alongwith Notice for the 54th Annual General Meeting) for 2015 is being sent in the permitted mode.

(j) **Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their votes electronically at the 54th Annual General Meeting (AGM) through e-voting service provided by Central Depository Services (India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:

- i. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- ii. Now click on "Shareholders" tab to cast your votes
- iii. Now, select the Electronic Voting Sequence Number - "EVSN" alongwith "Graviss Hospitality Limited" from the drop down menu and click on "SUBMIT"
- iv. Now, fill up the following details in the appropriate boxes:

User-ID	For Members holding shares in Demat Form: (a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID (b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form: • Folio Number registered with the Company
Password	Your Unique password is printed on the Attendance Slip
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while E voting

- v. After entering these details appropriately, click on "SUBMIT".
- vi. Members holding shares in Physical form will then reach directly to the voting screen.
- vii. Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- ix. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- x. For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
- xi. On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- xii. Click on the Resolution File Link if you wish to view the entire Annual General Meeting Notice.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xv. Corporate/Institutional Members (corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to helpdesk.evoting@cdslindia.com and the Scrutinizer's

GRAVISS HOSPITALITY LIMITED

email id mferraocs@yahoo.com The file scanned image of the Board Resolution should be in the naming format "Corporate name _EVSN".

- xvi. If you wish to provide feedback on the e-voting system click on 'Suggestions'. In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com or lajja.shah@gravissgroup.com.
- xvii. The E-voting period commences on 17th July 2015 (9.00 a.m.) and ends on 22nd July 2015 (6.00 p.m.).
- xviii. Martinho Ferrao & Associates, Practising Company Secretary (CP no. 5676) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- xix. The Scrutinizer shall within a period of 3 working days from the conclusion of the e-voting period unblock the votes and make the Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- xx. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizers Report shall be placed on the Company's website www.gravissgroup.com within 2 days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

By Order of the Board
For **GRAVISS HOSPITALITY LIMITED**

Lajja Shah
Company Secretary

Dated: April 28, 2015

Registered Office:

Dairy Tops, Plot No. J-177, M.I.D.C. Bhosari, Pune-411 026, MAHARASHTRA

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Explanatory Statement in Respect of the Special Business

[Pursuant to section 102 of the Companies Act, 2013]

ITEM No. 4:

The Board of Directors appointed Mrs. Tina Pardal (DIN: 07148874) as an Additional Director of the Company with effect from 30th March, 2015. Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") Mrs. Tina Pardal holds office of Director upto the date of this Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice pursuant to Section 160 of the Act, from a Member signifying her intention to propose the appointment of Mrs. Tina Pardal as a Director of the Company.

Mrs. Tina Pardal, 56 graduated in the year 1977 in the field of Arts. She heads the Décor & Events Division at Mayfair Banquets for over 12 years.

Tina has been with the Graviss Group for 15 years now.

Brief Profile of Mrs. Tina Pardal in terms of Clause 49 of the Listing Agreement, is provided at the end of this Notice. The Board of Directors is confident that her vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 4 of this Notice for your approval.

ITEM NO. 5:

In terms of said provisions of Clause 49, based on past trend, the transactions as described hereunder are likely to exceed 10% of the annual turnover of the Company as per the last audited financial statements of the Company and may exceed the materiality threshold as prescribed under Clause 49. Thus, in terms of Clause 49, these transactions would require the approval of the Members by way of a Special Resolution.

Particulars	Information
Name of Related Party	Graviss Holdings Private Limited
Nature of relationship	Enterprise having substantial interest in the Company.
Name of Director(s) or Key Managerial Personnel who is related, if any	Mr. Sunil Pardal
Nature and particulars of transactions with Graviss Holdings Pvt. Ltd. ("RPTs")	(1) Catering Services (2) Corporate Service & Brand use arrangement
Material terms of the contracts/arrangements/transactions	(1) Catering Services Graviss Holdings Private Limited have appointed Graviss Hospitality Limited as the caterer to provide catering services at the venue of Graviss Holdings Private Limited situated 254-C, Dr. Annie Besant Road, Worli, Mumbai – 400 030 for the functions organized by the clients (Customers) of Graviss Holdings Private Limited at the said venue on the consideration set in the agreement. (2) Corporate Service & Brand use arrangement The Corporate Support Services provided by Graviss Holdings Private Limited to Graviss Hospitality Limited include assistance in updating the venue specifications, banqueting designing and suitable advice in developing locations and other related services to be provided by Graviss Hospitality Limited and more specification in the areas of venue management support services from time to time as and when required. Further Graviss Holdings Private Limited also permits Graviss Hospitality Limited an exclusive right to use the trademark MAYFAIR and its variants for expanding its hospitality business in various parts of India. Graviss Holdings Private Limited further permits Graviss Hospitality Limited to use the said trade marks on its Letterheads and Signages
Duration of these RPTs have been continued from the past	2006-2007
The value of each type of RPTs in last 2 years	2014-15 – Rs. 883 lacs – Catering Services 2014-15 – Rs 67 lacs – Corporate Service & Branch use 2013-14 – Rs. 940 lacs – Catering Services 2013-14 – Rs 68 lacs – Corporate Service & Branch use
Whether the transactions have been approved by the Audit Committee	Yes

The proposed RPTs are necessary, normal and incidental to business as also play a significant role in the Company's business operations and accordingly the Board recommends the Special Resolution set forth in Item No. 5 of the Notice for the approval of the Members in terms of Clause 49 VII (E) of the Listing Agreement.

None of the Directors or Key Managerial Personnel of the Company except Mr.Ravi Ghai ,Mr.Gaurav Ghai and Mrs. Tina Pardal and their relatives are concerned or interested, financially or otherwise, in this Resolution.

Details of the Directors seeking appointment/re-appointment at this Annual General Meeting**(In pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Dalip Sehgal	Tina Pardal
Date of Birth	27/12/1958	16/01/1959
Date of Appointment	21/10/2011	30/03/2015
Areas of Expertise	Marketing, General Management	Heading of Decor & Events
List of Other Public Companies incorporated in India, in which directorships held.	Graviss Hotels & Resorts Ltd. Safari Industries (India) Ltd.	Graviss Hotels & Resorts Ltd.
List of Chairmanships/memberships of committees of the Board of other Public Companies incorporated in India in which Directorships held	None	None
No. of shares held in the Company prior to the appointment/re-appointment	None	None

Re-appointment of Mr. Dalip Sehgal and appointment of Mrs. Tina Pardal (Item No. 3 & 4).

By Order of the Board
For **GRAVISS HOSPITALITY LIMITED**

Lajja Shah
Company Secretary

Dated: April 28, 2015

Registered Office:Dairy Tops, Plot No. J-177, M.I.D.C.
Bhosari, Pune-411 026, MAHARASHTRA

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Directors' Report

The Members of Graviss Hospitality Limited

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

1. SNAP SHOT OF FINANCIAL RESULTS: (Consolidated)

(Rs. in Lacs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Gross Income	5,182	5,098
Profit Before Interest & Depreciation	459	385
Finance Charges	137	52
Gross Profit	322	333
Provision for Depreciation	573	453
Net Profit Before Tax	(251)	(120)
Provision for Tax	—	—
Net Profit After Tax	(222)	(107)
Balance of Profit brought forward	894	1,000
Balance available for appropriation	—	—
Proposed Dividend on Equity Shares	—	—
Tax on Proposed Dividend	—	—
Transfer to General Reserve	672	894

1. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

The Company is running Hospitality business through its Hotel & Banquets business and there is no change in the business activity or nature.

2. DIVIDEND:

Company has not declared any Dividend During the Financial year 2014-2015 under review.

3. BOARD MEETINGS:

The details of the number of Meetings of Board held during the financial year 2014-2015 forms part of the Corporate Governance Report.

4. DIRECTORS AND KEY MANAGEMENT PERSONNEL:

1. During the Financial year 2014-2015, Company appointed Mrs. Tina Pardal as Additional Director w.e.f. 30th March, 2015.
2. Mr. Arun Todarwal resigned from the Directorship of the Company w.e.f. 6th March, 2015.3.
3. Mr. Amit Jain – Chief Financial Officer (CFO) of the Company resigned and Mr. Rajendra Agrawal Appointed as Chief Financial Officer (CFO).

Disclosure U/s.149(10) on Appointment of Independent directors for the second term by way of special resolution:

None of the Directors are liable for re-appointment for the second term by way of special resolution during the year.

5. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

ANNEXURE I

6. COMPOSITION OF AUDIT COMMITTEE:

The details of the composition of the audit Committee forms part of the Corporate Governance Report.

VIGIL MECHANISM: (as per CG)

Report details of establishment of vigil mechanism (for directors and employees to report genuine concerns) pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement.

WHISTLE BLOWER:

The company has an established mechanism for Directors/Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee The key directions/actions will be informed to the Managing Director of the Company.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. INFORMATION ABOUT THE FINANCIAL PERFORMANCE/FINANCIAL POSITION OF THE SUBSIDIARIES:

The Company has made Loss of Rs. 262.87 Lacs before Tax during the year as against a loss of Rs. 200.61 Lacs last year.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

M/s Graviss Hotels & Resorts Ltd.:

The Company has made Loss of Rs. 12.45 Lacs during the year against a loss of Rs. 0.03 Lacs last year.

M/s Graviss Catering Pvt. Ltd.:

The PBT of the Company is Rs. 24.85 Lacs during the year against Profit of Rs. 80.35 Lacs Last year.

M/s Hotel Kanakeshwar Pvt. Ltd.:

The Company has made Loss of Rs. 0.06 Lacs during the year against a loss of Rs. 0.06 Lacs last year.

Details of the Companies which have become / ceased to be its Subsidiary/ JV/ Associate Company.

N.A.

9. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report.

ANNEXURE – II

10. AUDITORS:

The Auditors, M/s V. Sankar Aiyar & Co, Chartered Accountants, Mumbai retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment for a period of 4 (Four Year) from the conclusion of this Annual General Meeting [AGM] till the conclusion of the AGM held on 2019.

SECRETARIAL AUDIT:

Secretarial audit report as provided by M/s Martinho Ferrao & Associates, Practising Company Secretary is annexed to this Report as

ANNEXURE III

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy:

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy and technology is that the Company has entered, to avail international technology and expertise, into various strategic agreements with Inter-Continental Hotels Corporation, USA (IHC) and its affiliates. As a part of these agreements, IHC and its affiliates are required to provide technical services, marketing reservation and system support to the Company for its Hotel situated at Marine Drive, Mumbai.

(B) Foreign exchange earnings and outgo

(Rs. in Lacs)

Particulars	Current Year 2014-2015	Previous year 2013-2014
CIF Value of Imports	0.00	91
Expenditure in Foreign Currency	306	279
Earnings in Foreign Exchange	1,463	1,356

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12. The Company has not accepted any deposits during the year.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Details about the adequacy of Internal Financial Controls with reference to the Financial Statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company have duly complied with the provision of Section 186 of the Companies Act, 2013 and it has taken SECURED LOANS: UNSECURED LOANS: CURRENT/NON-CURRENT INVESTMENTS:GUARANTEES: SECURITIES EXTENDED :

13. RISK MANAGEMENT

The details are mentioned in the Corporate Governance Report.

14. RELATED PARTY TRANSACTIONS:

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC-2 as **ANNEXURE – III**.

15. EVALUATION OF THE BOARD:

A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Director was completed. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

16. REMUNERATION AND NOMINATION POLICY

The Board has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down a criteria for selection and appointment of Board Members. The details of this policy is explained in Corporate Governance.

17. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to NSE and BSE where the Company's Shares are listed. Company has paid Annual Listing fees Rs. 224720/- on 13th April, 2015 for the year 2015-2016.

18. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report.

ANNEXURE IV

Certificate from the Statutory Auditors of the company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

ANNEXURE INDEX

- I. Format of declaration by Independent Director
- II. Annual Return Extracts in MGT 9
- III. AOC 2 – Related Party Transactions disclosure
- IV. Corporate Governance

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s Graviss Hosp[itality] Ltd.
Mumbai

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
 - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
 - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Date: April 2, 2015
Place : Mumbai

R.K.P. Shankardass, Mahendra V. Doshi, Harindra Singh, Gulshan Bijlani
Independent director

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN:- L55101PN1959PLC012761
- (ii) Registration Date: 05/08/1959
- (iii) Name of the Company: Graviss Hospitality Ltd.
- (iv) Category/Sub-Category of the Company: Limited Company
- (v) Address of the Registered office and contact details
J-177, MIDC, Bhosari, Pune-411 026
Contact: Mr. P.T. NISAR-020 30681102
- (vi) Whether listed company Yes / No - YES
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai 400 078
Contact No. 022 -2596 3838

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Hospitality	—	100%
2	—	—	—
3	—	—	—

III. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate
1	Graviss Hotels & Resorts Ltd.	U15200MH1996PLC096973	Subsidiary
2	Graviss Catering Pvt. Ltd.	U74899DL1978PTC008829	Subsidiary
3	Hotel Kanakeshwar Pvt. Ltd.	U55109MH1989PTC053640	Subsidiary

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Categoriwise Shareholding										
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
(a) Individual/HUF	5610875	0	5610875	7.9565	6254056	0	6254056	8.8686	0.9121	increase
(b) Central Govt. or State Govt.										
(c) Bodies Corporates	46482654	0	46482654	65.9150	46482654	0	46482654	65.9150	0	0
(d) Bank/Fl										
(e) Any other										
SUB TOTAL: (A) (1)	52093529	0	52093529	73.8715	52736710	0	52736710	74.7835	0.9121	increase

GRAVISS HOSPITALITY LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2) Foreign										
(a) NRI-Individuals										
(b) Other Individuals										
(c) Bodies Corp.										
(d) Banks/FI										
(e) Any other...										
SUB TOTAL (A) (2)										
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	52093529	0	52093529	####	52736710	0	52736710	####	0.9121	increase
B. PUBLIC SHAREHOLDING										
(1) Institutions										
(a) Mutual Funds										
(b) Banks/FI	1250	0	1250	0.0018	1250	0	1250	0.0018	0.0000	0
(C) Central govt										
(d) State Govt.										
(e) Venture Capital Fund										
(f) Insurance Companies										
(g) FIIS										
(h) Foreign Venture Capital Funds										
(i) Others (specify)										
SUB TOTAL (B)(1):	1250	0	1250	0.0018	1250	0	1250	0.0018	0.0000	
(2) Non Institutions										
(a) Bodies corporates	565312	53750	619062	0.8779	1000268	53750	1054018	1.4947	0.6168	increase
(i) Indian										
(ii) Overseas										
(b) Individuals										
(i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	700780	678195	1378975	1.9555	837084	684445	1521529	2.1576	0.2021	increase
(ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs										
(c) Others (specify)										
Clearing Member	3146	0	3146	0.0045	12615	0	12615	0.0179	0.0134	increase
Foreign Company	7025708	4385235	11410943	16.1813	7025708	4385235	11410943	16.1813	0.0000	
Non Resident Indians (REPAT)	2000	0	2000	0.0028	1358	0	1358	0.0019	-0.0009	decrease
Non Resident Indians (NON Repat)	10103	0	10103	0.0143	11770	0	11770	0.0167	0.0024	increase
Overseas Bodies Corporate	3616932	0	3616932	5.1290	3616932	0	3616932	5.1290	0.0000	
Relatives Of Directors	57350	0	57350	0.0813	57350	0	57350	0.0813	0.0000	
Trusts	1310345	15500	1325845	1.8801	94660	0	94660	0.1342	-1.7459	decrease
SUB TOTAL:(B) (2)	13291676	5E+06	18424356	26.1267	12657745	5E+06	17781175	25.2147	-0.9121	0
Total Public Shareholding (B) = (B) (1) + (B) (2)	13292926	5E+06	18425606	26.1285	12658995	5E+06	17782425	25.2165	-0.9121	0
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	65386455	5132680	70519135	100.0000	65395705	5123430	70519135	100.0000	0	0

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(ii) Share Holding of Promoters								
Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Satinetta Finlease & Investments Pvt Ltd AAECS7759K	22967844	32.57	0	22967844	32.5696621	0	0
2	Graviss Holdings Pvt Ltd AAACK1899E	21813970	30.933	0	21813970	30.9334055	0	0
3	Ravi Ghai AAOPG7107J	3225840	4.5744	0	3324791	4.71473594	0	98951
4	Gaurav Ghai AACPG2557N	2259665	3.2043	0	2309141	3.27448855	0	49476
5	Amphitrite Investments Pvt Ltd AAACA3558L	1509840	2.141	0	1509840	2.1410359	0	0
6	Oregon Realty Pvt Ltd AAACO473E	191000	0.2708	0	191000	0.27084847	0	0
7	Geeta Ghai AAMPG4447P	125370	0.1778	0	620124	0.87936983	0	494754
	Total :	52093529	73.871	0	52736710	74.78	0	643181

(iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SATINETTA FINLEASE & INVESTMENTS PVT. LTD.	22967844	32.5697	22967844	32.5697
2	GRAVISS HOLDINGS PRIVATE LIMITED	21813970	30.9334	21813970	30.9334
3	RAVI GHAI	3225840	4.5744	3324791	4.7147
4	GAURAV GHAI	2259665	3.2043	2309141	3.2745
5	AMPHITRITE INVESTMENTS COMPANY PRIVATE LIMITE	1509840	2.1410	1509840	2.1410
6	GEETA GHAI	125370	0.1778	620124	0.8794
7	OREGON REALTY PVT LTD	191000	0.2708	191000	0.2708
		52093529	73.8715	52736710	74.784

(iv) Shareholding pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) – ANNEXURE AS ON 31.03.2014

Sr.No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DUNEARN INVESTMENTS (MAURITIUS) PTE LTD	7025708	9.9628	7025708	9.9628
2	INTER-CONTINENTAL HOTELS CORPORATION	4385235	6.2185	4385235	6.2185
3	TRESAD LIMITED	3616932	5.1290	3616932	5.1290
4	FOOD TOPPERS PRIVATE LIMITED	540013	0.7658	962537	1.3649
5	RAVI IQBAL GHAI	94660	0.1342	94660	0.1342
6	GAYATRI DAULET SINGH	0	0.0000	64976	0.0009
7	GHAI LAMBA PVT LTD	53250	0.0755	53250	0.0755
8	GAURIKA CHANDOK	0	0.0000	49476	0.0702
9	RAVINA GHAI	0	0.0000	49476	0.0702
10	Raghuvansh Kumar Prithvinath Shankardass	40000	0.0567	40000	0.0567
		15755798	22.3425	16342250	23.0829

(V) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	beginning of the year		during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. RKP Shankardass	42750	0.05	42750	0.05
2.	Mr. Gulshan Bijlani	17350	0.02	17350	0.02
	Date wise Increase/Decrease in Shareholding during the yearspecifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweatequity etc):	—	—	—	—
	At the End of the year	60100	0.08	60100	0.08

(VI) indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	74,380,227	—	—	74,380,227
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not Due	—	—	—	—
Total (i+ii+iii)	74,380,227			74,380,227
Change in Indebtedness during the financial year				
— Addition	55,900,000	—	—	55,900,000
— Reduction	51,579,661	—	—	51,579,661
Net Change	4,320,339	—	—	4,320,339
Indebtedness at the end of the financial year				
(i) Principal Amount	78,700,566	—	—	78,700,566
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	78,700,566	—	—	78,700,566

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars	Mr. Ravi Ghai (Rs.in Lacs)	Mr. Gaurav Ghai (Rs.in Lacs)
I	Salary	30	24
II	Contribution to Provident Fund	3.6	2.88
III	Estimated monetary value of perquisites	11.85	2.25
	Total	45.45	29.13

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B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
3.	Independent Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	N.A.	
	Total (1)		
4.	Other Non-Executive Directors ● Fee for attending board committee meetings ● Commission ● Others, please specify	N.A.	
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	3.39	48.89	52.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option				
3	Sweat Equity				
4	Commission — as % of profit — others, specify..				
5	Others, please specify				
	Total		3.39	48.89	52.28

VII. Penalties/Punishment/Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment	N.A.				
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Graviss Hospitality Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Graviss Hospitality Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Graviss Hospitality Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Graviss Hospitality Limited** ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -**Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review and**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) We have also examined the compliances of the provisions of the following other laws applicable specifically to the company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:
 - (a) Prevention of Food Adulteration Act, 1954
 - (b) Standard Weights and Measures Act, 1976
 - (c) Food Safety and Standards Act, 2006
 - (d) The Legal Metrology act, 2009
 - (e) Brihanmumbai Municipal Corporation Act, 1888
 - (f) Maharashtra Tax on Luxuries (In hotels and Lodging Houses) Act, 1987
 - (g) Contract Labour (Regulation and Abolition) Act, 1970

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- (h) Water (Prevention and Control of Pollution) Act, 1974
- (i) Air (Prevention and Control of Pollution) Act, 1981
- (j) Bombay Prohibition Act, 1949
- (k) Bombay Lift Rules, 1958
- (l) Bombay Police Act, 1951
- (m) Bombay Shops And Commercial Establishments Act, 1948
- (n) Copyright Act, 1957 [Sec s 33 (3)]
- (o) Employees Provident Funds and Miscellaneous Provisions Funds Act, 1952
- (p) The Maternity Benefits Act, 1961
- (q) The Minimum Wages Act, 1948
- (r) The Payment of Bonus Act, 1965
- (s) The Payment of Gratuity Act, 1972
- (t) The Payment of Wages Act, 1936
- (u) The Apprentices Act
- (v) Sexual Harassment Act, 2013
- (w) The Child Labour (Prohibition and Regulation) Act, 1986
- (x) Registration of Tourist Trade Act

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**not mandatory for the period under review**).
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and its authorised representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there has been no specific event which requires comments.

For **Martinho Ferrao & Associates**
Company secretaries

Martinho Ferrao
Proprietor
FCS No. 6221
C.P. No. 5676

Place: Mumbai

Dated: 27th April, 2015

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1):

Particulars	Information
Name of Related Party	Graviss Holdings Private Limited
Nature of relationship	Enterprise having substantial interest in the Company.
Name of Director(s) or Key Managerial Personnel who is related, if any	Mr. Sunil PardaI
Nature and particulars of transactions with Graviss Holdings Pvt. Ltd. ("RPTs")	(1) Catering Services (2) Corporate Service & Brand use arrangement
Material terms of the contracts/arrangements/ transactions	<p>(1) Catering Services Graviss Holdings Private Limited have appointed Graviss Hospitality Limited as the caterer to provide catering services at the venue of Graviss Holdings Private Limited situated 254-C, Dr. Annie Besant Road, Worli, Mumbai – 400 030 for the functions organized by the clients (Customers) of Graviss Holdings Private Limited at the said venue on the consideration set in the agreement.</p> <p>(2) Corporate Service & Brand use arrangement The Corporate Support Services provided by Graviss Holdings Private Limited to Graviss Hospitality Limited include assistance in updating the venue specifications, banqueting designing and suitable advice in developing locations and other related services to be provided by Graviss Hospitality Limited and more specification in the areas of venue management support services from time to time as and when required. Further Graviss Holdings Private Limited also permits Graviss Hospitality Limited an exclusive right to use the trademark MAYFAIR and its variants for expanding its hospitality business in various parts of India. Graviss Holdings Private Limited further permits Graviss Hospitality Limited to use the said trade marks on its Letterheads and Signages</p>
Duration of these RPTs have been continued from the past	2006 -2007
The value of each type of RPTs in last 2 years	2014-15 – Rs. 883 lacs – Catering Services 2014-15 – Rs 67 lacs – Corporate Service & Brand use 2013-14 – Rs. 940 lacs – Catering Services 2013-14- Rs 68 lacs – Corporate Service & Brand use
Whether the transactions have been approved by the Audit Committee	Yes

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FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship:
M/s Graviss Holdings Pvt. Ltd.
Enterprise having substantial interest in the Company.
 - (b) Nature of contracts/arrangements/transactions:
 - (1) Catering Services
 - (2) Corporate Service & Brand use arrangement
 - (c) Duration of the contracts/arrangements/transactions: 2006-2007
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
2014-15 – Rs. 883 lacs- Catering Services
2014-15- Rs 67 lacs – Corporate Service & Branch use
2013-14 – Rs. 940 lacs- Catering Services
2013-14- Rs 68 lacs – Corporate Service & Branch use
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date(s) of approval by the Board:
 - (g) Amount paid as advances, if any: N.A.
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
 2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (e) Date(s) of approval by the Board, if any:
 - (f) Amount paid as advances, if any:
- Form shall be signed by the persons who have signed the Board's report.

Report on Corporate Governance

In accordance with clause 49 of the Listing Agreement and some of the best practices of Corporate Governance, the report containing the details of governance systems and processes at Graviss Hospitality Limited is as under:

1. Philosophy:

The Company's policy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interaction with stakeholders, including shareholders, employees, the government, lenders and society. The Company believes that all its operations and actions must serve the underlying goal of enhancing long term shareholder value.

2. Board of Directors:

(i) Composition of the Board

The Board of Directors provides strategic directions and thrust to the operations of the Company. Currently the total strength of the Board is Eight Directors. The Board has an executive chairman and the number of Non-Executive Independent Director is one-half of the total number of Directors. None of the Directors on the Board is a member on more than ten committees and chairman of more than five committees (as specified in clause-49) across all the companies in which he is a Director. Hence the Company complies with the listing agreement norms for Composition of Board of Directors.

The composition of the Board and other relevant details relating to the Directors are as under as on 31st March 2015:

Name of the Directors	Designation	Category	No. of Other Directorships*	No. of Other Committee Memberships #	
				Chairman	Member
Mr. Ravi Ghai	Chairman & Managing Director	Promoter, Executive, Non-Independent	1	—	1
Mr. Gaurav Ghai	Joint Managing Director	Promoter, Executive, Non-Independent	—	1	1
Mr. Mahendra Doshi	Director	Non-Executive, Independent	6	2	3
Mr. R.K.P. Shankardass	Director	Non-Executive, Independent	—	—	1
Mr. Harindra Singh	Director	Non-Executive, Independent	1	1	3
Mr. Gulshan Bijlani	Director	Non-Executive, Independent	—	—	3
Mr. Arun Tadarwal	Director	Non-Executive, Non Independent	9	1	8
Mr. Dalip Sehgal	Director	Non-Executive, Non Independent	3	—	1
Mrs. Tina Pardal	Additional Woman Director	Non-Executive, Non Independent	1	—	1

Note:

1. Directorships in Private and Foreign Companies are excluded.
2. Memberships of only Audit Committee, Share Transfer and Investor Grievances Committee and Nomination & Remuneration Committee have been considered.
3. Mr. Arun Tadarwal Resigned w.e.f. 6th March, 2015
4. Mrs. Tina Pardal appointed as Woman Additional Director w.e.f. 30th March, 2015
5. Members of the Board of the Company do not have membership of more than 10 Board Level Committee or Chairman of more than 5 such Committees.

(ii) Board Meetings and attendance of each Director at Board Meeting and at last Annual General Meeting:

The notice of each Board Meeting is given in writing to each Director. The Agenda alongwith the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

During the year under review, the Board of Directors met Five times during the year viz. 23rd April, 2014, 28th July, 2014, 17th October, 2014, 28th January, 2015 and 30th March, 2015. The maximum gap between any two consecutive meetings did not exceed four months. The last Annual General Meeting of the Company was held on 25th June, 2014. The details of attendance of Directors in Board Meetings and last Annual General Meeting are as follows:

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Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Ravi Ghai	2	Absent
Mr. Gaurav Ghai	1	Absent
Mr. Harindra Singh	3	Absent
Mr. Mahendra V. Doshi	4	Present
Mr. R.K.P. Shankardass	2	Absent
Mr. Dalip Sehgal	5	Present
Mr. Gulshan Bijlani	4	Absent
Mr. Arun Todarwal (Resigned w.e.f. 06/03/2015)	4	Absent
Mrs. Tina Pardal (Appointed on 30/03/2015)	—	Absent

(iii) Code of Conduct:

The Board has laid down the Code of Conduct for all Board members and Senior Management of the Company and the same is posted on the website of the Company. A Certificate from Mr. Gaurav Ghai, Jt. Managing Director with regard to the compliance of code of conduct by the Board members and the senior management for the year ended 31st March, 2015 is enclosed and forms part of this report.

(iv) Directors seeking re-appointment:

Mr. Dalip Sehgal Director of the company shall retire by rotation at the ensuing Annual General meeting and are eligible for re-appointment.

(v) Other Provisions:

The Company confirms that it did not have any material pecuniary relationship or transaction with any Non Executive Director during the year under review, except for the payment of sitting fees made to them for attending the Board and/or Committee meetings.

The information as required under Annexure I to Clause 49 of the Listing Agreement is being made available to the Board. The Board periodically reviews the Compliance report submitted by the Managing Director regarding compliance with the various laws applicable to the company.

3. Board Committees:

(i) Audit Committee

The composition of Audit Committee as on 31st March, 2015, is as follows:

Mr. Mahendra V Doshi (Chairman)
 Mr. Gulshan Bijlani
 Mr. RKP Shankardass
 Mr. Harindra Singh
 Mr. Arun Todarwal (Resigned w.e.f. 06/03/2015)
 Mr. Dalip Sehgal

Two third of the total strength of the Audit Committee are Independent Directors. Statutory Auditors, Internal Auditors and CFO attend the meetings of the Committee on invitation of the Chairman. The Company Secretary acts as the Secretary of the Committee. All the members are financially literate and possess necessary expertise in finance or accounting or any other comparable experience or background.

The Company has complied with the requirements of clause 49(II) (A) as regards composition of Audit Committee.

The Audit Committee reviews the financial statements on a quarterly, half yearly and annually basis and recommends its suggestions to the Board. It reviews the reports of the Statutory and Internal Auditors and also discusses its suggestions with them.

During the year under review, the Audit Committee met four times on 23rd April, 2014, 28th, 2014, 17th October, 2014 and 28th January, 2015 with a gap of not more than four months. The details of the meetings attended by the Members are given below:

Name of the Members	Category	No. of Meetings Attended
Mr. Mahendra Doshi	Non Executive, Independent Chairman	3
Mr. Gulshan Bijlani	Non Executive, Independent	3
Mr. RKP Shankardass	Non Executive, Independent	2
Mr. Harindra Singh	Non Executive, Independent	2
Mr. Arun Todarwal	Non Executive, Non Independent	4
Mr. Dalip Sehgal	Non Executive, Non Independent	4

The terms of reference of the Audit Committee has been approved at the Board Meeting held on 22nd January 2001. It provided for adequate powers and has access of all the information required and performing all the functions which are in accordance with Clauses 49(II) (C) and (D) of the Listing Agreement.

The Company has appointed BDO India as Internal Auditors of the Company to review and report on the internal control systems.

(ii) Stakeholders' Relationship Committee

The Share Transfer and Investor Grievance Committee deals with the matters relating to the transfer/transmission of shares and monitor the redressal of the investors complaints relating to non-receipt of dividends, non-receipt of annual accounts etc. The Committee comprises of three members with all the members as independent directors viz. Mr. Gulshan Bijlani, Chairman, Mr. Harindra Singh, Member and Mr. Mahendra Doshi, Member. The Committee meets at frequent intervals to consider requests for share transfer or to consider shareholders' queries/complaints:

The Meetings of the Committee were held on the following dates:

30.4.2014, 31.05.2014, 30.6.2014, 31.7.2014, 31.08.2014, 30.9.2014, 31.10.2014, 30.11.2014, 31.12.2014, 31.01.2015, 28.02.2015 and 31.3.2015.

Name and Designation of Compliance Officer:

Ms. Lajja Shah
Company Secretary

The company received total 140 (One Hundred Forty) investor complaints/request during the year for non receipt of dividend/annual reports/dematerializations which were resolved and there is no request/queries/complaint pending at the end of the year ended on 31st March 2015.

Complaints received and redressed during the year 2014-2015

Request	Complaints received	Complaints redressed
Change of Address	6	0
Registration of Bank Details/IFSC Code	1	0
Stop Transfer/Procedure for Duplicate Certificate	7	0
Correction of Name/Address	3	0
Change of Signature	5	0
Registration of NECS/ECS Details	4	0
Confirmation of Details	1	0
Procedure For Transmission/Deletion/Transposition	11	0
Issue of Duplicate Dividend Warrant	44	0
Exchange of Share Certificates	1	0
Issue of Fresh Demand Draft	39	0
Others	2	0
Non Receipt of Dividend/Interest/Redemption Warrant	13	0
Non Receipt of Annual Report	3	0
Total	140	0

SEBI vide Circular Ref:CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) alongwith supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Ms. Lajja Shah, company secretary is the compliance officer of the company.

(iii) Nomination and Remuneration Committee

This committee recommends the appointment/reappointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry.

Criteria for Performance evaluation: A structured questionnaire was prepared after circulating the draft forms, covering

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various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

(iv) Remuneration Policy

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

The Board of Directors constituted a Nomination and Remuneration Committee comprising of three non-executive independent directors. The present members of this Committee are Mr. Harindra Singh (Chairman of the Committee), Mr. Mahendra Doshi and Mr. Gulshan Bijlani. All the members of this committee have adequate experience and financial knowledge. The Company Secretary of the company acts as secretary to the committee.

During the financial year 2014-2015 the committee met 2 times:

- 28th January 2015 for appointment of Mr. Rajendra Agarwal as CFO of the Company in place of Mr. Amit Jain.
- 30th March 2015 for appointment of Mrs. Tina Pardal as Non executive Non independent Director and acceptance of resignation of Mr. Arun Todarwal as Non executive Non independent Director.

(v) Compensation to Non-Executive Directors

The Non Executive Directors do not draw any remuneration from the Company except the Sitting Fees which is paid to them for attending Board/Committee meetings by issuing cheques in their favor. The sitting fees paid to the directors subject to TDS during the year under review are as under:

Name of the Director	Fees for Board meeting (in Rs.)
Mr. R.K.P. Shankardass	40,000
Mr. Gulshan Bijlani	60,000
Mr. Mahendra Doshi	60,000
Mr. Harindra Singh	40,000
Mr. Dalip Sehgal	80,000
Mr. Arun Todarwal	80,000
Mrs. Tina Pardal	NIL

(vi) Executive Directors and Remuneration

The Managing Director and Joint Managing Director are the Executive Directors in the Company. Their remunerations are fixed by the remuneration/compensation committee and subsequently approved by the Board of Directors and the shareholders of the company.

Details of remuneration paid to the Managing Director and Joint Managing Director of the Company for the year ended March 31, 2015 are as under:

S.N.	Particulars	Amount Mr. Ravi Ghai (Rs. In Lacs)	Amount Mr. Gaurav Ghai (Rs. In Lacs)
I	Salary	30.00	24.00
II	Contribution to Provident Fund	3.60	2.88
III	Estimated monetary value of perquisites	11.85	2.25
	Total	45.45	29.13

None of the Directors are related to each other except Mr. Ravi Ghai being the father of Mr. Gaurav Ghai.

(vii) Shares held by Non Executive Directors

Name of the Director	No. of shares held
Mr. R.K.P. Shankardass	42,750
Mr. Gulshan Bijlani	17,350
Mr. Mahendra Doshi	NIL
Mr. Harindra Singh	NIL
Mr. Dalip Sehgal	NIL
Mrs. Tina Pardal	NIL

(viii) Finance, Investment and Banking Operation Committee

The Meeting Finance, Investment and Banking Operation Committee was held once on 25th September, 2014 during the year.

The Company Secretary of the company acts as the secretary to the committee.

4. Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 30th March 2015 to review the performance of non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

The Company had also further during the year, conducted Familiarisation programme for Independent Directors of the Company and the details of such familiarisation programmes are disseminated on the website of the Company.

5. General Body Meetings:

(i) The details of the Annual General Meetings held during the last three years are as follows:

Financial Year	No. of AGM	Date, Day & Time of AGM	Venue of AGM
2013-14	53	June, 25 th 2014 at 12.00 Noon	Dairy Tops, J-177, MIDC, Bhosari, Pune-411 026
2012-13	52	June, 28 th 2013 at 1.00 P.M.	Dairy Tops, J-177, MIDC, Bhosari, Pune-411 026
2011-12	51	June, 27 th 2012 at 2.00 P.M.	Dairy Tops, J-177, MIDC, Bhosari, Pune-411 026

(ii) Special Resolutions passed in previous three Annual General Meetings are as follows:

Date, Day & Time of AGM	Particulars of Special Resolutions passed
June 25, 2014, 12.00 Noon	N.A.
June 28, 2013, 1.00 P.M.	N.A.
June 27, 2012, 2.00 P.M.	Re-Appointment of Mr. Ravi Ghai – Chairman & Managing Director and Mr. Gaurav Ghai – Joint Managing Director

(iii) Extra-Ordinary General Meeting

No extra-ordinary general meeting of the company had been held during the year ended 31st March 2015.

6. Risk Management:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

7. Whistle Blower Policy:

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee. The key directions/actions will be informed to the Managing Director of the Company.

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8. Disclosures:

(i) Related Party Transactions:

There were no material significant related party transactions of the Company with key managerial personnel which have potential conflict with the interest of the Company at large. Members may refer to the notes to the accounts for details of other related party transaction.

(ii) Compliance with regulations related to Capital Markets:

The company has complied fully with the requirements of the regulatory authorities of the capital markets. There were no instance of non-compliance nor have any penalties, or strictures have been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.

(iii) Accounting Standards:

The company has followed the accounting standards laid down by the Institute of the Chartered Accountants of India.

(iv) MD/CFO Certificate:

Chief Executive Officer and Chief Financial Officer of the company have furnished the requisite certificate to the Board of Directors under clause 49(V) of the listing Agreement.

9. Means of Communication:

The Company regularly submits quarterly results to the Bombay Stock Exchange Limited on which the shares of the Company are listed. The said results are also published in the newspapers.

- (a) The Company publishes its quarterly, half-yearly and year to date results in the Maharashtra Times and Economic Times newspapers at Pune.
- (b) These results are not sent individually to its shareholders.
- (c) No presentations have been made to institutional investors or to analysts.
- (d) The Company's website – www.gravissgroup.com.
- (e) Management Discussion and Analysis is given separately in this Annual Report.

7. General Shareholder Information:

(i) 54th Annual General Meeting:

Date and Time : 24th July, 2015 at 12.30 p.m.
Venue : Dairy Tops, J-177, MIDC, Bhosari, Pune-411 026.

(ii) Financial Calendar:

The Company follows April-March as its financial year. The unaudited financial result for every quarter beginning from April is declared in the month following the quarter and audited results for the year is declared within one month of the close of the year.

(iii) Date of Book Closure:

The date of book closure is from 13th July, 2015 to 24th July, 2015 (both days inclusive) for the purpose of annual general meeting.

(iv) Listing on Stock Exchanges:

The Company's shares are listed on the Bombay Stock Exchange Limited, Mumbai and the Company has paid Listing Fees for the year 2015-2016 to the Stock Exchanges.

(v) Stock Exchanges

<u>Stock Exchanges</u>	<u>Stock Code</u>	<u>ISIN</u>
Bombay Stock Exchange Ltd	509546	INE214F01026

(vi) Market Price Data:

The monthly high and low quotations of shares, face value of which is Rs.2 per Equity Share, traded on the Bombay Stock Exchange Ltd. during each month in last financial year are as follows:

The Company is not listed with National stock exchange Ltd.

GRAVISS HOSPITALITY LIMITED

BSE			
Month	Month's High Price (Rs.)	Month's Low Price (Rs.)	Total Volume of Shares Transacted
April 14	18.10	15.95	4,651
May 14	16.10	16.00	8,667
Jun 14	20.05	18.25	4,52,769
Jul 14	20.00	17.95	12,434
Aug 14	18.80	16.15	80,130
Sep 14	17.30	16.00	23,765
Oct 14	18.85	17.85	14,259
Nov 14	20.00	16.25	7,010
Dec 14	16.05	16.00	16,017
Jan 15	21.00	17.40	5,236
Feb 15	19.15	17.05	4,300
Mar 15	16.25	16.00	7,138
Apr 15	16.15	16.15	750

Closing share price as on 31st March 2015 (Rs.)

Market capitalization as on 31st March 2015 (Rs.)

(vii) Registrar and Share Transfer Agent:

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai 400 078.
Contact Number: 022-2596 3838

(viii) Share Transfer System:

Applications for transfer of shares held in physical form are received at the office of the Company. The processing of transfers is attended immediately and share transfers are processed by Link Intime India Pvt. Ltd. - the Registrar and Share Transfer Agent of the Company. The Shareholder/Investor Grievance Committee is authorized to approve the transfers of shares and the same is ratified at the next Board Meeting.

(ix) Shareholding pattern as on March 31, 2015

Category	No. of Shareholders	No. Of Shares	Percentage of
Promoters Holding			
Indian Promoters	7	5,27,36,710	74.78
Foreign Promoter		Nil	Nil
Persons Acting in Concert		Nil	Nil
Promoters relatives, related firms, trusts & HUFs		Nil	Nil
Non-Promoter Holdings Institutional Investor			
(a) Mutual Funds & UTI		Nil	Nil
(b) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions Non-government Institutions)	1	1,250	0.00
(i) General Insurance Corporation of India		Nil	Nil
(ii) Nationalised Banks		Nil	Nil
(c) FIIs		Nil	Nil

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Category	No. of Shareholders	No. Of Shares	Percentage of
Others			
Private Corporate Bodies	31	10,54,018	1.50
Indian Public	1280	15,21,529	2.16
N.R.I. & NRN	10	13,128	0.02
OCB's	1	36,16,932	5.13
Foreign Companies	2	1,14,10,943	16.18
Trust	1	94,660	0.13
Trust	2	57,350	0.08
Clearing Member	6	12,615	0.02
Total	1,342	70,519,135	100

Distribution of Shareholding (Rupees) as on March 31, 2015

Shareholding of Nominal Value (Rupees)	No. of Shareholders	% of Total	Share Capital Amount (Rupees)	% of Total
1 – 4000	1191	88.75	12,44,308	0.89
4001 – 8000	50	3.72	2,90,250	0.20
8001 – 10000	44	3.28	3,97,000	0.28
10001 – 20000	23	1.71	3,15,002	0.22
20001 – 99999999	34	2.54	13,87,91,710	98.41
Total	1,342	100	14,10,38,270	100

(x) Dematerialization of Shares and Liquidity:

The equity shares of the Company are traded on the Bombay Stock Exchange Limited. The Company has entered into an agreement with both National Securities Depository Limited and Central Depository Services Limited for dematerialization of equity shares of the company. Approximately, 65395705 (92.73%) of the equity shares of the company have been dematerialized as on 31st March 2015.

(xi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs and therefore there were no outstanding GDRs/ADRs.

(xii) Plant Locations:

Unit : Hotel Inter-Continental Marine Drive, 135, Netaji Subhash Road, Mumbai 400 020.

Mayfair Banquets Locations : 254-C, Dr. Annie Besant Road, Worli, Mumbai 400 030.

(xiii) Address for Investor Correspondence:

In case of any query or assistance, the investors may contact or write to:

Registered Office

Dairy Tops, Plot No. J-177, MIDC
Bhosari, Pune-411 026, Maharashtra
Tel: 020-3068 1102/3068 1139 Fax: 020-2747 7996

Registrar & Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai 400 078 Tel: 022-2596 3838, Fax: 022-2596 2691

Administrative Office

254-C, Dr. Annie Besant Road,
Worli, Mumbai-400 030.
Tel: 022 – 4050 1111 Fax: 022 – 2491 5555

Mrs. Lajja Shah

Company Secretary & Compliance Officer
254-C, Dr. Annie Besant Road, Worli, Mumbai-400 030
Tel: 022 – 4050 1111 Fax: 022 – 2491 5555

(xiv) Unclaimed Dividends:

The dividend remaining unclaimed/unpaid has been transferred to the Graviss Hospitality Ltd. unpaid dividend A/c. However, there is Rs. 3,31,649.68 dividend remaining unpaid or unclaimed for the period of seven years from the date of transfer to unpaid dividend account, which requires to be transferred to Investor Education and Protection Fund.

Financial Year (nature of dividend)	Unpaid/Unclaimed dividend as on 31.03.2015 (Rupees)	Date of declaration	Due Date of transfer to IEPF
2007-08 (final)	68109.00	20/06/2008	26/07/2015
2008-09 not declared	—	—	—
2009-10 (Interim)	70147.00	29/01/2010	07/02/2017
2010-11 (Interim)	68893.32	31/01/2011	07/02/2018
2010-11 (final)	25002.00	30/06/2011	05/08/2018
2011-12 (Interim)	99498.36	31/01/2012	07/02/2019
2012-13 not declared	—	—	—
2013-14 not declared	—	—	—

(xv) Nomination:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose favor the shares shall be transferable in case of death of the registered shareholder. Nomination forms can be obtained from the company's registrar and share transfer agent. The nomination facility in respect of shares in electronic form is also available with depository participants.

(xvi) Certificate on Corporate Governance:

The company has obtained a certificate from the auditors of the company confirming compliances with the conditions of corporate governance as stipulated in the listing agreement with stock exchanges. This certificate is annexed to the Directors' Report.

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Practising Company Secretary's Report on Corporate Governance

To the Members

We have examined the compliance of conditions of Corporate Governance by M/s Graviss Hospitality Limited for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M/s. Martinho Ferrao & Associates

Company Secretaries

Proprietor

Place : Mumbai

Membership No. 6221

COP : 5676

Date: 02/04/2015

Certification by Joint Managing Director and Chief Financial Officer

We hereby certify that for the financial year ended 31st March, 2015, we have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015, which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in internal control during this year.
 - (b) There have been no significant changes in accounting policies during this year.
 - (c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control systems.

Place: Mumbai
Date: 28th April, 2015

RAJENDRA AGRAWAL
Chief Financial Officer

GAURAV GHAI
Joint Managing Director

Declaration by Chairman and Managing Director on code of conduct under clause 49 of the listing agreement

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2015.

Place: Mumbai
Date: 2nd April, 2015

RAVI GHAI
Chairman and Managing Director

Management Discussion and Analysis

Industry Structure and Developments

Overview of Tourism and Indian Economy:

The financial year 2014-2015 has been challenging for the world at large. The corporate world had been engaged in cost cutting via drastic cut backs on non essential expenses; this drop in corporate travel had adversely affected the Indian Hospitality sector. The government too is making conscious efforts to revive the industry through a slew of policy decisions as many new and ongoing hotel projects had stalled during the downturn. The Indian Hospitality industry is beginning to show a few signs of recovery.

Opportunities:

The Hotel industry in India is expected to boom with rising room rates and on high occupancy rates. The Country is facing a shortage of hotel rooms and the industry needs to more than double its room inventory from the current levels. India is becoming the epicenter for outsourcing and new age businesses and the growth in the economy is attracting tourists from all around the world. With increase in the disposable income in the hands of people, domestic tourism has also been rising very rapidly. The demand and supply imbalance of hotel rooms is pushing average room rates (ARR) further as new properties are not coming up at the same place. This represents a significant opportunity for the Company.

Threats:

The Hotel industry is cyclical and sensitive to changes in the economy and this could have a significant impact on operations and financial results of the company. Act of violence or war, in India or other neighboring countries, may affect Indian and worldwide economic markets. Increased competition in the hotel sector may adversely affect the operation of our Hotel. Surging room rates may impact room demand from foreign leisure travel segment.

Outlook:

The global economic and financial situation is recovering slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets. It is hard to visualise strong economic growth in the advanced economies in 2014. The implications for this, for India's strategy to return to the 9.0% growth trajectory are that public policy must promote business confidence and facilitate increased investment. Despite a positive long term view, the current business environment remains challenging. The strong macro economic outlook is expected to continue providing momentum for growth of the hotel industry in India. It should be noted that the base for tourism in India is still very low. The sudden surge in demand for hotel accommodation over the last three years has inflated hotel rooms in the country. However, a number of international brands across all hotel segments are planning to or have recently entered the Indian market. Domestic hotel chains, too, are embarking on strong expansion and development plans across all hotel segments. As the gap between supply and demand for hotel accommodation narrows over the next few years, we expect room rates to rationalize, which would encourage leisure travel.

Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Graviss Hospitality Limited (the Company) for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement entered of the said Company with the Stock Exchange. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investor's/Shareholders Grievance & Share Transfer Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. Shankar Aiyar & CO.
Chartered Accountants
Firm Regn. No. 109208W

G. SANKAR
Partner

Place: Mumbai
Dated: 28th April, 2015

Membership No. 046050

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Independent Auditors' Report

To the Members of Graviss Hospitality Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of GRAVISS HOSPITALITYLIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year 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 of these standalone 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 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 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 controls system over financial reporting and the operating effectiveness of such controls. 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 audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, attention of the members is drawn to Note 27.B.17. In view of the matter stated therein relating to the accumulated losses of two subsidiaries as at 31st March, 2015, keeping in mind the factors stated in the Note, there is no diminution in the value of investments in the subsidiaries and the loans given to the subsidiaries are considered good of recovery.

Report on Other Legal and Regulatory Requirements

1. 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 standalone 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27.B.1.A to the financial statements;
 - (ii) The Company did not have any foreseeable losses on long-term contracts including derivative contracts.
 - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2015 ("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 paragraphs 3 and 4 of the Order.

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm Registration No. 109208W

Place: Mumbai
Dated: 28th April, 2015

G. SANKAR
Partner
Membership No. 46050

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Annexure to the Auditors' Report

Annexure referred to in the Auditor's Report to the Members of Graviss Hospitality Limited on the Financial Statements for the year ended 31st March 2015.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, physical verification of high value fixed assets was carried out by an external agency during the year. As certified by the said agency there were no material discrepancies noticed on such verification.
- (ii) (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification as compared to the record of inventories.
- (iii) (a) The company had granted interest free long term unsecured loans to two subsidiary companies in terms of Special Resolution passed by the Shareholders on 28th April 2006 in accordance with the provisions of section 372A of the Companies Act, 1956. (Attention is also invited to Note 27.B.17 to the financial statements). The amount outstanding at the year end is Rs. 9206.13 lacs.
- (b) According to the information and explanations given to us, the company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act for any of the products of the Company.
- (vii) (a) According to the records maintained by the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues where applicable.
According to the information and explanations given to us, no undisputed amounts in respect of the aforesaid statutory dues were in arrears, as at 31st March, 2015, 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, there are no dues of sales tax/customs duty/wealth tax/service tax/excise duty/cess, which have not been deposited on account of any dispute. In case of Income Tax the amount of demand not deposited on account of disputes is Rs. 81.20 lacs in respect of AY 2010-11 to 2012-13 and the disputes are pending before the Appellate authorities of Income Tax department. In case of VAT, there is a disputed demand of tax and penalty of Rs. 88 lacs for the year 2010-11 which is contested before the Appellate Tribunal, Delhi/High Court.
- (c) According to the information and explanations given to us and the records of the company, there are no amounts which are required to be transferred to investor education and protection fund..
- (viii) The company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

GRAVISS HOSPITALITY LIMITED

- (ix) On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks. The company has not taken any loan from any financial institution or by way of issue of debentures.
- (x) The Company has not given any guarantee for loans taken by others from bank or financial institution.
- (xi) In our opinion, the term loans taken during the year have, prima facie, been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us and based on audit procedures performed and representations obtained from the management, we report that no fraud on or by the company, has been noticed or reported during the year under audit.

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm Registration No. 109208W

Place: Mumbai
Dated: 28th April, 2015

G. SANKAR
Partner
Membership No. 46050

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Balance Sheet

as at 31st March, 2015

	Note No.	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	1	1,410.39	1,410.39
Reserves and Surplus	2	23,153.30	23,378.17
		<u>24,563.69</u>	<u>24,788.56</u>
Non-current Liabilities:			
Long-term borrowings	3	203.61	134.52
Deferred tax liability (Net)	4	117.03	167.03
		<u>320.64</u>	<u>301.55</u>
Current Liabilities:			
Short-term borrowings	5	487.65	528.49
Trade payables		406.07	324.45
Other current liabilities	6	422.30	343.69
Short term provisions	7	8.62	19.05
		<u>1,324.64</u>	<u>1,215.68</u>
TOTAL		<u><u>26,208.97</u></u>	<u><u>26,305.79</u></u>
ASSETS			
Non-current Assets			
Fixed Assets:			
Tangible assets	8	13,797.27	13,831.33
In-tangible assets	9	6.54	9.92
Capital work-in-progress		2.08	78.34
		<u>13,805.89</u>	<u>13,919.59</u>
Non-current investments	10	21.66	21.66
Long-term loans and advances	11	11,129.76	10,832.27
Other non-current assets	12	53.75	45.22
		<u>25,011.06</u>	<u>24,818.74</u>
Current Assets:			
Current Investment	13	0.17	0.17
Inventories	14	151.12	218.04
Trade receivables	15	647.70	556.69
Cash and Bank Balances	16	205.08	503.13
Short-term loans and advances	17	193.84	209.02
		<u>1,197.91</u>	<u>1,487.05</u>
TOTAL		<u><u>26,208.97</u></u>	<u><u>26,305.79</u></u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENT	27		

As per our separate report of even date

For **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm Registration No. 109208W

G. SANKAR

Partner (Membership No. 046050)

Mumbai,

Dated: 28th April, 2015

RAVI GHAI

Chairman and Managing Director

RAJENDRA AGRAWAL

Chief Financial Officer

M.V. DOSHI

Director

Lajja Shah

Company Secretary

Statement of Profit and Loss Account
for the year ended 31st March, 2015

		For the year 31/03/2015 (Rs. in lacs)	For the year 31/03/2014 (Rs. in lacs)
INCOME	Note No.		
Revenue from operations	18	4,863.81	4,670.46
Other Income	19	25.72	51.02
Total Revenue		4,889.53	4,721.48
EXPENSES			
Purchase of Stock-in-Trade	20	740.54	818.90
Change in Stock-in-Trade	21	81.88	19.47
Employee benefits expense	22	1,295.58	1,237.17
Finance costs	23	119.15	33.89
Depreciation and amortisation expenses	24	545.10	440.35
Other expenses	25	2,370.15	2,372.31
Total Expenses		5,152.40	4,922.09
PROFIT/(LOSS) BEFORE TAX		(262.87)	(200.61)
Tax expense:			
Deferred Tax (Net) (Refer Note "4")		50.00	40.00
Tax relating to earlier years		(12.00)	—
PROFIT/(LOSS) FOR THE PERIOD AFTER TAX		(224.87)	(160.61)
Earning per equity share – Rs.	26		
(a) Basic		(0.32)	(0.23)
(b) Diluted		(0.32)	(0.23)
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENT	27		

As per our separate report of even date

For **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm Registration No. 109208W

G. SANKAR

Partner (Membership No. 046050)

Mumbai,

Dated: 28th April, 2015

RAVI GHAI

Chairman and Managing Director

RAJENDRA AGRAWAL

Chief Financial Officer

M.V. DOSHI

Director

Lajja Shah

Company Secretary

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Cash Flow Statement for the Year Ended 31st March, 2015

	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation and extraordinary item	262.87	(200.61)
Adjusted for:		
Depreciation/Amortisation	545.10	440.35
(Profit)/loss on sale of fixed assets	3.50	13.43
Fixed Assets written off	—	50.84
Interest income	(17.24)	(10.45)
Dividend income	—	(0.93)
Interest expense	119.15	33.89
Operating profit before working capital changes	387.64	326.52
Increase/(decrease) in trade payables	81.62	27.34
Increase/(decrease) in short-term provisions	(10.43)	3.78
Increase/(decrease) in other current liabilities	110.90	(40.11)
Decrease/(Increase) in trade receivables	(91.01)	(10.41)
Decrease/(Increase) in other bank balances	72.06	2.63
Decrease/(Increase) in inventories	66.92	19.77
Decrease/(Increase) in long-terms loans and advances	(297.51)	(710.11)
Decrease/(Increase) in short-terms loans and advances	15.18	(60.92)
Decrease/(Increase) in other non-current assets	(8.53)	(36.81)
	(60.79)	(804.84)
Cash generated from operations	326.85	(478.32)
Income tax paid	(44.30)	(69.83)
NET CASH FROM OPERATING ACTIVITIES (A)	282.55	(548.15)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(435.39)	(419.40)
Proceeds from sale of fixed assets	0.50	2.89
Proceeds from sale/maturity of current investments	—	58.00
Interest received	17.24	10.45
Dividend received	—	0.93
NET CASH FROM INVESTING ACTIVITIES (B)	(417.65)	(347.13)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term borrowings	69.09	78.83
Proceeds from Short-term borrowings	(40.84)	528.49
Interest paid	(119.15)	(33.89)
NET CASH USED IN FINANCING ACTIVITIES (C)	(90.90)	573.43
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(226.00)	(321.85)
Net Increase in cash and cash equivalents		
Cash and cash equivalents at beginning of year:		
Cash on hand and balances with banks	369.83	691.68
Total (D)	369.83	691.68
Cash and cash equivalents at end of year:		
Cash on hand and balances with banks	143.83	369.83
Total (E)	143.83	369.83
Net Increase/(Decrease) in Cash and Cash equivalents (E-D)	(226.00)	(321.85)

As per our separate report of even date

For **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm Registration No. 109208W

G. SANKAR

Partner (Membership No. 046050)

Mumbai,

Dated: 28th April, 2015

RAVI GHAI

Chairman and Managing Director

RAJENDRA AGRAWAL

Chief Financial Officer

M.V. DOSHI

Director

Lajja Shah

Company Secretary

GRAVISS HOSPITALITY LIMITED

Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
NOTE '1' – SHARE CAPITAL		
(a) Authorised:		
230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company	230.00	230.00
113,500,000 Equity shares of Rs. 2 each	<u>2,270.00</u>	<u>2,270.00</u>
	<u>2,500.00</u>	<u>2,500.00</u>
(b) Issued, Subscribed and fully paid-up:		
70,519,135 Equity shares of Rs. 2 each for cash	1,410.39	1,410.39
<u>70,519,135</u>	<u>1,410.39</u>	<u>1,410.39</u>
(70,519,135)		
(c) Reconciliation of the number of shares		
Opening	<u>70,519,135</u>	<u>70,519,135</u>
Closing	<u>70,519,135</u>	<u>70,519,135</u>
(d) Share held by each shareholder holding more than 5% shares		
— Equity shares of Rs. 2 each fully paid		
Graviss Holdings Private Limited – 30.93% (30.93%)	21,813,970	21,813,970
Satinetta Finlease & Investments Private Limited – 32.57% (32.57%)	22,967,844	22,967,844
Dunearn Investments (Mauritius) Pte Limited – 9.96% (9.96%)	7,025,708	7,025,708
Inter Continental Hotels Corporation, USA – 6.22% (6.22%)	4,385,235	4,385,235
NOTE '2' – RESERVES AND SURPLUS		
Capital Reserves:		
Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad – As per last account	<u>7.78</u>	<u>7.78</u>
Warrants Forfeited Account: As per last account	<u>850.01</u>	<u>850.01</u>
	<u>850.01</u>	<u>850.01</u>
Share Premium Account: As per last account	<u>9,183.07</u>	<u>9,183.07</u>
	<u>9,183.07</u>	<u>9,183.07</u>
Capital Redemption Reserve Account As per last account	<u>318.52</u>	<u>318.52</u>
	<u>318.52</u>	<u>318.52</u>
General Reserve: As per last account	<u>11,320.29</u>	<u>11,320.29</u>
	<u>11,320.29</u>	<u>11,320.29</u>
Profit and Loss Account:		
Opening balance	1,698.50	1,859.11
Add: Net profit after tax transferred from Statement of Profit and Loss	<u>(224.87)</u>	<u>(160.61)</u>
Amount available for appropriation	<u>1,473.64</u>	<u>1,698.50</u>
Balance in Profit and Loss account	<u>1,473.64</u>	<u>1,698.50</u>
	<u>23,153.30</u>	<u>23,378.17</u>

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Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
NOTE '3' – LONG TERM BORROWINGS		
(A) Term loan from Bank		
Axis Bank		
Term Loan (Secured)	199.40	115.35
Note:		
Term loan from bank carries interest @ 12.85% p.a. The loan is repayable in 59 monthly instalments of Rs. 8.33 lacs each along with interest, from February 2014. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.		
(B) Deferred payment liabilities:		
(carry interest rates ranging from 10% to 12%, repayable in various EMIs and secured by hypothecation of vehicles)	4.21	19.17
	203.61	134.52
NOTE '4' – DEFERRED TAX LIABILITY		
Deferred tax liability:		
Depreciation on fixed assets	165.35	207.35
Deferred tax asset:		
Items covered u/s 43B of the Income Tax Act, 1961	48.32	40.32
	117.03	167.03
NOTE '5' – SHORT TERM BORROWINGS		
Overdraft from Bank:		
Axis Bank	487.65	528.49
Note:		
Overdraft from bank carries interest @ 12.25% p.a. The loan is repayable on demand. The loan is secured by exclusive first charge by way of hypothecation over entire current assets and first charge on entire movable fixed assets of the company.		
	487.65	528.49
NOTE '6' – OTHER CURRENT LIABILITIES		
Unpaid Dividends (Not due to be deposited into Investor Education and Protection Fund)	3.34	3.44
Interest free security deposits and advance from customers	11.12	11.12
Expenses payable	186.33	104.05
Gratuity obligation	105.98	74.33
Statutory dues payable		
– TDS payable	13.56	16.64
– VAT payable	28.12	28.53
– Luxury Tax payable	11.57	8.73
– Advance Income tax (net)	(64.56)	(32.27)
– Others (Provident Fund, ESIC etc)	11.92	12.84
Current maturities of long term debt: (Refer Note "3" above)		
Term Loans repayable in 12 months		
– Indian Rupee Loan	99.96	99.96
– Deferred Payment Liability	14.96	16.32
	422.30	343.69

GRAVISS HOSPITALITY LIMITED

Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
NOTE '7' – SHORT-TERM PROVISIONS		
Provision for leave benefits	<u>8.62</u>	<u>19.05</u>
	8.62	19.05

NOTE '8' (Rs. in lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01/04/2014	Additions	Deductions/ Adjustments	As at 31/03/2015	Upto 31/03/2014	For the Year	Deductions/ Adjustments	Upto 31/03/2015	As at 31/03/2015	As at 31/03/2014
Tangible Assets:										
Land.	10,272.33	—	—	10,272.33	—	—	—	—	10,272.33	10,272.33
Buildings.	3,540.28	148.61	—	3,688.89	1,182.24	117.82	—	1,300.06	2,388.83	2,358.04
Premises	87.32	8.56	—	95.89	17.68	17.96	—	35.64	60.24	69.64
Plant and Equipment.	886.97	39.82	—	926.79	651.99	122.89	—	774.88	151.91	234.98
Furniture and Fixtures.	2,310.76	232.49	—	2,543.25	2,038.55	85.30	—	2,123.85	419.42	272.21
Vehicles.	184.34	—	8.74	175.60	74.11	49.32	4.74	118.69	56.91	110.23
Office equipment.	737.37	67.94	—	805.31	268.42	120.56	—	388.98	416.33	468.95
Computers	378.34	12.39	—	390.73	333.39	26.04	—	359.43	31.30	44.95
TOTAL	18,397.71	509.81	8.74	18,898.79	4,566.38	539.89	4.74	5,101.53	13,797.27	13,831.33
	18,081.38	454.39	138.06	18,397.71	4,199.74	437.54	70.90	4,566.38	13,831.33	

Note: Leasehold land from Collector of Mumbai for 99 years which is renewable at the option of the both the parties.

NOTE '9' (Rs. in lacs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01/04/2014	Additions	Deductions/ Adjustments	As at 31/03/2015	Upto 31/03/2014	For the Year	Deductions/ Adjustments	Upto 31/03/2015	As at 31/03/2015	As at 31/03/2014
Intangible Assets:										
Computer software	39.20	1.83	—	41.03	29.28	5.21	—	34.49	6.54	9.92
TOTAL	39.20	1.83	—	41.03	29.28	5.21	—	34.49	6.54	9.92
	28.07	11.13	—	39.20	26.47	2.81	—	29.28	9.92	

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Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
NOTE '10' – NON CURRENT INVESTMENT		
TRADE INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE):		
Unquoted equity instruments:		
Investment in subsidiaries		
50,000 of Graviss Hotels and Resorts Limited of Rs. 10 each	5.00	5.00
76,422 (out of which 50 jointly held with third parties) of Graviss Catering Private Limited of Rs. 10 each	12.89	12.89
NON-TRADE INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE):		
Unquoted:		
530 Equity shares of The Saraswat Co-operative Bank Ltd., of Rs. 10 each	0.05	0.05
20 Shares of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each	0.01	0.01
*1,857 Equity shares of Bombay Mercantile Co-operative Bank Ltd., of Rs. 30 each	0.56	0.56
Quoted:		
3,820 Equity Shares of Edelweiss Capital Limited of Rs.1 each	3.15	3.15
	21.66	21.66
Aggregate value of unquoted investments	18.51	18.51
Aggregate value of quoted investments	3.15	3.15
Market value of quoted investments	2.44	1.09
*(Note: 190 shares are held in the name of Mr Ravi Ghai, Chairman and Managing Director and Mr Gaurav Ghai, Joint Managing Director of the Company)		
NOTE '11' – LONG-TERM LOANS AND ADVANCES - UNSECURED CONSIDERED GOOD:		
Security Deposits	1,623.63	1,468.71
Loans to subsidiary companies:		
– Graviss Hotels and Resorts Limited	9,031.52	8,867.82
– Graviss Catering Private Limited	174.61	195.74
Capital advance	300.00	300.00
	11,129.76	10,832.27
NOTE '12' – OTHER NON-CURRENT ASSETS:		
Margin Money Deposit with Bank	53.75	45.22
	53.75	45.22
NOTE '13' – CURRENT INVESTMENTS IN MUTUAL FUNDS (Valued at lower of cost and market value):		
176 units of Rs. 10 each in Birla Sun Life Short Term Fund	0.17	0.17
	0.17	0.17
Aggregate value of current quoted investments	0.17	0.17
Net Assets Value (NAV) of Mutual Funds	0.20	0.18

Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
NOTE '14' – INVENTORIES (Valued at lower of cost and net realisable value):		
Food and Beverages	114.15	196.03
Stores and Other Operating Supplies	36.97	22.01
	151.12	218.04
NOTE '15' – TRADE RECEIVABLES:		
Debts outstanding for a period exceeding six months – (Secured, considered good)	30.39	30.39
Debts outstanding for a period exceeding six months – (Unsecured, considered good)	9.00	18.16
Other debts	608.31	508.14
	647.70	556.69
NOTE '16' – CASH AND BANK BALANCES:		
Cash and Cash Equivalents		
Current accounts	135.27	359.78
Cash on hand	8.56	10.05
Other Bank Balances:		
Unpaid Dividend accounts	3.34	3.44
Fixed Deposit with banks maturing within one year	57.91	129.86
	205.08	503.13
NOTE '17' – SHORT-TERM LOANS AND ADVANCES:		
(Unsecured, considered good)		
Advances to related parties		
Advances to others:		
Prepaid expenses	76.39	77.16
Loans to employees	16.44	32.91
Balances with statutory/government authorities	2.29	1.32
Advance to suppliers	41.05	46.51
Other advances	57.66	51.12
	193.84	209.02
NOTE '18' – REVENUE FROM OPERATIONS		
Sales-Room	1,723.67	1,549.36
Sales-Food Beverages	2,800.68	2,736.10
Sales of services	339.46	385.00
	4,863.81	4,670.46
NOTE '19' – OTHER INCOME		
Interest received on deposits with banks	17.24	10.45
Dividend Income	—	0.93
Unclaimed Credit balances written back	1.05	2.47
Exchange Rate Difference (net)	0.03	—
Foreign Exchange Commission	2.33	2.58
Miscellaneous receipts	5.07	34.59
	25.72	51.02

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Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
NOTE '20' – PURCHASE OF STOCK-IN-TRADE		
Food and Beverages items	740.54	818.90
	<u>740.54</u>	<u>818.90</u>
NOTE '21' – CHANGES IN STOCK-IN-TRADE (Food & Beverages items)		
Opening stock	196.03	215.50
Closing stock	114.15	196.03
	<u>114.15</u>	<u>196.03</u>
(Increase)/Decrease in stock	81.88	19.47
	<u>81.88</u>	<u>19.47</u>
NOTE '22' – EMPLOYEE BENEFITS EXPENSE (Refer note "27.B.3")		
Salaries and Wages (including bonus and gratuity)	1,184.40	1,131.34
Contributions to:		
Provident, Family Pension and other Funds	66.80	66.99
Staff welfare expenses	44.38	38.84
	<u>1,295.58</u>	<u>1,237.17</u>
NOTE '23' – FINANCE COSTS		
Interest expense (Bank loans)	119.02	33.39
Other borrowing costs	0.13	0.50
	<u>119.15</u>	<u>33.89</u>
NOTE '24' – DEPRECIATION AND AMORTISATION EXPENSES:		
Depreciation of tangible assets	539.89	437.54
Amortisation of intangible assets	5.21	2.81
	<u>545.10</u>	<u>440.35</u>

Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
NOTE '25' – OTHER EXPENSES		
Operating Expenses:		
Power, Fuel and Water	329.04	309.52
Repairs and Maintenance:		
Building	64.54	48.26
Machinery	10.63	15.99
Others	142.67	131.28
Stores and Supplies including Linen and Uniforms	98.79	104.38
Washing and Laundry expenses	75.43	70.54
Business Operating expenses	210.66	198.37
Music and other Operating expenses	138.50	98.22
General Expenses:		
Rent	13.18	14.70
Rates and Taxes	111.01	120.10
Insurance	33.09	29.20
Hire charges	16.12	6.61
Advertisement and Sales Promotion	200.13	219.59
Commission on Sales	52.37	46.76
Travelling and Conveyance	249.42	228.04
Printing and Stationery	23.81	32.13
Postage and Telephones	40.35	50.25
Other expenses	195.86	172.49
Payments to Auditors (Note "27.B.4")	8.54	8.56
Legal and Professional charges	179.14	234.15
Franchise and Corporate Service fees	168.52	165.30
Directors Sitting fees	4.85	3.60
Loss on sale of Assets	3.50	13.43
Fixed Assets w/off	—	50.84
	2,370.15	2,372.31

NOTE '26' – EARNING PER EQUITY SHARE (Basic and Diluted)

Net profit after Taxation (in Rs.)	(224.87)	(160.61)
Weighted average number of equity shares	70,519,135	70,519,135
Earnings per equity shares (in Rs.)	(0.32)	(0.23)
Nominal value per share (Rs.)	2.00	2.00

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NOTE '27'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

A. 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 in accordance with the accounting standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) rules, 2014.
- (b) Financial statements are prepared on historical cost basis and as a going concern.

II USE OF ESTIMATES

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

III 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.
- (b) **Depreciation**
Depreciation is charged in the Accounts on straight line method in accordance with the useful life specified in the Companies Act 2013 or the useful life as determined by Chartered Engineer's report in respect of the following assets:

Building	30 years
Air-conditioning plant, cooking machinery, security and fire fighting equipments	15 years
Furniture, fixtures including interior design	8 years

Residual value of building and vehicles is estimated 5% of the original cost and at Nil value for all other assets.

IV REVENUE RECOGNITION

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will follow to the company.

- (a) Sales : Revenue is recognized on accrual basis. Sales comprise of sale of goods and services and are net of Value Added Tax and Service Tax.
- (b) Interest : Revenue is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest.
- (c) Dividends : Revenue is recognized when the right to receive payment is established.

V INVESTMENTS

The Company's investments comprise long term and current investments. Long Term investments are stated at cost less permanent diminution, if any, in value. Current investments are stated at lower of cost or market value.

VI INVENTORIES

Inventories are valued at cost. Cost is computed at purchase price and other related expenses incurred in bringing the inventories to their present location and condition.

VII FOREIGN CURRENCY TRANSACTIONS

- (a) Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of Transactions.
- (b) Monetary items denominated in foreign currencies (such as cash receivables, payables, etc.) outstanding at the year end, are translated at exchange rate applicable as of that date.
- (c) Non-monetary items denominated in foreign currency (such as investments, fixed assets, etc) are valued at the exchange rate prevailing on the date of transaction.
- (d) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted in the Profit & Loss Account, except as indicated in Note B-12 below.

VIII BORROWING COSTS

Borrowing costs attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

IX EMPLOYEE BENEFITS

- (a) Contributions to Provident are made to Employees Provident Fund of the Government and are charged to Profit & Loss Account.
- (b) The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Met Life Insurance Co. Premium charged by the Met Life Insurance Co, based on actuarial valuation is debited to the Profit and Loss account.
- (c) Liability towards Leave Encashment Benefit is provided for based on actuarial valuation done at the year end.

X PROVISIONS & CONTINGENCIES

- (a) A provision arising out of a present obligation is recognized when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
- (b) Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.
- (c) Show Cause Notices are not considered as Contingent Liabilities unless converted into demand.

XI TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act,1961. Credit in respect of Minimum Alternate Tax paid is recognized only if there is convincing evidence of realization of the same.

Notes 27 — (Contd.)

Deferred Tax which is computed on the basis of enacted/substantively enacted rates, is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

XII IMPAIRMENT OF ASSET

The carrying amount of assets are reviewed at each balance sheet date for indication of any impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to that effect.

XIII LEASES

Assets acquired under finance leases are capitalized at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at constant periodic rate of interest on the remaining balance of liability.

Operating lease expense is recognized in the Profit and Loss Account on straight line basis over the lease term.

B. Other Notes forming part of Financial Statements

1. A. Contingent Liabilities:

- (i) Bank Guarantees given to the extent of Rs. 13.61 lacs (previous year Rs. 13.61 lacs).
- (ii) During the year the Company has received order in favour from Appellate Tribunal for the assessment year 2009-10. The Company is hopeful of getting the order in favour from the Appellate Authorities in respect of income tax demand of Rs. 81.20 lacs for the assessment year 2010-11 to 2012-13 since the Company has got the tribunal order in its favour in respect of the similar disallowances/additions to income for the assessment year 2009-10 and accordingly no provision is made for the same in the financial statements.
- (iii) In the matter of VAT demand and penalty of Rs. 88 lacs for the year 2010-11, the Appellate Tribunal Delhi has ordered the company to deposit Rs.16 lacs for admission of appeal against which the company has gone for appeal to the High Court, Delhi. The Company is hopeful of getting the order in its favour and hence has not made provision for the same in the financial statements.
- (iv) The Company has received Show Cause notice from Service Tax Authorities denying the utilization of input tax credit of one unit against the tax payable of another unit for the years 2009-10 to 2012-13 for an amount of Rs. 101lacs. The company has replied to the Commissioner. The company has been legally advised that they would not result in outflow of the resources, considering various judgements in favour of the Company on similar issue.

B. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account NIL (Previous year NIL).

Note: Commitments which are material and which will result in a penalty disproportionate to the benefits involved, based on the judgement of the management are only disclosed.

2. Retirement benefit

Disclosure pursuant to Accounting Standard -15 (Revised) Employee Benefits:

The Company has classified the various benefits provided to employees as under:

Defined Contribution Plans:

The company has recognized contribution to Provident Fund of Rs.60 lacs in the Profit & Loss Account.

Defined Benefit Plans:

	Gratuity		Leave Encashment	
	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
Changes in the Present Value of Obligation				
(a) Present Value of Obligation as at 1st April	169.45	168.43	22.46	18.38
(b) Interest Cost	15.01	12.75	2.03	1.47
(c) Service Cost	27.23	22.72	21.08	24.61
(d) Curtailment Cost/(Credit)	—	—	—	—
(e) Settlement Cost/(Credit)	—	—	—	—
(f) Benefits Paid	(6.88)	(18.21)	—	—
(g) Interest guarantee (if relevant)	—	—	—	—
(h) Actuarial (Gain)/Loss	1.59	(16.24)	(31.27)	(22.00)
(i) Present Value of Obligation as at 31st March	206.41	169.45	14.31	22.46
Changes in the Fair Value of Plan Assets				
Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				
(a) Present Value of Defined Benefit Obligation as at 31st March	206.41	169.45	14.31	22.46
(b) Fair Value of Plan Assets as at 31st March	100.43	95.12	5.69	3.41
(c) Net Liability recognized in the Balance Sheet (as at 31st March)	105.98	74.33	8.62	19.05

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Notes 27 — (Contd.)

	Gratuity		Leave Encashment	
	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
Expenses Recognized in the Profit and Loss Account				
(a) Service Cost	27.23	22.72	21.08	24.61
(b) Interest Cost	15.01	12.75	2.03	1.47
(c) Expected Return on Plan Assets	(10.36)	(11.11)	(0.41)	(0.37)
(d) Curtailment Cost/(Credit)	—	—	—	—
(e) Settlement Cost/(Credit)	—	—	—	—
(f) Net Actuarial (Gain)/Loss	(0.17)	(9.64)	(33.14)	(21.93)
(g) Total Expenses recognized in the Profit and Loss A/c	31.71	14.72	(10.43)	3.78
Actuarial Assumptions				
Retirement age	58 Years	58 Years		
Discount rate	8 to 9%	8 to 9%		
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult		
Withdrawal rate	1.30%	1.30%		
Salary escalation	5 to 10%	5 to 10%		

3. Employee's Remuneration & Benefits includes
Remuneration paid to the Managing Director and Joint Managing Director

	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
Salary	54.00	54.00
Contribution to Provident Fund	6.48	6.48
Other Perquisites	14.10	14.10
	74.58	74.58

4. Payments to Auditors

	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
Audit Fee	6.89	6.91
Certification Fee	1.65	1.65
	8.54	8.56

Notes 27 — (Contd.)

5. (a) Particulars of Trade Receivables and Loans and Advances for debts due from companies under the same management are as follows (related parties):

	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
Trade Receivables (Current):		
Graviss Holdings Private Limited	540.06	489.49
Rich Graviss Products Private Limited	0.51	3.04
Graviss Foods Private Limited	1.27	2.78
	541.84	495.31
Loans and Advances:		
Security Deposits: (Non Current)		
Graviss Holdings Private Limited	754.00	600.00
Cross Word Beverages Private Limited	800.00	800.00
Pure Foods & Ice Cream	4.00	4.00
	1,558.00	1,404.00

- (b) Confirmations of balances from some of sundry debtors and creditors have not been received.

6. Information relating to Related Party Disclosures as per Accounting Standard issued by the Institute of Chartered Accountants of India, is given below:

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

i Shareholders/Directors

Mr Ravi Ghai, Mr Gaurav Ghai, Mr RKP Shankardass.

ii. Subsidiaries of the Company

iii Other related parties where the common control exists

Graviss Holdings Pvt Ltd., Graviss Foods Pvt Ltd., Graviss Catering Pvt Ltd, Rich Graviss Products Private Limited, Graviss Brands Pvt Ltd., *Gaylord Pvt Ltd., Graviss Hotels & Resorts Limited, Crossword Beverages Pvt. Ltd*, Brown Hills Realty Pvt. Ltd.*

*West Hills Realty Pvt Ltd., *Pure Ice Cream (LLC) *Baskin Robins India Pvt Ltd., *Graviss Food Solution Pvt. Ltd.

*Oregon Realtys Pvt Ltd., *Perfect Live Stock Pvt Ltd., *Blue Ocean Holding Ltd., *Pure Foods & Ice Cream, *G.L. Ice Creams, *I.K. Ghai Trust,

*I.K. Ghai (Kwality Bombay) Foundation, Ghai Family Trust.

*Satinetta Finelease & Investments Pvt. Ltd., *Kwality Walls Fantasy Ltd. *PIC Gujarat Pvt Ltd. *Ambition Trading Pvt Ltd.

*Vishal Holdings Pvt Ltd., *Mayfair Hospitality Pvt Ltd, *Vanila Star Jeans (India) Pvt Ltd., *Amphitrite Investments

*Indomark Dairy & Equipments Pvt Ltd. *Kwality Real Estate Pvt. Ltd.

(*no transactions during the year)

iv Key Managerial Personnel

Mr. Ravi Ghai	Managing Director
Mr. Gaurav Ghai	Joint Managing Director
Mr. Dilip Sehgal	Director
Mr. Amit Jain (up to 31.10.2014)	Chief Financial Officer
Mr Rajendra Agrawal (w.e.f. 01.12.2014)	Chief Financial Officer
Ms. Lajja Shah	Company Secretary

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Notes 27 — (Contd.)

B. Transactions with Related Parties:

	(Rs. in lacs)	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
i Sale			
Other related parties where the common control exists		894.96	952.25
ii Expenditure and other services fees paid			
Shareholders/Directors/Managing Director	4.60		
Other related parties where the common control exists	82.68	87.28	93.36
iii Managerial Remuneration			
Managing Director and Joint Managing Director		74.58	74.58
Chief Financial Officer		48.89	44.47
Company Secretary		3.38	7.58
iv Loans/Advances/Deposits given			
Other related parties where the common control exists		10,757.92	10,461.35
v Debtors			
Other related parties where the common control exists		541.84	495.31
vi Outstanding payables			
Other related parties where the common control exists		13.67	6.07

7. Value of raw materials and stores consumed:

	2014-15		2013-14	
	% of total consumption	Amount (Rs. in lacs)	% of total consumption	Amount (Rs. in lacs)
Raw Materials:				
Imported	0	—	0	—
Indigenous	100	822	100	838
Stores:				
Imported	26	19	0	—
Indigenous	74	55	100	61

	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
8. Value of imports (CIF value):		
Stores, Supplies and Spare Parts for Machinery		
(a) Capital Goods	—	91.01
(b) Raw Material	—	—
9. Earnings in Foreign Exchange:		
(a) Sale of Rooms and Food and Beverages Income	1,413.23	1,311.36
(b) Encashment of Foreign Exchange	50.08	44.16
10. Expenditure in Foreign Currencies:		
(a) Travelling – Directors	53.45	81.76
(b) Travelling – Others	27.54	17.28
(c) Agency Commission	24.74	11.09
(d) Consultants Fees	15.23	37.98
(e) Franchise Fees	173.65	121.34
(f) Others	11.06	9.74

Notes 27 — (Contd.)

11. Amounts if any due to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
12. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with paras 46 and 46A Companies (Accounting Standards) Amendment Rules 2009/2011 on Accounting Standard (AS)11 notified by Government of India on March 31, 2009 and on 29th December, 2011 respectively. Accordingly an amount of Rs. NIL has been charged to Profit & Loss Account.
13. With effect from 01-04-2014, the company has revised depreciation rate on certain fixed assets in accordance with the useful life specified in the Companies Act 2013 or re-assessed by the company based on a Chartered Engineer's report. Accordingly an amount of Rs 105 lacs has been charged to Profit & loss account over & above the normal depreciation in respect of assets which have remaining useful life as at 01.04.2014
14. Due to losses, no provision for current tax has been made.
15. Current and non-current classification of assets and liabilities in the balance sheet has been made based on the professional judgement of the management.
16. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segment Reporting'.
17. The Company has an investment in the equity shares of Graviss Catering Private Limited, a subsidiary, with a share capital of Rs. 7.65 lacs and has also granted interest free loans to the said subsidiary of Rs. 174.61 lacs. The accumulated losses of the said subsidiary exceed its net worth. In the opinion of the management, having regard to the long term interest of the Company in the said subsidiary and considering that the subsidiary is able to get regular orders of decoration and earn sufficient margin to meet the fixed costs, there is no diminution in the value of investments and the Company is also hopeful of recovering the loan.

The Company has an investment in the equity shares of Graviss Hotels and Resorts Limited, a subsidiary, with a share capital of Rs. 5 lacs and also has granted interest free loan to the said subsidiary of Rs. 9,031.52 lacs. The accumulated losses of the said subsidiary exceed its net worth. The said subsidiary had purchased lands at various places for developing hotels. Due to change in the business plans, the subsidiary is exploring to sell these lands alongwith the buildings constructed so far. In the assessment of the management, the market value of the lands acquired would be more than the original cost and hence there is no diminution in the value of investment and company is also hopeful of recovering the loan.
18. In the opinion of the management there are no indications that the assets of the company may be impaired as on the balance sheet date.
19. **Previous year figures:**
Previous year's figures have been reclassified / regrouped wherever necessary to conform to current year's classification / grouping. Figures in brackets are in respect of the previous year.

As per our separate report of even date

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm Registration No. 109208W

G. SANKAR
Partner (Membership No. 046050)

Mumbai,
Dated: 28th April, 2015

Signature to Schedules '1' to '27'

RAVI GHAI
Chairman and Managing Director

RAJENDRA AGRAWAL
Chief Financial Officer

M.V. DOSHI
Director

Lajja Shah
Company Secretary

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Independent Auditors' Report

To the Board of Directors of Graviss Hospitality Limited

We have audited the accompanying consolidated financial statements of GRAVISS HOSPITALITY LIMITED ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2015, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in Indi:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Consolidated Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets (net) of Rs. 62.52 lacs as at March 31, 2015, total revenues of Rs. 0.06(loss) and net cash outflows amounting to Rs. 0.06 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm Registration No. 109208W

G. SANKAR
Partner
Membership No. 46050

Place: Mumbai

Dated: 28th April, 2015

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Consolidated Balance Sheet as at 31st March, 2015

	Note No.	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	1	1,410.39	1,410.39
Minority Interest		0.00	0.00
Reserves and Surplus	2	22,238.85	22,460.91
		<u>23,649.24</u>	<u>23,871.30</u>
Non-current Liabilities:			
Long-term borrowings	3	389.38	326.02
Deferred Tax Liability (Net)	4	79.57	121.57
		<u>468.95</u>	<u>447.59</u>
Current Liabilities:			
Short-term borrowings	5	487.65	528.49
Trade payables		423.33	347.11
Other current liabilities	6	480.06	413.87
Short-term provisions	7	8.62	19.05
		<u>1,399.66</u>	<u>1,308.52</u>
	TOTAL	<u><u>25,517.85</u></u>	<u><u>25,627.41</u></u>
ASSETS			
Non-current Assets			
Fixed Assets:			
Tangible assets	8	16,134.05	16,195.69
In-tangible assets	9	6.54	9.92
Capital work-in-progress		6,074.00	5,996.33
		<u>22,214.59</u>	<u>22,201.94</u>
Trade receivables:			
Non-current investments	10	3.77	3.77
Long-term loans and advances	11	1,936.51	1,781.58
Other non-current assets	12	109.43	96.97
		<u>24,264.30</u>	<u>24,084.26</u>
Current Assets:			
Current Investment	13	0.17	0.17
Inventories	14	151.12	218.04
Trade receivables	15	653.68	562.67
Cash and Bank Balances	16	214.67	513.54
Short-term loans and advances	17	233.91	248.73
		<u>1,253.55</u>	<u>1,543.15</u>
	TOTAL	<u><u>25,517.85</u></u>	<u><u>25,627.41</u></u>
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENT	27		

As per our separate report of even date

For **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm Registration No. 109208W

G. SANKAR

Partner (Membership No. 046050)

Mumbai,

Dated: 28th April, 2015

RAVI GHAI

Chairman and Managing Director

RAJENDRA AGRAWAL

Chief Financial Officer

M.V. DOSHI

Director

Lajja Shah

Company Secretary

Consolidated Statement of Profit and Loss Account
for the year ended 31st March, 2015

	Note No.	Year ended 31/03/2015 (Rs. in lacs)	Year ended 31/03/2014 (Rs. in lacs)
INCOME			
Revenue from operations	18	5,151.96	5,042.59
Other Income	19	30.22	55.04
TOTAL		5,182.19	5,097.63
EXPENSES			
Purchase	20	740.54	831.29
Changes in Stock	21	81.88	19.47
Employee benefits expense	22	1,311.03	1,254.18
Finance costs	23	136.86	51.83
Depreciation and amortisation expenses	24	572.75	452.99
Other expenses	25	2,589.67	2,608.15
TOTAL		5,432.73	5,217.91
PROFIT/(LOSS) BEFORE TAX		(250.56)	(120.28)
Tax expense:			
Current tax		(1.50)	(1.40)
Deferred Tax (Net)		42.00	15.00
Tax relating to earlier years		(12.00)	—
PROFIT/(LOSS) FOR THE PERIOD		(222.06)	(106.68)
Earning per equity share – Rs.			
	26		
(a) Basic		(0.31)	(0.15)
(b) Diluted		(0.31)	(0.15)
SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENT		27	

As per our separate report of even date

For **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm Registration No. 109208W

G. SANKAR

Partner (Membership No. 046050)

Mumbai,

Dated: 28th April, 2015

RAVI GHAI

Chairman and Managing Director

RAJENDRA AGRAWAL

Chief Financial Officer

M.V. DOSHI

Director

Lajja Shah

Company Secretary

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Consolidated Cash Flow Statement for the Year Ended 31st March, 2015

	As at 31/03/2015 (Rs. in lacs)	As at 31/03/2014 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation and extraordinary items	(250.55)	(120.28)
Adjustments for:		
Depreciation/Amortisation	572.76	452.99
(Profit) / loss on sale of fixed assets	3.50	13.43
Fixed Assets written off	—	50.84
Interest income	(21.74)	(14.48)
Dividend income	—	(0.93)
Interest expense	136.86	51.83
Operating profit before working capital changes	440.84	433.40
Increase / (decrease) in trade payables	76.27	23.55
Increase / (decrease) in short-term provisions	(10.43)	3.78
Increase / (decrease) in other current liabilities	97.03	(130.84)
Decrease / (Increase) in trade receivables	(91.01)	(2.49)
Decrease / (Increase) in other bank balances	72.06	2.63
Decrease / (Increase) in inventories	66.92	19.77
Decrease / (Increase) in long-terms loans and advances	(155.00)	(413.98)
Decrease / (Increase) in short-terms loans and advances	16.12	(53.61)
Decrease / (Increase) in other non-current assets	(12.46)	(40.43)
	59.49	(591.62)
Cash generated from operations	500.32	(158.22)
Income tax paid	(45.66)	(70.23)
NET CASH FROM OPERATING ACTIVITIES (A)	454.67	(228.45)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(589.39)	(799.50)
Proceeds from sale of fixed assets	0.50	2.89
Proceeds from sale/maturity of current investments	—	58.00
Interest received	21.74	14.48
Dividend received	—	0.93
NET CASH USED IN INVESTMENT ACTIVITIES (B)	(567.15)	(723.20)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital		
Proceeds from Long-term borrowings	63.36	98.80
Proceeds from Short-term borrowings	(40.84)	528.49
Interest paid	(136.86)	(51.83)
NET CASH USED IN FINANCING ACTIVITIES (C)	(114.34)	575.46
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(226.82)	(376.19)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of year:		
Cash on hand and balances with banks	380.24	756.43
Total (D)	380.24	756.43
Cash and cash equivalents at end of year:		
Cash on hand and balances with banks	153.42	380.24
Total (E)	153.42	380.24
Net Increase/(Decrease) in cash and cash equivalents (E-D)	(226.82)	(376.19)

As per our separate report of even date

For **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm Registration No. 109208W

G. SANKAR

Partner (Membership No. 046050)

Mumbai,

Dated: 28th April, 2015

RAVI GHAI

Chairman and Managing Director

RAJENDRA AGRAWAL

Chief Financial Officer

M.V. DOSHI

Director

Lajja Shah

Company Secretary

Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 Rs. in lacs	As at 31/03/2014 Rs. in lacs
NOTE '1' – SHARE CAPITAL		
(a) Authorised:		
230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company	230.00	230.00
113,500,000 Equity shares of Rs. 2 each	2,270.00	2,270.00
	2,500.00	2,500.00
(b) Issued, Subscribed and Paid-up:		
70,519,135 Equity shares of Rs. 2 each for cash	1,410.39	1,410.39
	70,519,135	70,519,135
(70,519,135)		
(c) Reconciliation of the number of shares		
Opening	70,519,135	70,519,135
Less: Buyback of Shares	—	—
Closing	70,519,135	70,519,135
(e) Share held by each shareholder holding more than 5% shares		
— Equity shares of Rs. 2 each fully paid		
Graviss Holdings Private Limited - 30.93% (30.93%)	21,813,970	21,813,970
Satinetta Finlease & Investments Private Limited- 32.57% (32.57%)	22,967,844	22,967,844
Dunearn Investments (Mauritius) Pte Limited- 9.96% (9.96%)	7,025,708	7,025,708
Inter Continental Hotels Corporation, USA- 6.22% (6.22%)	4,385,235	4,385,235
NOTE '2' – RESERVES AND SURPLUS		
Capital Reserves:		
Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad – As per last account	7.78	7.78
Warrants Forfeited Account As per last account	850.01	850.01
	850.01	850.01
Share Premium Account: As per last account	9,183.07	9,183.07
	9,183.07	9,183.07
Capital Redemption Reserve Account As per last account	318.52	318.52
	318.52	318.52
General Reserve: As per last account	11,320.29	11,320.29
	11,320.29	11,320.29
Goodwill on Consolidation	(112.44)	(112.44)
Profit and Loss Account:		
Opening balance	893.68	1,000.36
Add: Net profit after tax transferred from Statement of Profit and Loss	(222.06)	(106.68)
Balance in Profit and Loss account	671.62	893.68
	22,238.85	22,460.91

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Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 Rs. in lacs	As at 31/03/2014 Rs. in lacs
NOTES '3' – LONG TERM BORROWINGS		
(A) Term loan from Bank		
Axis Bank		
Term Loan (Secured)	199.40	115.35
Note:		
Term loan from bank carries interest @ 12.85% p.a. The loan is repayable in 59 monthly instalments of Rs. 8.53 lacs each along with interest, from the date of loan. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.		
(B) Unsecured Loans:		
From Graviss Holdings Private Limited (a related party) (interest @ 12.5% p.a. and not repayable within one year)	166.32	166.32
(C) Deferred payment liabilities:		
(carry interest rates ranging from 10% to 12%, repayable in various EMIs and secured by hypothecation of vehicles)	23.66	44.35
	389.38	326.02
NOTE '4' – DEFERRED TAX LIABILITY		
Deferred tax liability:		
Depreciation on fixed assets	162.18	204.18
Deferred tax assets:		
Items covered u/s 43B of the Income Tax Act, 1961	82.61	82.61
	79.57	121.57
NOTE '5' – SHORT TERM BORROWINGS		
Overdraft from Bank: (Secured)		
Axis Bank	487.65	528.49
Note:		
Overdraft from bank carries interest @ 12.25% p.a. The loan is repayable on demand. The loan is secured by exclusive first charge by way of hypothecation over entire current assets and extension of first charge on entire movable fixed assets of the company.		
	487.65	528.49
NOTE '6' – OTHER CURRENT LIABILITIES		
Unpaid Dividends (Not due to be deposited into Investor Education and Protection Fund)	3.34	3.44
Interest free deposits and advance from customers	11.12	11.12
Expenses payable	189.27	113.81
Gratuity obligation	105.98	74.33
Statutory dues payable		
– TDS payable	14.19	17.44
– VAT payable	28.24	28.65
– Luxury Tax payable	11.57	8.73
– Advance Income tax (net)	(74.36)	(43.51)
– Others (Provident Fund, ESIC etc.)	11.96	13.20
Liability for capital expenditure	58.39	63.91
Current maturities of long term debt: (Refer Note '3' above)		
Term Loans repayable in 12 months		
– Indian Rupee Loan	99.96	99.96
– Deferred Payment Liability	20.40	22.79
	480.06	413.87

GRAVISS HOSPITALITY LIMITED

Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 Rs. in lacs	As at 31/03/2014 Rs. in lacs
NOTES '7' – SHORT-TERM PROVISIONS		
Provision for leave benefits	8.62	19.05
	8.62	19.05

Note '8' (Rs in lacs)

DESCRIPTION	Gross Block				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2014	Additions	Deductions/ Adjustments	As at 31-03-2015	Upto 31-03-2014	For the year	Deductions/ Adjustments	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
Tangible Assets:										
Land — Leasehold (refer note below)	10,272.33	—	—	10,272.33	—	—	—	—	10,272.33	10,272.33
Land — Freehold	2,319.82	—	—	2,319.82	—	—	—	—	2,319.82	2,319.82
Buildings	3,540.24	148.61	—	3,688.85	1,182.24	117.82	—	1,300.06	2,388.79	2,358.00
Premises	87.32	8.56	—	95.88	17.68	17.96	—	35.64	60.24	69.64
Plant and Equipment	886.98	39.82	—	926.80	652.00	122.89	—	774.89	151.91	234.98
Furniture and Fixtures	2,310.76	232.49	—	2,543.25	2,038.55	85.30	—	2,123.85	419.40	272.21
Vehicles	238.02	—	8.74	229.28	88.81	71.32	4.74	155.39	73.89	149.21
Office equipment	739.96	68.03	—	807.99	268.94	122.71	—	391.65	416.34	471.02
Computers	389.81	12.39	—	402.20	341.33	29.54	—	370.87	31.33	48.48
Total	20,785.24	509.90	8.74	21,286.40	4,589.55	567.54	4.74	5,152.35	16,134.05	16,195.69
	20,450.64	490.69	156.09	20,785.24	4,210.27	450.18	70.90	4,589.55	16,195.69	

Note: Leasehold land from Collector of Mumbai for 99 years which is renewable at the option of the both the parties.

Note '9' (Rs in lacs)

DESCRIPTION	Gross Block				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2014	Additions	Deductions/ Adjustments	As at 31-03-2015	Upto 31-03-2014	For the year	Deductions/ Adjustments	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
Intangible Assets:										
Computer software	39.20	1.83	—	41.03	29.28	5.21	—	34.49	6.54	9.92
Total	39.20	1.83	—	41.03	29.28	5.21	—	34.49	6.54	9.92
	28.07	11.13	—	39.20	26.47	2.81	—	29.28	9.92	

NOTES '10' – NON CURRENT INVESTMENTS

Non-trade Investments (valued at cost unless stated otherwise):

Unquoted:

530	Equity shares of The Saraswat Co-operative Bank Ltd., of Rs. 10 each	0.05	0.05
20	Shares of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each	0.01	0.01
*1,857	Equity shares of Bombay Mercantile Co-operative Bank Ltd., of Rs. 30 each	0.56	0.56

Quoted:

3,820	Equity Shares of Edelweiss Capital Limited of Rs. 1 each	3.15	3.15
		3.77	3.77

Aggregate value of unquoted investments

Aggregate value of quoted investments

Market value of quoted investments

0.62

3.15

2.44

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Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 Rs. in lacs	As at 31/03/2014 Rs. in lacs
NOTES '11' – LONG-TERM LOANS AND ADVANCES		
Security Deposits	1,636.51	1,481.58
Capital advance – Unsecured, considered good	300.00	300.00
	<u>1,936.51</u>	<u>1,781.58</u>
NOTES '12' – OTHER NON-CURRENT ASSETS		
Margin Money Deposit with Bank	109.43	96.97
	<u>109.43</u>	<u>96.97</u>
NOTES '13' – CURRENT INVESTMENTS IN MUTUAL FUNDS (valued at lower of cost and market value):		
176 units of Rs. 10 each in Birla Sun Life Short Term Fund	0.17	0.17
	<u>0.17</u>	<u>0.17</u>
Aggregate value of current quoted investments	0.17	0.17
Net Assets Value (NAV) of Mutual Funds	0.20	0.18
NOTES '14' – INVENTORIES (valued at lower of cost and net realisable value)		
Food and Beverages	114.15	196.03
Stores and Other Operating Supplies	36.97	22.01
	<u>151.12</u>	<u>218.04</u>
NOTES '15' – TRADE RECEIVABLES		
Debts outstanding for a period exceeding six months – (Secured, considered good)	30.39	30.39
Debts outstanding for a period exceeding six months – (Unsecured, considered good)	9.00	18.16
Other debts	614.29	514.12
	<u>653.68</u>	<u>562.67</u>
NOTES '16' – CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Current accounts	139.85	367.63
Cash on hand	13.57	12.61
Other Bank Balances:		
Unpaid Dividend accounts	3.34	3.44
Fixed Deposit with banks maturing within one year	57.91	129.86
	<u>214.67</u>	<u>513.54</u>

Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 Rs. in lacs	As at 31/03/2014 Rs. in lacs
NOTES '17' – SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances to related parties		
Advances to others:		
Prepaid expenses	76.76	77.16
Loans to employees	35.44	51.91
Balances with statutory/government authorities	2.58	1.33
Advance to suppliers	41.05	46.80
Advance recoverable in cash or kind for value to be received	57.67	51.13
Security and other deposits	20.40	20.40
	233.91	248.73
NOTES '18' – REVENUE FROM OPERATIONS		
Sales-Rooms	1,723.67	1,549.36
Sales-Food and Beverages	2,800.68	2,823.99
Sale of services	627.62	669.24
	5,151.96	5,042.59
NOTES '19' – OTHER INCOME		
Interest received on deposits with banks	21.74	14.47
Dividends income	—	0.93
Unclaimed Credit balances written back	1.05	2.47
Exchange Rate Difference (net)	0.03	—
Foreign Exchange Commission	2.33	2.58
Miscellaneous receipts	5.07	34.59
	30.22	55.04
NOTES '20' – PURCHASE OF STOCK-IN-TRADE		
Food & Beverages items	740.54	831.29
	740.54	831.29
NOTES '21' – CHANGES IN STOCK-IN-TRADE (Food & Beverages items)		
Opening stock	196.03	215.50
Closing stock	114.15	196.03
(Increase) / Decrease in stock	81.88	19.47
NOTES '22' – EMPLOYEE BENEFITS EXPENSE (refer to Note "28.B.3")		
Salaries and wages (including bonus and gratuity)	1,199.84	1,148.04
Contributions to:		
Provident, Family Pension and other Funds	66.81	67.30
Staff welfare expenses	44.38	38.84
	1,311.03	1,254.18
NOTES '23' – FINANCE COSTS		
Interest expense (Bank loans)	119.02	33.39
Other borrowing costs	17.84	18.44
	136.86	51.83

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Notes forming part of the Financial Statements as at 31st March, 2015

	As at 31/03/2015 Rs. in lacs	As at 31/03/2014 Rs. in lacs
NOTES '24' – DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of tangible assets	567.54	450.18
Amortisation of intangible assets	5.21	2.81
	<u>572.75</u>	<u>452.99</u>

NOTES '25' – OTHER EXPENSES

Operating Expenses:

Power, Fuel and Water	329.04	310.50
Repairs and Maintenance:		
Building	64.54	48.26
Machinery	10.63	15.99
Others	143.59	137.37
Stores and Supplies including Linen and Uniforms	98.79	104.38
Washing and Laundry expenses	75.43	71.25
Business Operating expenses	210.66	209.42
Hall Decoration	162.69	124.61
Music and other Operating expenses	138.50	98.22

General Expenses:

Rent	14.98	16.50
Rates and Taxes	111.01	124.48
Insurance	35.20	30.13
Hire charges	25.09	19.21
Advertisement and Sales Promotion	200.13	219.59
Commission on Sales	52.37	47.08
Travelling and Conveyance	259.77	243.97
Printing and Stationery	26.14	34.65
Postage and Telephones	41.63	51.99
Other expenses	209.76	199.91
Payments to Auditors (Note 28.B.4)	9.66	9.68
Legal and Professional charges	193.19	250.30
Franchise and Corporate Service fees	168.52	165.30
Directors Sitting fees	4.85	3.60
Loss on sale of Assets	3.50	13.43
Fixed Assets w/off	—	50.84
Bad Debts written off	—	7.49
	<u>2,589.67</u>	<u>2,608.15</u>

NOTES '26' – EARNINGS PER EQUITY SHARE

Net profit after Taxation (in Rs.)	(222.06)	(106.68)
Weighted average number of equity shares	70,519,135	70,519,135
Earnings per equity shares (in Rs.)	(0.31)	(0.15)
Nominal value per share (Rs.)	2.00	2.00

NOTES 27

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

A. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The consolidated financial statements relate to Graviss Hospitality Limited and its subsidiary companies as at 31st March, 2015. The Company has prepared consolidated financial statements in accordance with Accounting Standard - 21 (Consolidated Financial Statements) notified under Companies (Accounting Standards) Rules, 2006.

b. Principles of Consolidation

- (i) The Financial Statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating the intra group balances and intra group transactions and unrealized profits or losses resulting from intra group transactions.
- (ii) The Financial Statements of the Subsidiary Companies used in the consolidation are drawn upto the same reporting date as that of the Company, i.e 31st March, 2015.
- (iii) The excess of the cost to the Company of its investment in the subsidiary companies over the Company's portion of equity is recognized in the financial statements as Goodwill adjusted against General Reserve.

c. Companies included in Consolidation

Subsidiaries	Country of incorporation	%Holding
Graviss Catering Private Limited	India	100
Graviss Hotels & Resorts Limited	India	99.98
Hotel Kankeshwar Private Limited (a subsidiary of Graviss Hotels and Resorts Limited)	India	100

d. SIGNIFICANT ACCOUNTING POLICIES

I SYSTEM OF ACCOUNTING

- (a) The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The financial statements have been prepared in all material respects in accordance with the accounting standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (b) Financial statements are prepared on historical cost basis and as a going concern.

II USE OF ESTIMATES

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

III 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.

(b) Depreciation

Depreciation is charged in the Accounts on straight line method in accordance with the useful life specified in the Companies Act 2013 or the useful life as determined by Chartered Engineer's report in respect of the following assets:

Building	30 years
Air-conditioning plant, cooking machinery, security and fire fighting equipments	15 years
Furniture, fixtures including interior design	8 years

Residual value of building and vehicles is estimated 5% of the original cost and at Nil value for all other assets.

In case of Graviss Catering Private Limited and Graviss Hotels and Resorts Limited, depreciation is charged in the Accounts on straight line method in accordance with the rates and in the manner specified in Schedule II of Companies Act, 2013.

IV REVENUE RECOGNITION

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will follow to the company.

- (a) Sales : Revenue is recognized on accrual basis. Sales comprise of sale of goods and services and are net of Value Added Tax and Service Tax.
- (b) Interest : Revenue is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest.
- (c) Dividends : Revenue is recognized when the right to receive payment is established.

Note 28 — (Contd.)

V INVESTMENTS

The Company's investments comprise long term and current investments. Long Term investments are stated at cost less permanent diminution, if any, in value. Current investments are stated at lower of cost or market value.

VI INVENTORIES

Inventories are valued at cost. Cost is computed at purchase price and other related expenses incurred in bringing the inventories to their present location and condition.

VII FOREIGN CURRENCY TRANSACTIONS

- (a) Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of Transactions.
- (b) Monetary items denominated in foreign currencies (such as cash receivables, payables, etc.) outstanding at the year end, are translated at exchange rate applicable as of that date.
- (c) Non-monetary items denominated in foreign currency (such as investments, fixed assets, etc) are valued at the exchange rate prevailing on the date of transaction.
- (d) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted in the Profit & Loss Account, except as indicated in Note B.9 below.

VIII BORROWING COSTS

Borrowing costs attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

IX EMPLOYEE BENEFITS

- (a) Contributions to Provident are made to Employees Provident Fund of the Government and are charged to Profit & Loss Account.
- (b) The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Met Life Insurance Co. Premium charged by the Met Life Insurance Co, based on actuarial valuation is debited to the Profit and Loss account.
- (c) Liability towards Leave Encashment Benefit is provided for based on actuarial valuation done at the year end.

X PROVISIONS & CONTINGENCIES

- (a) A provision arising out of a present obligation is recognized when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
- (b) Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.
- (c) Show Cause Notices are not considered as Contingent Liabilities unless converted into demand.

XI TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act,1961. Credit in respect of Minimum Alternate Tax paid is recognized only if there is convincing evidence of realization of the same.

Deferred Tax which is computed on the basis of enacted/substantively enacted rates, is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

XII IMPAIRMENT OF ASSET

The carrying amount of assets are reviewed at each balance sheet date for indication of any impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to that effect.

XIII LEASES

Assets acquired under finance leases are capitalized at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at constant periodic rate of interest on the remaining balance of liability.

Operating lease expense is recognized in the Profit and Loss Account on straight line basis over the lease term.

B. Other Notes forming part of Financial Statements

1. A Contingent Liabilities

- (a) Bank Guarantees given to the extent of Rs. 53.49 lacs (previous year Rs. 53.49 lacs).
- (b) During the year the Company has received order in favour from Appellate Tribunal for the assessment year 2009-10.

The Company is hopeful of getting the order in favour from the Appellate Authorities in respect of income tax demand of Rs. 81.20 lacs for the assessment year 2010-11 to 2012-13 since the Company has got the tribunal order in its favour in respect of the similar disallowances/additions to income for the assessment year 2009-10 and accordingly no provision is made for the same in the financial statements.

Note 28 — (Contd.)

- (c) In the matter of VAT demand and penalty of Rs. 88 lacs for the year 2010-11, the Appellate Tribunal Delhi has ordered the company to deposit Rs.16 lacs for admission of appeal against which the company has gone for appeal to the High Court, Delhi. The Company is hopeful of getting the order in its favour and hence has not made provision for the same in the financial statements.
- (d) The Company has received Show Cause notice from Service Tax Authorities denying the utilization of input tax credit of one unit against the tax payable of another unit for the years 2009-10 to 2012-13 for an amount of Rs. 101 lacs. The company has replied to the Commissioner. The company has been legally advised that they would not result in outflow of the resources, considering various judgements in favour the Company on similar issue.

B Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account- NIL (Previous year NIL).

Note: Commitments which are material and which will result in a penalty disproportionate to the benefits involved, based on the judgement of the management are only disclosed.

2. Retirement benefit
Disclosure pursuant to Accounting Standard – 15 (Revised) Employee Benefits:

The Company has classified the various benefits provided to employees as under:

Defined Contribution Plans:

The company has recognised contribution to Provident Fund of Rs.60.01 lacs in the Profit & Loss Account.

Defined Benefit Plans:
Rs in lacs

	Gratuity		Leave Encashment	
	2014-15	2013-14	2014-15	2013-14
Changes in the Present Value of Obligation				
(a) Present Value of Obligation as at 1st April	169.45	168.43	22.46	18.38
(b) Interest Cost	15.01	12.75	2.03	1.47
(c) Service Cost	27.23	22.72	21.08	24.61
(d) Curtailment Cost/(Credit)	—	—	—	—
(e) Settlement Cost/(Credit)	—	—	—	—
(f) Benefits Paid	(6.88)	(18.21)	—	—
(g) Interest guarantee (if relevant)	—	—	—	—
(h) Actuarial (Gain)/Loss	1.59	(16.24)	(31.27)	(22.00)
(i) Present Value of Obligation as at 31st March	206.41	169.45	14.31	19.55
Changes in the Fair Value of Plan Assets				
(a) Present Value of Plan Assets as at 1st April, 2013	—	—	—	—
(b) Expected Return on Plan Assets	—	—	—	—
(c) Actuarial (Gain)/Loss	—	—	—	—
(d) Employers' Contributions	—	—	—	—
(e) Benefits Paid	—	—	—	—
(f) Present Value of Obligation as at 31st March, 2014	—	—	—	—
Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets				
(a) Present Value of Defined Benefit Obligation as at 31st March	206.41	169.45	14.31	22.46
(b) Fair Value of Plan Assets as at 31st March	100.43	95.12	5.69	3.41
(c) Net Liability recognized in the Balance Sheet as at 31st March	105.98	74.33	8.62	19.05
Expenses Recognized in the Profit and Loss Account				
(a) Service Cost	27.23	22.72	21.08	24.61
(b) Interest Cost	15.01	12.75	2.03	1.47
(c) Expected Return on Plan Assets	(10.36)	(11.11)	(0.41)	(0.37)
(d) Curtailment Cost/(Credit)	—	—	—	—
(e) Settlement Cost/(Credit)	—	—	—	—
(f) Net Actuarial (Gain)/Loss	(0.17)	(9.64)	(33.14)	(21.93)
(g) Total Expenses recognized in the Profit and Loss A/c	31.71	14.72	(10.43)	3.78
Actuarial Assumptions				
Retirement age	58 Years	58 Years	—	—
Discount rate	8 to 9%	8 to 9%	—	—
Mortality	LIC (1994-96) Ult	LIC (1994-96) Ult	—	—
Withdrawal rate	1.30%	1.30%	—	—
Salary escalation	5 to 10%	5 to 10%	—	—

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Note 28 — (Contd.)

3.	Employees' Remuneration and Benefits includes Remuneration paid to the Managing Director and Joint Managing Director		
		2014-15	2013-14
		(Rs. in lacs)	(Rs. in lacs)
	Salary	54.00	54.00
	Contribution to provident fund	6.48	6.48
	Other Perquisites	14.10	14.10
		74.58	74.58
4.	Payments to Auditors		
		2014-15	2013-14
		(Rs. in lacs)	(Rs. in lacs)
	Audit Fee	8.16	8.18
	Certification charges and fee	1.50	1.50
		9.66	9.68
5.	(a) Particulars of Trade Receivables and Loans and Advances for debts due from companies under the same management are as follows (related parties):		
		2014-15	2013-14
		(Rs. in lacs)	(Rs. in lacs)
	Trade Receivables (Current):		
	Graviss Holdings Private Limited	540.06	489.49
	Rich Graviss Products Private Limited	0.51	3.04
	Graviss Foods Private Limited	1.27	2.78
		541.84	495.31
	Loans and Advances:		
	Security Deposits: (Non current)		
	Graviss Holdings Private Limited	754.00	600.00
	Cross Word Beverages Private Limited	800.00	800.00
	Pure Foods & Ice Cream	4.00	4.00
		1,558.00	1,404.00
	(b) Confirmations of balances from some of sundry debtors and creditors have not been received.		
6.	Information relating to Related Party Disclosures as per Accounting Standard issued by the Institute of Chartered Accountants of India, is given below:		
	A. List of Related Parties (relied on the details provided by the management):		
	i Shareholders/Directors		
	Mr Ravi Ghai, Mr Gaurav Ghai, Mr RKP Shankardass.		
	ii Subsidiaries of the Company		
	iii Other related parties where the common control exists		
	Graviss Holdings Pvt Ltd., Graviss Foods Pvt Ltd., Rich Graviss Products Private Limited, Graviss Brands Pvt Ltd., *Gaylord Pvt Ltd., Crossword Beverages Pvt. Ltd.*, Brown Hills Realty Pvt. Ltd.* *West Hills Realty Pvt Ltd., *Pure Ice Cream (LLC) *Baskin Robins India Pvt Ltd., *Graviss Food Solution Pvt. Ltd. *Oregon Realtys Pvt Ltd., *Perfect Live Stock Pvt Ltd., *Blue Ocean Holding Ltd., *Pure Foods & Ice Cream, *G.L. Ice Creams, *I.K. Ghai Trust, *I.K. Ghai (Kwality Bombay) Foundation, Ghai Family Trust. *Satinetta Finelease & Investments Pvt. Ltd., *Kwality Walls Fantasy Ltd. *PIC Gujarat Pvt Ltd. *Ambition Trading Pvt Ltd. *Vishal Holdings Pvt Ltd., *Mayfair Hospitality Pvt Ltd, *Vanila Star Jeans (India) Pvt Ltd., *Amphitrite Investments *Indomark Dairy & Equipments Pvt Ltd. *Kwality Real Estate Pvt Ltd.		
	(* no transactions during the year)		
	iv Key Managerial Personnel		
	Mr. Ravi Ghai	Managing Director	
	Mr. Gaurav Ghai	Joint Managing Director	
	Mr. Dalip Sehgal	Director	
	Mr. Amit Jain (up to 31.10.2014)	Chief Financial Officer	
	Mr. Rajendra Agrawal (w.e.f. 01.12.2014)	Chief Financial Officer	
	Mr. Lajja Shah	Company Secretary	

Note 28 — (Contd.)
B. Transactions with Related Parties:

	(Rs. in lacs)	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
I Sale			
Other related parties where the common control exists		894.96	952.25
ii Expenditure and other services fees paid			
Shareholders/Directors/Managing Director	19.60		
Other related parties where the common control exists	97.68	117.28	123.36
iii Managerial Remuneration			
Managing Director and Joint Managing Director		74.58	74.58
Chief Financial Officer		48.89	44.47
Company Secretary		3.38	7.58
iv Loans/Advances/Deposits given			
Other related parties where the common control exists		1,558.00	1,404.00
v Debtors			
Other related parties where the common control exists		541.84	495.31
vi Outstanding payables			
Other related parties where the common control exists		13.67	6.07

7. Value of raw materials and stores consumed:

	2014-15		2013-14	
	Percentage of total consumption	Amount (Rs. in lacs)	Percentage of total consumption	Amount (Rs. in lacs)
Raw Materials:				
Indigenous	100	822	100	838
Stores:				
Imported	26	19	—	—
Indigenous	74	55	100	61

	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
8. Value of imports (CIF value):		
Capital Goods	—	91.01
9. Earnings in Foreign Exchange:		
(a) Sale of Rooms and Food and Beverages Income	1,413.23	1,311.36
(b) Encashment of Foreign Exchange	50.08	44.16
10. Expenditure in Foreign Currencies:		
(a) Travelling – Directors	53.45	81.76
(b) Travelling – Others	27.54	17.28
(c) Agency Commission	24.74	11.09
(d) Consultants Fees	15.23	37.98
(e) Franchise Fees	173.65	121.34
(f) Others	11.06	9.74
11. Provision for current tax during the year has been made on regular basis.		
12. Amounts if any due to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.		
13. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with paras 46 and 46A Companies (Accounting Standards) Amendment Rules 2009/2011 on Accounting Standard (AS)11 notified by Government of India on March 31, 2009 and on 29th December, 2011 respectively. Accordingly an amount of Rs. NIL has been charged to Profit & Loss Account.		
14. With effect from 01-04-2014, the company has revised depreciation rate on certain fixed assets in accordance with the useful life specified in the Companies Act 2013 or re-assessed by the company based on a Chartered Engineer's report. Accordingly an amount of Rs 120 lacs has been charged to Profit & loss account over & above the normal depreciation in respect of assets which have remaining useful life as at 01.04.2014.		

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Note 28 — (Contd.)

15. Current and non-current classification of assets and liabilities in the balance sheet has been made based on the professional judgement of the management.
16. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segment Reporting'.
17. The accumulated losses of Graviss Catering Private Limited, a subsidiary, are more than the net worth. In the opinion of the management, having regard to the long term interest of the holding Company in the Company and considering that the Company gets regular orders of decoration and earns sufficient margin to meet the fixed costs which will enable the Company to recoup the losses incurred, the going concern assumptions are not affected.
- The accumulated losses of Graviss Hotels and Resorts Limited, another subsidiary, are more than the net worth. The subsidiary had purchased lands at various places viz. Shirdi, Goa and Alibaug for construction of hotels. Due to change in business plans, the subsidiary is exploring to sell these lands. In assessment of the management, the market value of the lands alongwith buildings constructed so far is more than the book values and therefore the preparation of financial statements of the subsidiary (included in the preparation of the consolidated financial statements) on going concern basis is not affected.
18. In the opinion of the management there are no indications that the assets of the company may be impaired as on the balance sheet date.
19. "Advances on Capital Account against Purchase of Land" includes an amount of Rs. 270 lacs being the advance paid to three parties for purchase of lands against a total consideration of Rs. 2,832 lacs. Since the lands were not capable of being developed, the company issued a notice of termination of agreements entered into with the parties and invoked Arbitration. The arbitrator has been appointed and the arbitration proceedings are pending. The company is hopeful of getting decision in its favour and hence considers the advance good of recovery.
20. The Conveyance of the Agricultural lands at Alibaug and Shirdi which were purchased in 2007 for the beneficial interest of the Company in terms of the resolutions of the Board of Directors of the Company, are in the name of Mr Gaurav Ghai the Joint Managing Director of Graviss Hospitality Limited, the holding company and Mr Ravi Ghai, the Chairman and Managing Director of Graviss Hospitality Limited, the holding company respectively.
21. Disclosure of Net Assets and Share in Profit or Loss

Sl. no.	Name of the Entity	Net Assets Total Assets minus Total Liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount (Rs in lacs)	As % of consolidated profit or (loss)	Amount (Rs in lacs)
1.	Graviss Hospitality Limited – Parent	103%	24,451.09	-101%	(224.88)
2.	Graviss Catering Private Limited – Subsidiary	-2%	(522.70)	8%	16.85
3.	Graviss Hotels & Resorts Limited – Subsidiary	-1%	(278.92)	-7%	(13.96)
4.	Hotel Kankeshwar Private Limited – (subsidiary of Graviss Hotels & Resorts Limited	0%	(0.23)	0%	(0.06)
		100%	23,649.24	100%	(222.06)

22. **Previous year figures:**

Previous year's figures have been reclassified/regrouped wherever necessary to conform to current year's classification / grouping. Figures in brackets are in respect of the previous year.

As per our separate report of even date

Singnature to Schedules '1' TO '27'

For **V. SANKAR AIYAR & CO.**

Chartered Accountants

Firm Registration No. 109208W

G. SANKAR

Partner (Membership No. 046050)

Mumbai,

Dated: 28th April, 2015

RAVI GHAI

Chairman and Managing Director

RAJENDRA AGRAWAL

Chief Financial Officer

M.V. DOSHI

Director

Lajja Shah

Company Secretary

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
	<ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click

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on Forgot Password & enter the details as prompted by the system.

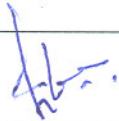
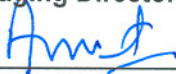

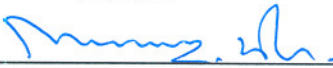
(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-

Form A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Graviss Hospitality Ltd
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	<p>Matter of Emphasis</p> <p>Without qualifying our opinion, attention of the members is drawn to Note 27.B.17. In view of the matter stated therein relating to the accumulated losses of two subsidiaries as at 31st March, 2015, keeping in mind the factors stated in the Note, there is no diminution in the value of investments in the subsidiaries and the loans given to the subsidiaries are considered good of recovery.</p>
4.	Frequency of observation	Whether appeared first time: No
5.	<p>To be signed by-</p> <p align="center"></p> <p align="center">_____ Ravi Ghai Managing Director</p> <p align="center"></p> <p align="center">_____ Amit Jain CFO</p> <p align="center"></p> <p align="center">_____ G Sankar Auditor</p> <p align="center"></p> <p align="center">_____ Mahendra V.Doshi Audit Committee Chairman</p>	