



July 29, 2017

To,  
The BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai- 400 001.

**Scrip Code: 509546**

Dear Sir/Madam,

**Sub.: Submissions pertaining to the 56<sup>th</sup> Annual General Meeting of the Company held on Friday, July 28, 2017.**

This is to inform that the 56<sup>th</sup> Annual General Meeting (AGM) of the Company was held on Friday, 28<sup>th</sup> July, 2017 and the items of business stated in the Notice convening the said AGM dated 2<sup>nd</sup> May, 2017 were transacted. In this regard, please find enclosed the following:

1. Voting Results, as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as **ANNEXURE I**.
2. Consolidated Report dated July ~~28~~ 29 2017 from M/s. Martinho Ferrao & Associates, Scrutinizer appointed for the purpose of remote e-voting and for conducting the physical ballot voting at the AGM in a fair and transparent manner, pursuant to Sections 108 and 109 of the Companies Act, 2013 and Rules 20 (4) (xi) and 21 (2) of the Companies (Management and Administration) Rules, 2014 as **ANNEXURE II**.
3. Summary of proceedings of the AGM, as required under Regulation 30, Part A of Schedule III to the SEBI Listing Regulations as **ANNEXURE III**.
4. Annual Report for the Financial Year 2016-17, as required under Regulation 34 of the SEBI Listing Regulations, duly approved and adopted by the Members in accordance with applicable provisions of the Companies Act, 2013.

The Result along with the Scrutinizer's Report is available at the website of the Company [www.gravisshospitality.com](http://www.gravisshospitality.com) and on the CDSL e-voting website <https://www.evotingindia.com/>

Thanking you.

Yours sincerely,

For Graviss Hospitality Limited

*K. Bharucha*



**Kainaaz Bharucha**  
**Company Secretary & Compliance Officer**

GRAVISS HOSPITALITY LTD.  
CIN: L55101PN1959PLC012761  
(FORMERLY KNOWN AS THE GL HOTELS LIMITED)  
REG. OFFICE: J-177, MIDC INDUSTRIAL AREA, BHOSARI, PUNE - 411 026.  
ADMIN. OFFICE: 254-C, DR. ANNIE BESANT ROAD, WORLI, MUMBAI - 400 030.  
T 91.22. 4050 1111, F 91.22. 2491 5555  
[www.gravissgroup.com](http://www.gravissgroup.com)

VOTING RESULTS

|   |                             |
|---|-----------------------------|
| Date of the AGM   | 28 <sup>th</sup> July, 2017 |
| Total number of shareholders on record date                                   | 1413                        |
| No. of shareholders present in the meeting either in person or through proxy: |                             |
| Promoters and Promoter Group:   | 7                           |
| Public:   | 9                           |
| No. of Shareholders attended the meeting through Video Conferencing:          |                             |
| Promoters and Promoter Group:   | NOT APPLICABLE              |
| Public:   | NOT APPLICABLE              |



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| Resolution no.   |                               |                    |                     | 1  |                          |                        |                                      |                                    |
|--|-------------------------------|--------------------|---------------------|--|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary / Special)                                  |                               |                    |                     | Ordinary   |                          |                        |                                      |                                    |
| Whether promoter/promoter group are interested in the agenda / resolution? |                               |                    |                     | No   |                          |                        |                                      |                                    |
| Description of resolution considered                                       |                               |                    |                     | To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31 <sup>st</sup> March 2017 together with the Reports of the Board of Directors and Auditors thereon. |                          |                        |                                      |                                    |
| Category   | Mode of voting                | No. of shares held | No. of votes polled | % of Votes polled on outstanding shares  | No. of votes – in favour | No. of votes – against | % of votes in favour on votes polled | % of Votes against on votes polled |
|  |                               | (1)                | (2)                 | (3)=[(2)/(1)] * 100  | (4)                      | (5)                    | (6)=[(4)/(2)] *100                   | (7)=[(5)/(2)] *100                 |
| Promoter and Promoter Group  | E-Voting                      | 52736710           | 52736710            | 100  | 52736710                 | 0                      | 100                                  | 0                                  |
|  | Poll                          |                    | 0                   | 0  | 0                        | 0                      | 0                                    | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 | N.A.                               |
|  | Total                         |                    | 52736710            | 100  | 52736710                 | 0                      | 100                                  | 0                                  |
| Public – Institutions  | E-Voting                      | 0                  | 0                   | 0  | 0                        | 0                      | 0                                    | 0                                  |
|  | Poll                          |                    | 0                   | 0  | 0                        | 0                      | 0                                    |                                    |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 0                   | 0  | 0                        | 0                      | 0                                    |                                    |
| Public – Non Institutions  | E-Voting                      | 17782425           | 818382              | 4.60   | 818282                   | 100                    | 99.99                                | 0.01                               |
|  | Poll                          |                    | 70                  | 0  | 70                       | 0                      | 100                                  | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 818452              | 4.60   | 818352                   | 100                    | 100                                  | 0                                  |
| <b>Total</b>   |                               | <b>70519135</b>    | <b>53555162</b>     | <b>75.94</b>   | <b>53555062</b>          | <b>100</b>             | <b>100</b>                           | <b>0</b>                           |



*K. Bharucha*

| Resolution no.   |                               |                    |                     | 2  |                          |                        |                                      |                                    |
|--|-------------------------------|--------------------|---------------------|--|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary / Special)                                  |                               |                    |                     | Ordinary   |                          |                        |                                      |                                    |
| Whether promoter/promoter group are interested in the agenda / resolution? |                               |                    |                     | No   |                          |                        |                                      |                                    |
| Description of resolution considered                                       |                               |                    |                     | To receive, consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2017 together with the Report of the Auditors thereon. |                          |                        |                                      |                                    |
| Category   | Mode of voting                | No. of shares held | No. of votes polled | % of Votes polled on outstanding shares  | No. of votes – in favour | No. of votes – against | % of votes in favour on votes polled | % of Votes against on votes polled |
|  |                               | (1)                | (2)                 | (3)=[(2)/(1)] * 100  | (4)                      | (5)                    | (6)=[(4)/(2)] * 100                  | (7)=[(5)/(2)] * 100                |
| Promoter and Promoter Group  | E-Voting                      | 52736710           | 52736710            | 100  | 52736710                 | 0                      | 100                                  | 0                                  |
|  | Poll                          |                    | 0                   | 0  | 0                        | 0                      | 0                                    | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 | N.A.                               |
|  | Total                         |                    | 52736710            | 100  | 52736710                 | 0                      | 100                                  | 0                                  |
| Public – Institutions  | E-Voting                      | 0                  | 0                   | 0  | 0                        | 0                      | 0                                    | 0                                  |
|  | Poll                          |                    | 0                   | 0  | 0                        | 0                      | 0                                    |                                    |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 0                   | 0  | 0                        | 0                      | 0                                    |                                    |
| Public – Non Institutions  | E-Voting                      | 17782425           | 818382              | 4.60   | 818282                   | 100                    | 99.99                                | 0.01                               |
|  | Poll                          |                    | 70                  | 0  | 70                       | 0                      | 100                                  | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 818452              | 4.60   | 818352                   | 100                    | 100                                  | 0                                  |
| <b>Total</b>   |                               | <b>70519135</b>    | <b>53555162</b>     | <b>75.94</b>   | <b>53555062</b>          | <b>100</b>             | <b>100</b>                           | <b>0</b>                           |



K. Bharucha

| Resolution no.   |                               |                    |                     | 3   |                          |                        |                                      |                                    |
|--|-------------------------------|--------------------|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary / Special)                                  |                               |                    |                     | Ordinary  |                          |                        |                                      |                                    |
| Whether promoter/promoter group are interested in the agenda / resolution? |                               |                    |                     | No  |                          |                        |                                      |                                    |
| Description of resolution considered                                       |                               |                    |                     | To appoint a Director in place of Ms. Mala Todarwal (DIN 06933515) who retires by rotation and being eligible, offers herself for re-appointment. |                          |                        |                                      |                                    |
| Category   | Mode of voting                | No. of shares held | No. of votes polled | % of Votes polled on outstanding shares   | No. of votes – in favour | No. of votes – against | % of votes in favour on votes polled | % of Votes against on votes polled |
|  |                               | (1)                | (2)                 | (3)=[(2)/(1)] * 100   | (4)                      | (5)                    | (6)=[(4)/(2)] * 100                  | (7)=[(5)/(2)] * 100                |
| Promoter and Promoter Group  | E-Voting                      | 52736710           | 52736710            | 100   | 52736710                 | 0                      | 100                                  | 0                                  |
|  | Poll                          |                    | 0                   | 0   | 0                        | 0                      | 0                                    | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.  | N.A.                     | N.A.                   | N.A.                                 | N.A.                               |
|  | Total                         |                    | 52736710            | 100   | 52736710                 | 0                      | 100                                  | 0                                  |
| Public – Institutions  | E-Voting                      | 0                  | 0                   | 0   | 0                        | 0                      | 0                                    | 0                                  |
|  | Poll                          |                    | 0                   | 0   | 0                        | 0                      | 0                                    |                                    |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.  | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 0                   | 0   | 0                        | 0                      | 0                                    |                                    |
| Public – Non Institutions  | E-Voting                      | 17782425           | 818382              | 4.60  | 818282                   | 100                    | 99.99                                | 0.01                               |
|  | Poll                          |                    | 70                  | 0   | 70                       | 0                      | 100                                  | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.  | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 818452              | 4.60  | 818352                   | 100                    | 100                                  | 0                                  |
| <b>Total</b>   |                               | <b>70519135</b>    | <b>53555162</b>     | <b>75.94</b>  | <b>53555062</b>          | <b>100</b>             | <b>100</b>                           | <b>0</b>                           |



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| Resolution no.   |                               |                    |                     | 4  |                          |                        |                                      |                                    |
|--|-------------------------------|--------------------|---------------------|--|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary / Special)                                  |                               |                    |                     | Ordinary   |                          |                        |                                      |                                    |
| Whether promoter/promoter group are interested in the agenda / resolution? |                               |                    |                     | No   |                          |                        |                                      |                                    |
| Description of resolution considered                                       |                               |                    |                     | To ratify the appointment of M/s V. Sankar Aiyar & Co. as Statutory Auditors and fix their remuneration. |                          |                        |                                      |                                    |
| Category   | Mode of voting                | No. of shares held | No. of votes polled | % of Votes polled on outstanding shares  | No. of votes – in favour | No. of votes – against | % of votes in favour on votes polled | % of Votes against on votes polled |
|  |                               | (1)                | (2)                 | $(3) = \frac{(2)}{(1)} * 100$  | (4)                      | (5)                    | $(6) = \frac{(4)}{(2)} * 100$        | $(7) = \frac{(5)}{(2)} * 100$      |
| Promoter and Promoter Group  | E-Voting                      | 52736710           | 52736710            | 100  | 52736710                 | 0                      | 100                                  | 0                                  |
|  | Poll                          |                    | 0                   | 0  | 0                        | 0                      | 0                                    | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 | N.A.                               |
|  | Total                         |                    | 52736710            | 100  | 52736710                 | 0                      | 100                                  | 0                                  |
| Public – Institutions  | E-Voting                      | 0                  | 0                   | 0  | 0                        | 0                      | 0                                    | 0                                  |
|  | Poll                          |                    | 0                   | 0  | 0                        | 0                      | 0                                    |                                    |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 0                   | 0  | 0                        | 0                      | 0                                    |                                    |
| Public – Non Institutions  | E-Voting                      | 17782425           | 818382              | 4.60   | 818282                   | 100                    | 99.99                                | 0.01                               |
|  | Poll                          |                    | 70                  | 0  | 70                       | 0                      | 100                                  | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 818452              | 4.60   | 818352                   | 100                    | 100                                  | 0                                  |
| <b>Total</b>   |                               | <b>70519135</b>    | <b>53555162</b>     | <b>75.94</b>   | <b>53555062</b>          | <b>100</b>             | <b>100</b>                           | <b>0</b>                           |



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| Resolution no.   |                               | 5  |                     |   |                          |                        |                                      |                                    |
|--|-------------------------------|--|---------------------|---|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary / Special)                                  |                               | Ordinary   |                     |   |                          |                        |                                      |                                    |
| Whether promoter/promoter group are interested in the agenda / resolution? |                               | Mr. Gaurav Ghai and Mr. Ravi Ghai are interested.  |                     |   |                          |                        |                                      |                                    |
| Description of resolution considered                                       |                               | Re-appointment of Mr. Gaurav Ghai (DIN: 00074857) as Joint Managing Director for a term of five years.   |                     |   |                          |                        |                                      |                                    |
| Invalid Votes  |                               | Since Mr. Ravi Ghai is interested in this Resolution, his vote (3324791 shares) shall be treated as invalid for the purposes of this Resolution. |                     |   |                          |                        |                                      |                                    |
| Category   | Mode of voting                | No. of shares held   | No. of votes polled | % of Votes polled on outstanding shares | No. of votes – in favour | No. of votes – against | % of votes in favour on votes polled | % of Votes against on votes polled |
|  |                               | (1)  | (2)                 | (3)=[(2)/(1)] * 100                     | (4)                      | (5)                    | (6)=[(4)/(2)] * 100                  | (7)=[(5)/(2)] * 100                |
| Promoter and Promoter Group  | E-Voting                      | 52736710   | 47102778            | 89.32                                   | 47102778                 | 0                      | 100                                  | 0                                  |
|  | Poll                          |  | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|  | Postal Ballot (if applicable) |  | N.A.                | N.A.                                    | N.A.                     | N.A.                   | N.A.                                 | N.A.                               |
|  | Total                         |  | 47102778            | 89.32                                   | 47102778                 | 0                      | 100                                  | 0                                  |
| Public – Institutions  | E-Voting                      | 0  | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|  | Poll                          |  | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
|  | Postal Ballot (if applicable) |  | N.A.                | N.A.                                    | N.A.                     | N.A.                   | N.A.                                 | N.A.                               |
|  | Total                         |  | 0                   | 0                                       | 0                        | 0                      | 0                                    | 0                                  |
| Public – Non Institutions  | E-Voting                      | 17782425   | 818382              | 4.60                                    | 818282                   | 100                    | 99.99                                | 0.01                               |
|  | Poll                          |  | 70                  | 0                                       | 70                       | 0                      | 100                                  | 0                                  |
|  | Postal Ballot (if applicable) |  | N.A.                | N.A.                                    | N.A.                     | N.A.                   | N.A.                                 | N.A.                               |
|  | Total                         |  | 818452              | 4.60                                    | 818352                   | 100                    | 100                                  | 0                                  |
| Total  |                               | 70519135   | 47921230            | 67.95                                   | 47921130                 | 100                    | 100                                  | 0                                  |



*K. Bhaucha*

| Resolution no.   |                               |                    |                     | 6  |                          |                        |                                      |                                    |
|--|-------------------------------|--------------------|---------------------|--|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Resolution required: (Ordinary / Special)                                  |                               |                    |                     | Special  |                          |                        |                                      |                                    |
| Whether promoter/promoter group are interested in the agenda / resolution? |                               |                    |                     | Yes  |                          |                        |                                      |                                    |
| Description of resolution considered                                       |                               |                    |                     | Approval of related party transactions of the Company with Graviss Holdings Private Limited. |                          |                        |                                      |                                    |
| Category   | Mode of voting                | No. of shares held | No. of votes polled | % of Votes polled on outstanding shares  | No. of votes – in favour | No. of votes – against | % of votes in favour on votes polled | % of Votes against on votes polled |
|  |                               | (1)                | (2)                 | (3)=[(2)/(1)] * 100  | (4)                      | (5)                    | (6)=[(4)/(2)] *100                   | (7)=[(5)/(2)] *100                 |
| Promoter and Promoter Group  | E-Voting                      | 52736710           | 24668684            | 46.78  | 24668684                 | 0                      | 100                                  | 0                                  |
|  | Poll                          |                    | 0                   | 0  | 0                        | 0                      | 0                                    | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 | N.A.                               |
|  | Total                         |                    | 24668684            | 46.78  | 24668684                 | 0                      | 100                                  | 0                                  |
| Public- Institutions   | E-Voting                      | 0                  | 0                   | 0  | 0                        | 0                      | 0                                    | 0                                  |
|  | Poll                          |                    | 0                   | 0  | 0                        | 0                      | 0                                    |                                    |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 0                   | 0  | 0                        | 0                      | 0                                    |                                    |
| Public- Non Institutions   | E-Voting                      | 17782425           | 654279              | 3.68   | 654179                   | 100                    | 99.98                                | 0.02                               |
|  | Poll                          |                    | 70                  | 0  | 70                       | 0                      | 100                                  | 0                                  |
|  | Postal Ballot (if applicable) |                    | N.A.                | N.A.   | N.A.                     | N.A.                   | N.A.                                 |                                    |
|  | Total                         |                    | 654349              | 3.68   | 654249                   | 100                    | 99.98                                | 0.02                               |
| <b>Total</b>   |                               | 70519135           | 25323033            | 35.91  | 25322933                 | 100                    | 99.98                                | 0.02                               |



K. Bharucha

## CONSOLIDATED SCRUTINIZER'S REPORT

[Pursuant to Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014 as amended]

To,  
The Chairman,  
56<sup>th</sup> Annual General Meeting  
**GRAVISS HOSPITALITY LIMITED**  
held at Dairy Tops, Plot No. J-177, M.I.D.C., Bhosari,  
Pune-411 026, Maharashtra.

Sub: Passing of Resolution through Electronic Voting and Voting conducted at the 56<sup>th</sup> Annual General Meeting of Graviss Hospitality Limited (the Company) held on Friday, 28<sup>th</sup> July, 2017 at the Registered Office of the Company situated at Dairy Tops, Plot No. J-177, MIDC Bhosari, Pune-26, Maharashtra, India.

Dear Sir,

The Company had appointed me as Scrutinizer to scrutinize the E-voting process and also for the voting by shareholders at 56<sup>th</sup> Annual General Meeting of the Company held on July 28, 2017.



The Company had appointed Central Depository Securities Limited (CDSL) as the Service Provider for extending the facility of electronic voting to the shareholders of the Company from Tuesday, 25<sup>th</sup> July, 2017 at 9:00 a.m. to Thursday, 27<sup>th</sup> July, 2017 at 5:00 p.m. Link Intime India Private Limited are the Registrar and Share Transfer Agents of the Company.

At the 56<sup>th</sup> AGM of the Company held on July 28, 2017, the Chairman of the Company had called for a voting to facilitate the members present in the meeting who could not participate in the e-voting to record their votes through the poll process.

**The result of the E-voting together with those of the Poll are as under:**

Item No. 1 - Ordinary Resolution

To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March 2017 together with the Reports of the Board of Directors and Auditors' thereon.

| Method of Voting | Votes in Favour of the resolution |                | Votes Against the resolution |               | Invalid Votes/ Abstained |
|------------------|-----------------------------------|----------------|------------------------------|---------------|--------------------------|
|                  | Nos.                              | %              | Nos.                         | %             |                          |
| E-voting         | 53554992                          | 99.9998        | 100                          | 0.0002        | 0                        |
| Poll             | 70                                | 100            | 0                            | 0             | 0                        |
| <b>TOTAL</b>     | <b>53555062</b>                   | <b>99.9998</b> | <b>100</b>                   | <b>0.0002</b> | <b>0</b>                 |



Item No. 2 - Ordinary Resolution

To receive, consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2017 together with the Report of the Auditors thereon.

| Method of Voting | Votes in Favour of the resolution |                | Votes Against the resolution |               | Invalid Votes/ Abstained |
|------------------|-----------------------------------|----------------|------------------------------|---------------|--------------------------|
|                  | Nos.                              | %              | Nos.                         | %             |                          |
| E-voting         | 53554992                          | 99.9998        | 100                          | 0.0002        | 0                        |
| Poll             | 70                                | 100            | 0                            | 0             | 0                        |
| <b>TOTAL</b>     | <b>53555062</b>                   | <b>99.9998</b> | <b>100</b>                   | <b>0.0002</b> | <b>0</b>                 |

Item No. 3 - Ordinary Resolution

To appoint a Director in place of Ms. Mala Tadarwal (DIN 06933515) who retires by rotation and being eligible, offers herself for re-appointment.

| Method of Voting | Votes in Favour of the resolution |                | Votes Against the resolution |               | Invalid Votes/ Abstained |
|------------------|-----------------------------------|----------------|------------------------------|---------------|--------------------------|
|                  | Nos.                              | %              | Nos.                         | %             |                          |
| E-voting         | 53554992                          | 99.9998        | 100                          | 0.0002        | 0                        |
| Poll             | 70                                | 100            | 0                            | 0             | 0                        |
| <b>TOTAL</b>     | <b>53555062</b>                   | <b>99.9998</b> | <b>100</b>                   | <b>0.0002</b> | <b>0</b>                 |



Item No. 4 - Ordinary Resolution

To ratify appointment and fixing of remuneration of Auditors.

| Method of Voting | Votes in Favour of the resolution |                | Votes Against the resolution |               | Invalid Votes/ Abstained |
|------------------|-----------------------------------|----------------|------------------------------|---------------|--------------------------|
|                  | Nos.                              | %              | Nos.                         | %             |                          |
| E-voting         | 53554992                          | 99.9998        | 100                          | 0.0002        | 0                        |
| Poll             | 70                                | 100            | 0                            | 0             | 0                        |
| <b>TOTAL</b>     | <b>53555062</b>                   | <b>99.9998</b> | <b>100</b>                   | <b>0.0002</b> | <b>0</b>                 |

Item No. 5 - Ordinary Resolution

Re-appointment of Mr. Gaurav Ghai (DIN: 00074857) as Joint Managing Director for a term of five years

| Method of Voting | Votes in Favour of the resolution |                | Votes Against the resolution |               | Invalid Votes/ Abstained |
|------------------|-----------------------------------|----------------|------------------------------|---------------|--------------------------|
|                  | Nos.                              | %              | Nos.                         | %             |                          |
| E-voting         | 47921060                          | 99.9997        | 100                          | 0.0003        | 3324791                  |
| Poll             | 70                                | 100            | 0                            | 0             | 0                        |
| <b>TOTAL</b>     | <b>47921130</b>                   | <b>99.9997</b> | <b>100</b>                   | <b>0.0003</b> | <b>3324791</b>           |



Item No. 6 - Special Resolution

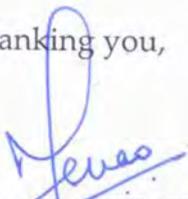
To approve transactions of the Company with Graviss Holdings Private Limited  
(Being Related Party)

| Method of Voting | Votes in Favour of the resolution |                | Votes Against the resolution |               | Invalid Votes/ Abstained |
|------------------|-----------------------------------|----------------|------------------------------|---------------|--------------------------|
|                  | Nos.                              | %              | Nos.                         | %             | Nos.                     |
| E-voting         | 25322863                          | 99.9996        | 100                          | 0.0004        | 28232129                 |
| Poll             | 70                                | 100            | 0                            | 0             | 0                        |
| <b>TOTAL</b>     | <b>25322933</b>                   | <b>99.9996</b> | <b>100</b>                   | <b>0.0004</b> | <b>0</b>                 |

All resolutions stand passed under e-voting and poll by requisite majority.

I hereby confirm that I am maintaining the Registers received from the Service provider both electronically and manually, in respect of the votes cast through e-voting and voting by the shareholder at AGM of the Company. I shall be arranging to hand over these records to the Chairman of the Company or such person to be authorized by him in due course.

Thanking you,



MARTINHO FERRAO

Scrutinizer

Practicing Company Secretary



Date: 29<sup>th</sup> July, 2017

Place: Mumbai



**SUMMARY OF PROCEEDINGS OF THE 56<sup>TH</sup> ANNUAL GENERAL MEETING OF THE GRAVISS HOSPITALITY LIMITED HELD ON FRIDAY, JULY 28, 2017 AT 12:30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT "DAIRY TOPS", J-177, M.I.D.C., BHOSARI, PUNE – 411 026.**

The 56<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company was held on Friday, July, 28, 2017 at 12:30 p.m. at the Registered Office of the Company at "Dairy Tops", J-177, M.I.D.C., Bhosari, Pune – 411 026.

Mr. Gaurav Ghai, Joint Managing Director, chaired the Meeting and started the formal proceedings. Mr. Gaurav Ghai informed the shareholders about the sad demise of Mr. R. K. P. Shankardass, Independent Director of the Company on 10<sup>th</sup> March, 2017.

All the Directors of the Company, except Mr. Ravi Ghai, Chairman and Managing Director, and Mr. Harindra Pal Singh, Independent Director, attended the Meeting.

As per the records of attendance, 16 members including 1 member by proxy were present. The Chairman informed that the statutory registers under the Companies Act, 2013 and other documents as referred to in the AGM Notice were available for inspection by the members at the meeting. It was further informed that there were no qualifications in the Auditor's Report on the Standalone and Consolidated Financial Statements and the Report of the Secretarial Auditors of the Company. The Notice convening the AGM and the Auditor's Report on Standalone and Consolidated Financial Statements were taken as read, with the permission of the members present.

The Chairman delivered his speech. The Chairman then invited the Members for asking any queries / concerns on the Company's accounts and businesses. All the queries raised were responded to the satisfaction of the members.

The Chairman informed that the Company had provided the Members the facility to cast their vote electronically, on all resolutions set forth in the Notice. The e-voting period commenced on Tuesday, July 25, 2017 (9:00 a.m. IST) and ended on Thursday, July 27, 2017 (5:00 p.m. IST). Members who were present at the AGM and had not cast their votes electronically through remote e-voting, were provided an opportunity to cast their votes, through physical ballot paper at the Meeting, under the supervision and guidance of Mr. Martinho Ferrao, scrutinizer appointed for the fair and transparent conduct of the Ballot Process.

The Chairman announced that the results of the voting (both, remote e-voting and through ballot paper at the AGM) would be declared within the timelines prescribed under law and authorized the Company Secretary to declare the voting results.

GRAVISS HOSPITALITY LTD.  
CIN: L55101PN1959PLC012761  
(FORMERLY KNOWN AS THE GL HOTELS LIMITED)  
REG. OFFICE: J-177, MIDC INDUSTRIAL AREA, BHOSARI, PUNE - 411 026.  
ADMIN. OFFICE: 254-C, DR. ANNIE BESANT ROAD, WORLI, MUMBAI - 400 030.  
T 91.22. 4050 1111, F 91.22. 2491 5555  
[www.gravissgroup.com](http://www.gravissgroup.com)



The following resolutions, as stated in the AGM Notice, were put to voting by the Members by way of ballot paper:

| <b>ORDINARY BUSINESS:</b> |  |
|---------------------------|--|
| 1.                        | To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31 <sup>st</sup> March 2017 together with the Reports of the Board of Directors and Auditors thereon. (Ordinary Resolution) |
| 2.                        | To receive, consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2017 together with the Report of the Auditors thereon. (Ordinary Resolution)                       |
| 3.                        | To appoint a Director in place of Ms. Mala Todarwal (DIN 06933515) who retires by rotation and being eligible, offers herself for re-appointment. (Ordinary Resolution)  |
| 4.                        | To ratify the appointment of M/s V. Sankar Aiyar & Co. as Statutory Auditors and fix their remuneration. (Ordinary Resolution)   |
| <b>SPECIAL BUSINESS:</b>  |  |
| 5.                        | Re-appointment of Mr. Gaurav Ghai (DIN: 00074857) as Joint Managing Director for a term of five years. (Ordinary Resolution)   |
| 6.                        | Approval of related party transactions of the Company with Graviss Holdings Private Limited. (Special Resolution)  |

The Chairman extended his heartiest thanks to the Members for their association with the Company and requested the members to continue voting. The Meeting concluded at 1:00 p.m.

The Scrutinizer's Report was received on July 29, 2017 and as set out therein, all the above resolutions were declared passed with the requisite majority.

This is for your information and record.

For Graviss Hospitality Limited

*K. Bharucha*



**Kainaaz Bharucha**

Company Secretary and Compliance Officer

# GRAVISS HOSPITALITY LIMITED

CIN: L55101PN1959PLC012761

## BOARD OF DIRECTORS

|                        |  |
|------------------------|--|
| Mr. Ravi Ghai          | : Chairman & Managing Director                         |
| Mr. Gaurav Ghai        | : Joint Managing Director                              |
| Mr. Dalip Sehgal       | : Director – Resigned w.e.f. 2 <sup>nd</sup> May, 2017 |
| Mr. Mahendra V. Doshi  | : Director   |
| Mr. Harindra Pal Singh | : Director   |
| Mr. Gulshan Bijlani    | : Director   |
| Ms. Mala Todarwal      | : Director   |

## CHIEF FINANCIAL OFFICER

Mr. Amit Jain

## COMPANY SECRETARY

Mrs. Kainaaz Bharucha – w.e.f. 26<sup>th</sup> October, 2016

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## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited,  
C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai-400 083.  
Phone No. 022-4918 6000 Fax No. 022-4918 6060

## BANKERS

Axis Bank  
Ground Floor, Bengal Chemical, Veer Savarkar Marg,  
Prabhadevi, Mumbai-400 030

## 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

# 56<sup>TH</sup> ANNUAL REPORT

CIN: L55101PN1959PLC012761

## Notice

**NOTICE is hereby given that the 56<sup>th</sup> Annual General Meeting of the members of GRAVISS HOSPITALITY LIMITED will be held on Friday, 28<sup>th</sup> July, 2017 at 12:30 p.m. at the Registered Office of the Company at Dairy Tops, Plot No. J-177, M.I.D.C., Bhosari, Pune-411 026, Maharashtra, India, to transact the following business:**

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2017 together with the Report of the Auditors thereon.
3. To appoint a Director in place of Ms. Mala Todarwal (DIN 06933515) who retires by rotation and being eligible, offers herself for re-appointment.
4. 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 Sections 139, 142, 177 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 (‘Rules’), including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment (s) thereof for the time being in force and pursuant to the Resolution passed by the members at the Annual General Meeting held on Wednesday, 25<sup>th</sup> June, 2014, the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration No. 109208W), as the Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined in consultation with the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

### SPECIAL BUSINESS:

5. **Re-appointment of Mr. Gaurav Ghai (DIN: 00074857) as Joint Managing Director for a term of five years.**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves of the re-appointment and terms of remuneration of Mr. Gaurav Ghai (DIN: 00074857) as the Joint Managing Director of the Company with effect from 11<sup>th</sup> May, 2017 (the date of appointment) up to 10<sup>th</sup> May, 2022, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Gaurav Ghai.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

6. **Approval of related party transactions of the Company with Graviss Holdings Private Limited (GHPL):**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Clause 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter referred to as “Listing Regulations” (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 23(4) of the Listing Regulations, as set out under the Statement setting out the material facts annexed to this Notice dated 2<sup>nd</sup> May 2017, on such terms and conditions as may be mutually agreed upon between the Company and GHPL.

# GRAVISS HOSPITALITY LIMITED

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any 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**

**Ravi Ghai**  
(DIN: 00074612)  
*Chairman & Managing Director*

Mumbai,  
Dated: May 2, 2017

**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 AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/ HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- (b) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses forms a part of this Notice. The relevant details in respect of Item nos. 5 & 6, pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) are annexed hereto.
- (c) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during the business hours on all days except Saturdays, Sundays and Public Holidays, between 3.00 p.m. and 5.00 p.m. up to and including the date of the Annual General Meeting.
- (d) The Register of Members and Share Transfer Books of the Company will remain closed from 18<sup>th</sup> July, 2017 to 28<sup>th</sup> July, 2017, (both days inclusive) for determining the names of members eligible for dividend on Equity Shares if declared at the Meeting.
- (e) Members holding shares in physical form are requested to lodge Share Transfer documents and all other correspondences and queries relating to Share Transfer, Share Certificates, Change of Address etc., to the Company's Registrar and Transfer Agent ("RTA") i.e. Link Intime India Private Limited having its office at C-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083. The Securities and Exchange Board of India (SEBI) has made it mandatory, hence members are requested to furnish self-attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion or any other request to the Company.
- (f) SEBI has made it mandatory for every participant in the securities / capital market to furnish the details of Income tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with a photocopy of the PAN card, duly self attested, to the Registrar and Share Transfer Agents of the Company. The shareholders holding shares in electronic form are requested to register their PAN card with their respective Depository Participants.
- (g) Members, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialized form. The shareholders have the option to hold Company's shares in demat form through National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
- (h) Members holding shares in the electronic form are advised to inform any changes in address / bank mandate / Email ID directly to their respective Depository Participants.
- (i) Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with specimen signatures authorizing their representative(s) to attend and vote at the AGM.
- (j) Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Chief Financial Officer or the Company Secretary of the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.

# 56<sup>TH</sup> ANNUAL REPORT

- (k) Members attending the Meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
- (l) In case of joint holders attending the Meeting, only such joint holder whose name is first in order of preference shall be entitled to vote.
- (m) As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.
- (n) To support the 'Green Initiative', members who have not registered their email addresses are requested to register their Email Ids with the RTA, M/s. Link Intime India Private Limited for receiving the Annual Report and other communications through electronic mode pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended from time to time.
- (o) Route Map of venue of Annual General Meeting is annexed to the Notice.
- (p) Electronic copy of the Annual Report 2016-17 is being sent to the members whose E-mail IDs are registered with the Company/ Depository Participant(s) for communication purpose, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report 2016-17 are being sent in the permitted mode.
- Members may also note that the Notice of the 56<sup>th</sup> Annual General Meeting and the Annual Report 2017 will also be available on the Company's website [www.gravisshospitality.com](http://www.gravisshospitality.com)
- (q) Particulars of director seeking appointment/re-appointment are annexed.

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.

(r) **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 56<sup>th</sup> 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](http://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:<br>(a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID<br>(b) For CDSL:- 16 digits beneficiary ID<br>For Members holding shares in Physical Form:<br>● 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](http://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](mailto:helpdesk.evoting@cdslindia.com) and the Scrutinizer's email id [mferraocs@yahoo.com](mailto: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](mailto:helpdesk.evoting@cdslindia.com) or [investors.relations@gravissgroup.com](mailto:investors.relations@gravissgroup.com).
- (s) The remote E-voting period commences on 25<sup>th</sup> July 2017 (9.00 a.m.) and ends on 27<sup>th</sup> July 2017 (5.00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22<sup>nd</sup> July, 2017 ('Cut off Date'), may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution has been cast by a shareholder, the same shall not be allowed to be changed subsequently or allowed to cast a vote again.
- (t) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 22<sup>nd</sup> July, 2017. A Person, whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or voting at the Annual General Meeting. Mr. Martinho Ferrao, of M/s. Martinho Ferrao & Associates, Company Secretaries (CoP no. 5676) has been appointed as the Scrutinizer to scrutinize the e-voting process and voting at the AGM in a fair and transparent manner.
- (u) The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, would first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make and submit, not later than 3 (three) working days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (v) Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Annual General meeting but shall not be entitled to cast their vote again.
- (w) 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.gravisshospitality.com](http://www.gravisshospitality.com) immediately after the declaration of Result by the Chairman or a person authorized by him in writing. The Results would be communicated to the BSE Limited and CDSL.

## Explanatory Statement in Respect of the Special Business

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

### ITEM No. 5:

The Nomination & Remuneration Committee, at its meeting held on 2<sup>nd</sup> May, 2017, recommended the re-appointment of Mr. Gaurav Ghai (DIN: 00074857) as the Joint Managing Director of the Company for a term of five (5) years, effective from 11<sup>th</sup> May, 2017 to 10<sup>th</sup> May, 2022, which was approved by the Board of Directors at its Meeting held on 2<sup>nd</sup> May, 2017, subject to approval of the members and such other approvals from Regulatory Authorities.

Mr. Gaurav Ghai is a Commerce Graduate from the Sydenham College of Commerce and Economics, Mumbai University. Under his leadership, the Graviss group expanded the Baskin Robbins franchise across India and SAARC region, Rich's India is now India's largest non-dairy icings and toppings company. He conceptualized many firsts: Mayfair Rooms, Mumbai's first stand-alone banquet rooms to offer 5-star facilities, Mumbai's first 5-star luxury boutique hotel, India's first internationally acclaimed terrace bar, the Dome, in 2002. Under his leadership, Graviss Group continues its expansion in the hospitality business.

Mr. Gaurav Ghai is re-appointed on the following terms and conditions:

- Mr. Gaurav Ghai shall not be entitled to sitting fees for attending Meetings of Board of Directors or committees thereof;
- Salary not exceeding Rs.30 Lacs per annum with authority granted to the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors) to determine the salary and grant increases from time to time within the aforesaid limit.
- Perquisites: He will be entitled to perquisites, allowances, benefits, facilities and amenities (collectively "allowances & perquisites") such as rent free furnished residential accommodation or house rent allowance in lieu thereof, maintenance of such accommodation, gas, electricity & power, water, furnishings, utility allowance, medical reimbursement, foreign travel, leave travel assistance/allowance, membership fees for clubs, hospitalization and accident insurance, security at residence and any other "allowances & perquisites" as per the policy/rules of the Company in force and/or as may be approved by the Board of Directors from time to time provided that aggregate value of such allowances & perquisites shall not exceed Rs. 16 lacs per annum. Allowances & Perquisites to be valued as per the Income-tax rules, wherever applicable and at actual cost to the Company in other cases.
- In addition to the above, he will also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board of directors from time to time:
  - (i) Company maintained car(s) with driver(s); (ii) Telephone(s) and fax at residence; (iii) Company's contribution to the Provident Fund and Superannuation Fund; (iv) Payment of gratuity and other retiral benefits and (v) Encashment of leave
- Performance based incentive/commission: Amount not exceeding 50% of the total salary and perquisites.
- The total remuneration including salary, allowances, perquisites and commission shall not exceed the limits specified in Section 197 of the Companies Act, 2013 read with Schedule V thereto
- Subject to superintendence, control and direction of the Board and Managing Director, he shall perform such duties and functions as would be commensurate with his position as Joint Managing Director of the Company and as may be delegated to him from time to time.
- The Company or he shall be entitled to terminate his appointment by giving 12 months notice in writing or such shorter notice as may be mutually agreed between him and Company.

Mr. Gaurav Ghai holds 23,09,141 (3.27%) Equity Shares in the Company.

Mr. Gaurav Ghai is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2014, and pursuant to Section 152 and Rule 8 of Companies (Appointment & Qualification) Rules, 2014, has given his consent to act as the Joint Managing Director of the Company in Form DIR-2.

Mr. Gaurav Ghai shall not, while he continues to be the Joint Managing Director, be subject to retirement by rotation, pursuant to the provisions of Section 152 of the Act and Article 135 of the Company's Articles of Association.

The Board of Directors recommends the passing of the Ordinary Resolution contained in Item No. 5 of the accompanying Notice.

None of the Directors, Key Managerial Personnel or their relatives, except Mr. Ravi Ghai and Mr. Gaurav Ghai, are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 5 of the accompanying Notice.

## ITEM NO. 6:

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and Section 188 of the Companies Act, 2013 and the Rules made there under, and based on the previous years' 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 Regulation 23 of the said Regulations. Thus, in terms of the said Regulations, these transactions would require the approval of the Members by way of a Special Resolution.

| <b>Particulars</b>   | <b>Information</b>   |
|--|--|
| Name of Related Party  | Graviss Holdings Private Limited (GHPL)  |
| Name of Director(s) or Key Managerial Personnel who is related, if any | Mr. Ravi Ghai and Mr. Gaurav Ghai are common Directors   |
| Nature of relationship   | Enterprise having substantial interest in the Company.   |
| Material terms of the contracts/ arrangements/transactions             | <p>(1) <b>Catering Services:</b><br/>GHPL may appoint the Company as the caterer to provide catering services at the venue of GHPL situated 254-C, Dr. Annie Besant Road, Worli, Mumbai - 400 030 for the functions organized by the clients (Customers) of GHPL at the said venue for a consideration mutually agreed to between the Company and GHPL.</p> <p>(2) <b>Management and Technical Support Services Arrangement:</b><br/>The Management and Technical Support Services provided by Graviss Holdings Private Limited (GHPL) to the Company include all matter relating to consultancy in relation to financial management, Company law affairs and secretarial matters, legal counsel &amp; advisory services and providing of management support services from time to time as and when required for conducting the smooth corporate administration requirement of the Company.</p> <p>Further, GHPL shall also provide Technical Assistance in relation to areas of manufacturing of the Company's products and more specifically in the areas of Quality Control and Product Development.</p> <p>GHPL shall offer the aforesaid Services to the Company as per its requirement from time to time. Any travel, lodging and other expenses borne by GHPL for providing such services shall be reimbursed by the Company.</p> |
| Monetary Value   | Up to ₹ 8 crores during 2017-2018  |
| Whether the transactions have been approved by the Audit Committee     | Yes  |

The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company.

The Board, therefore, recommends the Resolution set out at Item No. 6 of the Notice for the approval of the Members in terms of Regulation 23 (4) of the SEBI LODR.

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

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

**Ravi Ghai**  
(DIN: 00074612)  
*Chairman & Managing Director*

Mumbai,  
Dated: May 2, 2017

### Registered Office:

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

## Annexure to Notice

## DISCLOSURES PURSUANT TO REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS &amp; DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH SECRETARIAL STANDARDS ON GENERAL MEETING (SS-2)

|     |   |  |
|-----|---|--|
| 1.  | Name of the Director<br>DIN   | Mala Todarwal<br>06933515  |
| 2.  | Date of Birth   | 03/05/1985   |
| 3.  | Age   | 32 Years   |
| 4.  | Qualification   | Fellow Member of the Institute of Chartered Accountants of India   |
| 5.  | Experience & Expertise  | Ms. Mala Todarwal is a qualified Chartered Accountant with over 8 years' post qualification experience of practice in CA profession as a partner of M/s. Todarwal & Todarwal, Chartered Accountants. Ms. Todarwal has experience in: (i) Audit Assurance (ii) Due Diligence (iii) Corporate Restructuring and Transaction Advisory.  |
| 6.  | Terms and Conditions of re-appointment along with remuneration                                | As a Non-Executive Director eligible for retire by rotation. Eligible for sitting fees.  |
| 7.  | The last drawn remuneration   | ₹ 80,000 as sitting fee for attending Board Meetings during the Financial Year 2016-17.  |
| 8.  | Date of first appointment on the Board  | 04/11/2015   |
| 9.  | Shareholding of the Director in the Company   | Nil  |
| 10. | Relationships with other Directors, Manager and other Key Managerial Personnel of the Company | Nil  |
| 11. | Number of Board Meetings attended during the year   | Four   |
| 12. | Other Directorships   | <ul style="list-style-type: none"> <li>● Graviss Hotels &amp; Resorts Limited</li> <li>● AYM Syntex Limited</li> <li>● Talwandi Sabo Power Limited</li> <li>● Welspun Investments and Commercials Limited</li> <li>● Welspun Enterprises Limited</li> <li>● Sesa Mining Corporation Limited</li> <li>● Sesa Resources Limited</li> <li>● Arss Bus Terminal Private Limited</li> <li>● Welspun Natural Resources Private Limited</li> </ul>   |
| 13. | Committee Memberships   | <p><b>Audit Committee:</b><br/> <u>Chairperson</u> – Sesa Mining Corporation Limited, Sesa Resources Limited<br/> <u>Member</u> – Welspun Investments and Commercials Limited, AYM Syntex Limited, Welspun Enterprises Limited and Talwandi Sabo Power Limited</p> <p><b>Nomination &amp; Remuneration Committee:</b><br/> <u>Member</u> – Welspun Investments and Commercials Limited, AYM Syntex Limited, Welspun Enterprises Limited, Talwandi Sabo Power Limited, Sesa Mining Corporation Limited and Sesa Resources Limited</p> <p><b>CSR Committee:</b><br/> <u>Member</u> – Talwandi Sabo Power Limited, Sesa Mining Corporation Limited and Sesa Resources Limited</p> <p><b>Stakeholders' Relationship Committee:</b><br/> <u>Chairperson</u> – Welspun Enterprises Limited<br/> <u>Member</u> – Welspun Investments and Commercials Limited.</p> |

## **Management Discussion and Analysis**

### **Overview:**

The international travel and tourism industry continues to be one of the largest global industries and a major engine of economic growth. At present, 1 in every 11 people worldwide are employed by the tourism sector, with the industry generating US \$7.2 trillion or 9.8% of the global GDP in 2015. After facing strong headwinds from an adverse demand environment, there was noted a subtle yet evident recovery in hotels business in India during FY17. This was seen as the pace of room addition slowed down and domestic demand stood supportive. As per a report by World Economic Forum (WEF), India was ranked 12<sup>th</sup> in the Asia Pacific region and 55<sup>th</sup> overall in the list of the world's attractive destinations. Further, the Travel and Tourism Competitiveness Report by World Economic Forum, has ranked India at the sixth place in tourism and hospitality.

### **Opportunities:**

As per the most recent data, Foreign Tourist Arrivals (FTAs) in India increased 11.8% YoY to 6,70,000 tourists in August 2016. Further, Foreign Exchange Earnings (FEEs) from tourism increased 13.1% YoY to Rs 129 billion in August 2016 (source: Ministry of Tourism). As per the Ministry of Tourism, the number of tourists arriving on e-Tourist Visa (e-TV) during the month of August 2016 reached a total of 66,097 tourists. This meant a growth of 196.6% on a YoY basis. The growth here was attributable to the introduction of e-TV for 150 countries from 113 countries earlier. Domestic travel spending also witnessed impetus, attributing 82.5% to the direct Travel & Tourism GDP. The appreciation of the US dollar has made international travel unattractive to many who are now seeking to travel within the country for holidays.

### **Threats:**

Economic risks, high capital costs, competition in the industry, poor infrastructure facilities and scarcity of land are the major barriers of entry in India for hotels. Competition is intense in metros, slowly picking up in tier-2 and tier-3 cities. Competition has picked up due to the entry of foreign hotel chains. Also, there is an increasing competition from the start-ups/online industry due to increasing penetration of the internet. However, the industry per se is highly sensitive to global crises, domestic government policies, acts of aggression with neighbouring countries, threats of terrorism.

### **Outlook:**

It should be noted that that the base for tourism in India is still very low. The spurt in demand for hotel accommodation over the last few 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. Furthermore, domestic hotel chains, too, are embarking on strong expansion and development plans across all hotel segments.

The Indian economy is opening up its horizons as it continues to integrate with the world economy. Therefore, the advantages of conducting business with and in India are many. This has led to the manoeuvring of variety of jobs to the shores of India, bringing in its wake transit travellers, business travellers, business meets and holiday seekers.

## Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Fifty Sixth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2017.

### 1. FINANCIAL RESULTS

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2017 is summarized below:

(Rs. in Lacs)

| Particulars<br>(Standalone basis)                | For the year ended<br>31 <sup>st</sup> March, 2017 | For the year ended<br>31 <sup>st</sup> March, 2016 |
|--|--|--|
| Gross Income                                     | 4,223  | 4,742  |
| <b>Profit Before Interest &amp; Depreciation</b> | <b>72</b>  | <b>338</b>   |
| Finance Charges                                  | 164  | 122  |
| <b>Gross Profit</b>                              | <b>(91)</b>  | <b>216</b>   |
| Provision for Depreciation                       | 473  | 463  |
| <b>Net Profit Before Tax</b>                     | <b>(564)</b>                                       | <b>(247)</b>                                       |
| Provision for Tax                                | 174  | 139  |
| <b>Net Profit After Tax</b>                      | <b>(390)</b>                                       | <b>(108)</b>                                       |
| Balance of Profit brought forward                | 1,366  | 1,474  |
| Balance available for appropriation              | —  | —  |
| Proposed Dividend on Equity Shares               | —  | —  |
| Tax on proposed Dividend                         | —  | —  |
| <b>Balance carried forward</b>                   | <b>976</b>   | <b>1,366</b>                                       |

### 2. OVERVIEW OF OPERATIONAL VIS-À-VIS FINANCIAL PERFORMANCE

During the financial year, the total revenue was Rs. 4,223 Lacs as compared to Rs. 4,742 Lacs in the last year. The Net Loss after tax stood at Rs. 390 Lacs as against loss of Rs. 108 Lacs in the previous year.

### 3. DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended 31<sup>st</sup> March, 2017.

### 4. TRANSFER TO RESERVES

During the year under review, no amount was transferred to General Reserve.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS

In compliance with the Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations'), a separate section on the Management Discussion and Analysis giving details of overall industry structure, developments, performance and state of affairs of the Company's business, is annexed.

### 6. NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2016-17 are given in the Corporate Governance Report which forms a part of this Report.

### 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### (a) RE-APPOINTMENT

In accordance with the provisions of Section 152 of the Companies Act, 2013, Ms. Mala Todarwal, Non-Executive Director, retires by rotation and being eligible offers herself for re-appointment to the Board.

The above re-appointment forms part of the Notice of the Fifty Sixth Annual General Meeting and the relevant Resolution is recommended for your approval.

#### (b) RESIGNATIONS

Mr. Dalip Sehgal, a Non-Executive Non-Independent Director resigned from the Board of your Company with effect from 2<sup>nd</sup> May, 2017.

The Board places on record its appreciation for his invaluable contribution / guidance during his association with your Company.

**(c) CESSATION DUE TO DEMISE**

Mr. R. K. P. Sankardass, an Independent Director of the Company, expired on 10<sup>th</sup> March, 2017.

The Board places on record its appreciation for his invaluable contribution/guidance during his association with your Company.

**(d) KEY MANAGERIAL PERSONNEL**

During the financial year, Mrs. Kainaaz F. Bharucha (ACS 36506), was appointed as the Company Secretary of the Company.

Mr. Gaurav Ghai (DIN: 00074857), Joint Managing Director of the Company, whose tenure as Joint Managing Director expired on 10<sup>th</sup> May, 2017, was re-appointed by the Board of Directors as Joint Managing Director of the Company, for a further period of 5 years w.e.f. 11<sup>th</sup> May, 2017 to 10<sup>th</sup> May, 2022, subject to approval of shareholders at the ensuing Annual General Meeting of the Company and the approval of applicable statutory authorities. The Board recommends his re-appointment as Joint Managing Director of the Company for a further period of 5 years.

The above re-appointment forms part of the Notice of the Fifty Sixth Annual General Meeting and the relevant Resolution is recommended for your approval.

Mr. Ravi Ghai (DIN: 00074612), Managing Director of the Company, was re-appointed by the Shareholders at the 55<sup>th</sup> Annual General Meeting of the Company to hold office as such for a period of 5 years, from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2022.

Mr. Ravi Ghai, Managing Director (DIN: 00074612), Mr. Gaurav Ghai Joint Managing Director (DIN: 00074857), Mr. Amit Jain, Chief Financial Officer and Mrs. Kainaaz Bharucha, Company Secretary, are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

**(e) DECLARATION OF INDEPENDENCE**

All Independent Directors have given necessary declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

**(f) FAMILIARISATION PROGRAMME**

Whenever any person joins the Board of the Company as a Director, an induction programme is arranged for the new appointee, wherein the appointee is familiarised with the Company, his/her roles, rights and responsibilities in the Company, the Code of Conduct of the Company to be adhered, nature of the industry in which the Company operates, and business model of the Company.

The details of such familiarisation programmes have been disclosed on the Company's website under the web link: <http://www.gravishshospitality.com/investor-relations.html>

**(g) BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 read with Rules issued thereunder and Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors on recommendation of the Nomination & Remuneration Committee has evaluated the effectiveness of the Board as a whole, the various Committees, Directors individually (excluding Director being evaluated) and the Chairman.

**(h) DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this Report. The Managing Director & CEO of your Company do not receive remuneration from any of the subsidiaries of your Company.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in **Annexure A** to this Report.

**8. AUDIT COMMITTEE**

The Audit Committee of your Company comprises of four Members viz. Mr. Mahendra V. Doshi, a Non-Executive Independent Director as the Chairman and Mr. Gulshan Bijlani, a Non-Executive Independent Director, Mr. Harindra Pal Singh, a Non-Executive Independent Director and Ms. Mala Todarwal, a Non-Executive Non-Independent Director, as Members.

**9. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

During the year under review, Hotel Kanakeshwar Private Limited became a wholly owned subsidiary of the Company w.e.f. 1<sup>st</sup> February, 2017.

# 56<sup>TH</sup> ANNUAL REPORT

Graviss Catering Private Limited continues to be a wholly owned subsidiary of your Company.

Graviss Hotels and Resorts Private Limited is a Subsidiary Company of your Company to the extent of 99.98%

The Financial Performance of each of the Subsidiaries are detailed below:

(Rs. in Lacs)

| Sr. No. | Name of the Subsidiary Company     | Turnover       |                 | Profit / (Loss) Before Tax |                 | Profit / (Loss) After Tax |                 |
|---------|------------------------------------|----------------|-----------------|----------------------------|-----------------|---------------------------|-----------------|
|         |                                    | Current Period | Previous Period | Current Period             | Previous Period | Current Period            | Previous Period |
| 1.      | Graviss Hotels and Resorts Limited | 0              | 0               | 1.59                       | (98.49)         | 0.84                      | (99.69)         |
| 2.      | Graviss Catering Private Limited   | 175.87         | 265.41          | (0.87)                     | 3.77            | (0.87)                    | (34.21)         |
| 3.      | Hotel Kanakeshwar Private Limited  | 0.27           | 0               | (0.76)                     | (0.06)          | (0.76)                    | (0.06)          |

Your Company does not have any Joint Ventures or Associate Companies.

A separate statement containing the salient features of financial statements of all subsidiaries of your Company is annexed as **Annexure B** in Form AOC-1 in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013.

## 10. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 in accordance with Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 are set out herewith as **Annexure C**.

## 11. CORPORATE GOVERNANCE

In compliance with the requirements of Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance along with the Auditors' certificate on its compliance, forms an integral part of this Report.

## 12. LISTING OF SHARES

The Company's equity shares are listed on BSE Limited (BSE). Further, the applicable listing fees for the financial year 2017-18 have been paid to BSE Limited.

## 13. AUDITORS AND THEIR REPORT

### (a) STATUTORY AUDITORS

The Members of the Company at its 53<sup>rd</sup> Annual General Meeting held on Saturday, 25<sup>th</sup> June, 2014, had appointed M/s V. Sankar Aiyar & Co. Chartered Accountants (Firm Reg. No: 109208W) as Statutory Auditors of the Company for a term of five (5) years, subject to the ratification of their appointment by the members at every Annual General Meeting.

A Resolution for ratification of appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No: 109208W), as Statutory Auditors of the Company for the Financial Year 2017-18 is being placed for the approval of members at the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their appointment, if ratified and confirmed, would be within the prescribed limits under the Companies Act, 2013 and Rules made there under and that they are not disqualified to be Statutory Auditors of your Company.

As required under Regulation 33 of SEBI (LODR) Regulations, 2015, M/s V. Sankar Aiyar & Co. have also confirmed that they hold a valid Certificate of Practice, issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditor's Report for the financial year ended 31<sup>st</sup> March, 2017 does not contain any qualification, reservation or adverse remarks.

### (b) COST AUDITORS

As the Companies (Cost Records and Audit) Rules, 2013 are not applicable to your Company, the Company has not appointed any Cost Auditor for the financial year 2016-17.

### (c) INTERNAL AUDITORS

M/s. Pipalia Singhal & Associates, Chartered Accountants, Mumbai were re-appointed as the Internal Auditors of the Company for the financial year 2016-17.

At the Meeting of the Board of Directors of the Company held on 2<sup>nd</sup> May, 2017, M/s. Pipalia Singhal & Associates, Chartered Accountants, Mumbai have been re-appointed as Internal Auditors for the financial year 2017-18.

The Audit Committee of the Board of Directors, Statutory Auditors and the Management are periodically apprised of the Internal Audit findings and corrective actions are taken.

## (d) SECRETARIAL AUDITORS

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on 2<sup>nd</sup> May, 2017 has appointed M/s. Martinho Ferrao & Associates, Company Secretaries (Certificate of Practice No. 5676), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2017-18. Your Company has received consent from M/s. Martinho Ferrao & Associates to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st March, 2018. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2017 is annexed as **Annexure D**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, Independence of a Director and other matters provided under Section 178(3) of the Act.

The Nomination & Remuneration Policy is also displayed on the Company's website under the web link:

[http://www.gravisshospitality.com/pdf/Policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.gravisshospitality.com/pdf/Policies/Nomination_and_Remuneration_Policy.pdf)

## 15. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected therewith or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

## 16. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a 'Vigil Mechanism Policy' with an objective to conduct its affairs in a fair and transparent manner and by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Company has established mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, violation of our Code of Conduct and Ethics.

The Vigil Mechanism Policy may be accessed on the Company's website through the following link:

<http://www.gravisshospitality.com/pdf/Policies/Policy%20for%20Vigil%20Mechanism.pdf>

## 17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The requirements of disclosure with regard to Conservation of Energy and Technology Absorption in terms of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are not applicable to the Company, since it doesn't own any manufacturing facility.

Foreign Exchange earned during the Financial Year 2016-2017 in terms of actual inflows: ₹1337.44 lacs

Foreign Exchange outgo during the Financial Year 2016-2017 in terms of actual outflows: ₹339.84 lacs

## 18. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, dividends pertaining to the financial year 2009-10 amounting to ₹ 70,028/- which remained unpaid or unclaimed for a period of 7 years was transferred by the Company to the Investor Education and Protection Fund.

Further, Interim Dividend declared at the Board Meeting of the Company held on 31<sup>st</sup> January, 2011 and Final Dividend which was declared at the Annual General Meeting of the Company held on 30<sup>th</sup> June, 2011, which remained unpaid or unclaimed for a period of 7 years, will be transferred to the Investor Education and Protection Fund by 2<sup>nd</sup> March, 2018 and 29<sup>th</sup> July, 2018 respectively. Members who have not encashed their dividend warrants for the year 2010-2011 or thereafter are requested to write to the Company's Registrar and Share Transfer Agents.

## 19. PUBLIC DEPOSITS

During the financial year 2016-17, your Company has not accepted any deposit within the meaning of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## 20. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31<sup>st</sup> March, 2017, are set out in Note Nos. 9, 10 and 27 to the Standalone Financial Statements forming part of this report. The Members are requested to refer to the said Notes for details in this regard.

## 21. RELATED PARTY TRANSACTIONS

All Related Party Transactions which were entered during the financial year 2016-17 were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with related party(s) as defined under Section 2(76) of the Companies Act, 2013 which may have a potential conflict with the interest of the Company at large. Your Company's transactions with Graviss Hotels and Resorts Limited pertaining to Slump Sale qualify as

material Related Party Transactions (RPT) under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company have formulated a Policy on dealing with RPTs and a Policy on materiality of Related Party Transactions which is uploaded on the website of the Company and can be accessed through the following web link:

<http://www.gravisshospitality.com/pdf/Policies/Policy%20on%20related%20party%20transaction.pdf>

The details of the related party transactions of the Company as required under Accounting Standard - 18 are set out in Note 27 to the Standalone Financial Statements forming part of this Annual Report.

The Form AOC - 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure E** to this Report.

## 22. INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation of the same were observed.

## 23. RISK MANAGEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Company has a Risk Management Policy in place for identification of key risks to its business objectives, impact assessment, risk analysis, risk evaluation, risk reporting and disclosures, risk mitigation and monitoring, and integration with strategy and business planning.

## 24. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant/material orders passed by any of the Regulators or Courts or Tribunals impacting the going concern status of your Company or its operations in future.

## 25. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and date of this report.

## 26. CHANGE IN NATURE OF BUSINESS

During the year under review, there were no changes in the nature of business of the Company.

## 27. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Directors confirm that:

- (a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31<sup>st</sup> March, 2017 and of the loss of the Company for the financial year ended 31<sup>st</sup> March, 2017;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively and;
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## 28. ACKNOWLEDGEMENTS

Your Directors wish to express their appreciation and gratitude to all the employees at all levels for their hard work, dedication and cooperation during the year.

Your Directors wish to express their sincere appreciation for the excellent support and co-operation extended by the Company's shareholders, customers, bankers, suppliers, regulatory and Government authorities and all other stakeholders.

For and on behalf of the Board of Directors

For **GRAVISS HOSPITALITY LIMITED**

Place: Mumbai  
Date: May 2, 2017.

**Ravi Ghai**  
Chairman  
(DIN: 00074612)

# GRAVISS HOSPITALITY LIMITED

## ANNEXURE A TO THE DIRECTORS' REPORT

[Pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**A. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-2017**

| Name of Directors drawing remuneration | Total Remuneration (in ₹) | Ratio |
|--|---------------------------|-------|
| Mr. Ravi Ghai                          | 45,45,000                 | 16    |
| Mr. Gaurav Ghai                        | 29,13,000                 | 10    |

Notes:

1. Median Remuneration for the F. Y. 2016-17 is ₹ 2.78 lacs
2. In the aforesaid calculation, remuneration is not considered of those permanent employees who worked for less than 12 months during the financial year 2016-17
3. The remuneration of Directors excludes sitting fees paid to them for the F. Y. 2016-17

**B. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17**

| Name   | Remuneration (in ₹) |            | Increase/<br>(Decrease)<br>(in %) |
|--|---------------------|------------|-----------------------------------|
|  | 2016-17             | 2015-16    |                                   |
| Mr. Ravi Ghai – Chairman & Managing Director | 45,45,000           | 45,45,000  | 0                                 |
| Mr. Gaurav Ghai – Joint Managing Director    | 29,13,000           | 29,13,000  | 0                                 |
| Mr. Amit Jain – Chief Financial Officer      | 52,89,996           | 35,26,664# | 0                                 |
| Mrs. Kainaaz Bharucha – Company Secretary*   | 3,76,644            | 0          | 0                                 |

\*the appointment was made on 26<sup>th</sup> October, 2016.

#the appointment was made on 3<sup>rd</sup> August, 2015.

**C. The percentage increase in the median remuneration of employees in the financial year 2016-17: 6%**

**D. The number of permanent employees on the rolls of company: 214**

**E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2016-17 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase made in the salaries during the F. Y. 2016-17 is 5-6%. The increase of remuneration of employees other than Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

**F. Affirmation that the remuneration is as per the Nomination & Remuneration Policy of the Company:**

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other senior management is as per the Nomination and Remuneration policy of the Company.

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(Rs. in lacs)

| Sl. No. | Particulars   | Graviss Hotels & Resorts Limited | Graviss Catering Private Limited | Hotel Kanakeshwar Private Limited |
|---------|---|----------------------------------|----------------------------------|-----------------------------------|
| 1.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | N.A.                             | N.A.                             | N.A.                              |
| 2.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A.                             | N.A.                             | N.A.                              |
| 3.      | Share capital   | 5.00                             | 7.65                             | 24.50                             |
| 4.      | Reserves & surplus  | (621.53)                         | (314)                            | 37.20                             |
| 5.      | Total assets  | 6,267.55                         | 140.83                           | 145.66                            |
| 6.      | Total Liabilities   | 6,267.55                         | 140.83                           | 145.66                            |
| 7.      | Investments   | 0                                | 0                                | 0                                 |
| 8.      | Turnover  | 0                                | 175.87                           | 0.27                              |
| 9.      | Profit before taxation  | 1.59                             | (0.87)                           | (0.76)                            |
| 10.     | Provision for taxation  | 0.75                             | 0                                | 0                                 |
| 11.     | Profit after taxation   | 0.84                             | (0.87)                           | (0.76)                            |
| 12.     | Proposed Dividend   | 0                                | 0                                | 0                                 |
| 13.     | % of shareholding   | 99.98%                           | 100%                             | 100%                              |

- Names of subsidiaries which are yet to commence operations: NIL
- Names of subsidiaries which have been liquidated or sold during the year: NIL

On behalf of the Board of Directors  
For **GRAVISS HOSPITALITY LIMITED**

**Ravi Ghai**  
(DIN: 00074612)  
Chairman

Place: Mumbai  
Date: May 2, 2017.

# GRAVISS HOSPITALITY LIMITED

## ANNEXURE C TO THE DIRECTORS' REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March, 2017

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

#### I. REGISTRATION AND OTHER DETAILS:

|    |  |  |
|----|--|--|
| 1. | CIN  | L55101PN1959PLC012761  |
| 2. | Registration Date  | 5 <sup>th</sup> August, 1959   |
| 3. | Name of the Company  | Graviss Hospitality Limited  |
| 4. | Category/Sub-Category of the Company                                       | Company Limited by shares/Indian Non-Government Company  |
| 5. | Address of the Registered office and contact details                       | Dairy Tops, Plot No. J-177, MIDC, Bhosari, Pune - 411 026, Maharashtra.<br>Telephone Number : 020-30681102<br>Fax Number : 020-30681139<br>Email : investors.relations@gravissgroup.com                        |
| 6. | Whether shares listed on recognized Stock Exchange(s)                      | Yes<br>BSE Limited (Scrip Code: 509546)  |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Link Intime India Private Limited<br>C-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083.<br>Telephone Number : 022-49186270<br>Fax Number : 022-49186060<br>Email : rnt.helpdesk@linkintime.co.in |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 1       | Short Term Accommodation activities            | 551                             | 38.03                              |
| 2       | Restaurants and mobile food service activities | 561                             | 61.97                              |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1       | Graviss Hotels and Resorts Limited<br>Regd. Off. Address:<br>254-C, Dr. Annie Besant Road,<br>Worli, Mumbai - 400 030.                                      | U15200MH1996PLC096973 | Subsidiary                     | 99.98            | 2(87)(ii)          |
| 2       | Graviss Catering Private Limited<br>Regd. Off. Address:<br>1202, 12 <sup>th</sup> Floor, New Building House,<br>27 Barakhamba Road,<br>New Delhi - 111 001. | U74899DL1978PTC008829 | Subsidiary                     | 100              | 2(87)(ii)          |
| 3       | Hotel Kanakeshwar Private Limited<br>Regd. Off. Address:<br>254-C, Dr. Annie Besant Road,<br>Worli, Mumbai - 400 030.                                       | U55109MH1989PTC053640 | Subsidiary                     | 100              | 2(87)(ii)          |

## IV. SHARE HOLDING PATTERN (Equity Share capital Breakup as percentage of total Equity)

## (i) Category-wise Shareholding:

| Category of Shareholders   | No. of Shares held at the beginning of the year<br>[As on 1 <sup>st</sup> April, 2016] |                  |                    |                   | No. of Shares held at the end of the year<br>[As on 31 <sup>st</sup> March, 2017] |                  |                    |                   | % Change during the year |
|--|--|------------------|--------------------|-------------------|---|------------------|--------------------|-------------------|--------------------------|
|  | Demat  | Physical         | Total              | % of Total Shares | Demat   | Physical         | Total              | % of Total Shares |                          |
| A. Promoters   |  |                  |                    |                   |   |                  |                    |                   |                          |
| (1) Indian   |  |                  |                    |                   |   |                  |                    |                   |                          |
| (a) Individual/HUF   | 29,29,265  | 0                | 29,29,265          | 4.15              | 29,29,265   | 0                | 29,29,265          | 4.15              | 0                        |
| (b) Central Govt.  | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (c) State Govt.  | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (d) Bodies Corporates  | 4,64,82,654  | 0                | 4,64,82,654        | 65.92             | 4,64,82,654   | 0                | 4,64,82,654        | 65.92             | 0                        |
| (e) Banks / FI   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (f) Any other  | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| <b>SUB TOTAL: (A) (1)</b>  | <b>4,94,11,919</b>   | <b>0</b>         | <b>4,94,11,919</b> | <b>70.07</b>      | <b>4,94,11,919</b>  | <b>0</b>         | <b>4,94,11,919</b> | <b>70.07</b>      | <b>0</b>                 |
| (2) Foreign  |  |                  |                    |                   |   |                  |                    |                   |                          |
| (a) NRI-Individuals  | 33,24,791  | 0                | 33,24,791          | 4.71              | 33,24,791   | 0                | 33,24,791          | 4.71              | 0                        |
| (b) Other Individuals  | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (c) Bodies Corp.   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (d) Banks/FI   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (e) Any other  | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| <b>SUB TOTAL (A) (2)</b>   | <b>33,24,791</b>   | <b>0</b>         | <b>33,24,791</b>   | <b>4.71</b>       | <b>33,24,791</b>  | <b>0</b>         | <b>33,24,791</b>   | <b>4.71</b>       | <b>0</b>                 |
| <b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>                              | <b>5,27,36,710</b>   | <b>0</b>         | <b>5,27,36,710</b> | <b>74.78</b>      | <b>5,27,36,710</b>  | <b>0</b>         | <b>5,27,36,710</b> | <b>74.78</b>      | <b>0</b>                 |
| B. PUBLIC SHAREHOLDING   |  |                  |                    |                   |   |                  |                    |                   |                          |
| (1) Institutions   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (a) Mutual Funds   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (b) Banks/FI   | 0  | 0                | 0                  | 0                 | 1250  | 0                | 1,250              | 0                 | 0                        |
| (c) Central govt   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (d) State Govt.  | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (e) Venture Capital Fund   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (f) Insurance Companies  | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (g) FIIS   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (h) Foreign Venture Capital Funds  | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| (i) Others (specify)   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| <b>SUB TOTAL (B)(1):</b>   | <b>0</b>   | <b>0</b>         | <b>0</b>           | <b>0</b>          | <b>1250</b>   | <b>0</b>         | <b>1,250</b>       | <b>0</b>          | <b>0</b>                 |
| (2) Non Institutions   |  |                  |                    |                   |   |                  |                    |                   |                          |
| (a) Bodies corporates  |  |                  |                    |                   |   |                  |                    |                   |                          |
| (i) Indian   | 10,19,885  | 500              | 10,20,385          | 1.45              | 10,05,794   | 500              | 10,06,294          | 1.43              | 0.02                     |
| (ii) Overseas  | 36,16,932  | 0                | 36,16,932          | 5.13              | 36,16,932   | 0                | 36,16,932          | 5.13              | 0                        |
| (b) Individuals  |  |                  |                    |                   |   |                  |                    |                   |                          |
| (i) Individual shareholders holding nominal share capital upto Rs.1 lakhs            | 8,03,551   | 6,58,895         | 14,62,446          | 2.07              | 8,15,044  | 6,58,905         | 14,73,949          | 2.09              | -0.02                    |
| (ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs | 64,976   | 0                | 64,976             | 0.09              | 64,976  | 0                | 64,976             | 0.09              | 0                        |
| (c) Others (specify)   | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| Hindu Undivided Family   | 16,688   | 0                | 16,688             | 0.02              | 26,921  | 0                | 26,921             | 0.04              | -0.01                    |
| Non Resident Indians (Non Repat)   | 9,153  | 0                | 9,153              | 0.01              | 9,153   | 0                | 9,153              | 0.01              | 0                        |
| Non Resident Indians (Repat)   | 1,000  | 0                | 1,000              | 0                 | 1,700   | 0                | 1,700              | 0                 | 0                        |
| Foreign Companies  | 70,25,708  | 43,85,235        | 1,14,10,943        | 16.18             | 70,25,708   | 43,85,235        | 1,14,10,943        | 16.18             | 0                        |
| Other Directors  | 57,350   | 0                | 57,350             | 0.08              | 57,350  | 0                | 57,350             | 0.08              | 0                        |
| Clearing Members   | 27,892   | 0                | 27,892             | 0.04              | 18,297  | 0                | 18,297             | 0.03              | 0.01                     |
| Trusts   | 94,660   | 0                | 94,660             | 0.13              | 94,660  | 0                | 94,660             | 0.14              | 0                        |
| <b>SUB TOTAL:(B) (2)</b>   | <b>1,27,37,795</b>   | <b>50,44,630</b> | <b>1,77,82,425</b> | <b>25.22</b>      | <b>1,27,36,535</b>  | <b>50,44,640</b> | <b>1,77,81,175</b> | <b>25.22</b>      | <b>0</b>                 |
| <b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>                             | <b>1,27,37,795</b>   | <b>50,44,630</b> | <b>1,77,82,425</b> | <b>25.22</b>      | <b>1,27,37,785</b>  | <b>50,44,640</b> | <b>1,77,82,425</b> | <b>25.22</b>      | <b>0</b>                 |
| C. Shares held by Custodian for GDRs & ADRs  | 0  | 0                | 0                  | 0                 | 0   | 0                | 0                  | 0                 | 0                        |
| <b>Grand Total (A+B+C)</b>   | <b>6,54,74,505</b>   | <b>50,44,630</b> | <b>7,05,19,135</b> | <b>100</b>        | <b>6,54,74,495</b>  | <b>50,44,640</b> | <b>7,05,19,135</b> | <b>100</b>        | <b>0</b>                 |

# GRAVISS HOSPITALITY LIMITED

## (ii) Shareholding of Promoters:

| Sl. No. | Shareholder's Name                               | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding 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.      | Mr. Ravi Ghai                                    | 33,24,791                                 | 4.71                             | 0  | 33,24,791                           | 4.71                             | 0  | 0  |
| 2.      | Mr. Gaurav Ghai                                  | 23,09,141                                 | 3.27                             | 0  | 23,09,141                           | 3.27                             | 0  | 0  |
| 3.      | Mrs. Geeta Ghai                                  | 6,20,124                                  | 0.88                             | 0  | 6,20,124                            | 0.88                             | 0  | 0  |
| 4.      | Graviss Holdings Private Limited                 | 2,18,13,970                               | 30.93                            | 0  | 2,18,13,970                         | 30.93                            | 0  | 0  |
| 5.      | Oregon Realtys Private Limited                   | 1,91,000                                  | 0.27                             | 0  | 1,91,000                            | 0.27                             | 0  | 0  |
| 6.      | Amphitrite Investments Company Private Limited   | 15,09,840                                 | 2.14                             | 0  | 15,09,840                           | 2.14                             | 0  | 0  |
| 7.      | Satinetta Finlease & Investments Private Limited | 2,29,67,844                               | 32.57                            | 0  | 2,29,67,844                         | 32.57                            | 0  | 0  |

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No.   | Name of the shareholder | Shareholding  |                                  | Date | Increase / (Decrease) in Promoters Shareholding |                                  | Reason | Cumulative Shareholding during the year (01.04.2016 to 31.03.2017) |                                  |
|---|-------------------------|---|----------------------------------|------|---|----------------------------------|--------|--|----------------------------------|
|   |                         | No. of shares (At the beginning of the year)/ end of the year | % of total shares of the company |      | No. of shares                                   | % of total shares of the company |        | No. of shares  | % of total shares of the company |
| There has been no change in the Promoters' shareholding during the F. Y. 2016-17. |                         |   |                                  |      |   |                                  |        |  |                                  |

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Shareholders' Name                        | Shareholding                                 |                                  | Date | Increase / (Decrease) in Shareholding |                                  | Reason | Cumulative Shareholding during the year (01.04.2016 to 31.03.2017) |                                  |
|---------|---|--|----------------------------------|------|---------------------------------------|----------------------------------|--------|--|----------------------------------|
|         |   | No. of shares (At the beginning of the year) | % of total shares of the company |      | No. of shares                         | % of total shares of the company |        | No. of shares  | % of total shares of the company |
| 1.      | Dunearn Investments (Mauritius) Pte. Ltd. | 70,25,708                                    | 9.96                             | —    | —                                     | —                                | N.A.   | 70,25,708  | 9.96                             |
| 2.      | Inter-Continental Hotels Corporation      | 43,85,235                                    | 6.22                             | —    | —                                     | —                                | N.A.   | 43,85,235  | 6.22                             |
| 3.      | Tresad Limited                            | 36,16,932                                    | 5.13                             | —    | —                                     | —                                | N.A.   | 36,16,932  | 5.13                             |
| 4.      | Food Toppers Private Limited              | 9,62,537                                     | 1.36                             | —    | —                                     | —                                | N.A.   | 9,62,537   | 1.36                             |
| 5.      | Mrs. Gayatri Daulet Singh                 | 64,976                                       | 0.09                             | —    | —                                     | —                                | N.A.   | 64,976   | 0.09                             |
| 6.      | Mr. Hitesh Ramji Javeri                   | 50,000                                       | 0.07                             | —    | —                                     | —                                | N.A.   | 50,000   | 0.07                             |
| 7.      | Mrs. Ravina Bhojwani                      | 49,651                                       | 0.07                             | —    | —                                     | —                                | N.A.   | 49,651   | 0.07                             |
| 8.      | Mrs. Gaurika Chandok                      | 49,476                                       | 0.07                             | —    | —                                     | —                                | N.A.   | 49,476   | 0.07                             |
| 9.      | Mr. R. K. P. Shankardass                  | 40,000                                       | 0.06                             | —    | —                                     | —                                | N.A.   | 40,000   | 0.06                             |
| 10.     | Mrs. Krishna Ghai                         | 35,000                                       | 0.05                             | —    | —                                     | —                                | N.A.   | 35,000   | 0.05                             |

## (v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name                   | Shareholding at the beginning of the year<br>(As on 01.04.2016) |  | Date | Increase/<br>(Decrease) in<br>Promoters<br>Shareholding |  | Reason | Cumulative<br>Shareholding during<br>the year (01.04.2016<br>to 31.03.2017) |  |
|---------|------------------------|---|--|------|---|--|--------|---|--|
|         |                        | No. of shares<br>(At the beginning<br>of the year)              | % of total<br>shares of<br>the company |      | No. of<br>shares  | % of total<br>shares of<br>the company |        | No. of<br>shares  | % of total<br>shares of<br>the company |
| 1.      | Mr. Ravi Ghai          | 33,24,791   | 4.71                                   | —    | —   | —                                      | —      | 33,24,791   | 4.71                                   |
| 2.      | Mr. Gaurav Ghai        | 23,09,141   | 3.27                                   | —    | —   | —                                      | —      | 23,09,141   | 3.27                                   |
| 3.      | Mr. Dalip Sehgal       | 0   | 0                                      | —    | —   | —                                      | —      | 0   | 0                                      |
| 4.      | Mr. Mahendra Doshi     | 0   | 0                                      | —    | —   | —                                      | —      | 0   | 0                                      |
| 5.      | Mr. Harindra Pal Singh | 0   | 0                                      | —    | —   | —                                      | —      | 0   | 0                                      |
| 6.      | Mr. Gulshan Bijlani    | 17,350  | 0.02                                   | —    | —   | —                                      | —      | 17,350  | 0.02                                   |
| 7.      | Ms. Mala Todarwal      | 0   | 0                                      | —    | —   | —                                      | —      | 0   | 0                                      |
| 8.      | Mr. Amit Jain          | 0   | 0                                      | —    | —   | —                                      | —      | 0   | 0                                      |
| 9.      | Mrs. Kainaaz Bharucha  | 0   | 0                                      | —    | —   | —                                      | —      | 0   | 0                                      |

## (vi) Indebtedness: Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lacs)

|   | Secured Loans<br>excluding deposits | Unsecured Loans | Deposits | Total<br>Indebtedness |
|---|-------------------------------------|-----------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year |                                     |                 |          |                       |
| (i) Principal Amount                                | 1,089.86                            | —               | —        | 1,089.86              |
| (ii) Interest due but not paid                      | —                                   | —               | —        | —                     |
| (iii) Interest accrued but not due                  | —                                   | —               | —        | —                     |
| <b>Total (i+ii+iii)</b>                             | <b>1,089.86</b>                     | <b>—</b>        | <b>—</b> | <b>1,089.86</b>       |
| Change in Indebtedness during the financial year    |                                     |                 |          |                       |
| — Addition  | 532.68                              | —               | —        | 532.68                |
| — Reduction (repayment)                             | (162.14)                            | —               | —        | (162.14)              |
| <b>Net Change</b>                                   | <b>370.54</b>                       | <b>—</b>        | <b>—</b> | <b>370.54</b>         |
| Indebtedness at the end of the financial year       |                                     |                 |          |                       |
| (i) Principal Amount                                | 1,460.40                            | —               | —        | 1,460.40              |
| (ii) Interest due but not paid                      | —                                   | —               | —        | —                     |
| (iii) Interest accrued but not due                  | —                                   | —               | —        | —                     |
| <b>Total (i+ii+iii)</b>                             | <b>1,460.40</b>                     | <b>—</b>        | <b>—</b> | <b>1,460.40</b>       |

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration  | Mr. Ravi Ghai<br>Managing Director<br>(Rs. in Lacs) | Mr. Gaurav Ghai<br>Joint Managing Director<br>(Rs. in Lacs) |
|---------|--|---|---|
| 1.      | Gross salary   |   |   |
|         | a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 30.00   | 24.00   |
|         | b. Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 11.85   | 2.25  |
|         | c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | —   | —   |
| 2.      | Stock Option   | —   | —   |
| 3.      | Sweat Equity   | —   | —   |
| 4.      | Commission   |   |   |
| 5.      | Others:  |   |   |
|         | — Sitting Fees and Bonus/Performance Pay   | —   | —   |
|         | — Provident Fund   | 3.60  | 2.88  |
|         | <b>Total</b>   | <b>45.45</b>  | <b>29.13</b>  |
|         | <b>Ceiling as per the Act</b>  | <b>10% of Net Profits</b>                           |   |

# GRAVISS HOSPITALITY LIMITED

## B. Remuneration to other directors:

### 1. Independent Directors

(Figures in ₹)

| Name of the Director     | Fee for attending Board meetings | Commission | Others          | Total           |
|--------------------------|----------------------------------|------------|-----------------|-----------------|
| Mr. R. K. P. Shankardass | 40,000                           | —          | 73,730          | 1,13,730        |
| Mr. Mahendra Doshi       | 60,000                           | —          | —               | 60,000          |
| Mr. Gulshan Bijlani      | 60,000                           | —          | 1,58,337        | 2,18,337        |
| Mr. Harindra Pal Singh   | 20,000                           | —          | —               | 20,000          |
| <b>Total (1)</b>         | <b>1,80,000</b>                  | <b>—</b>   | <b>2,32,067</b> | <b>4,12,067</b> |

### 2. Non-Executive/ Promoter Directors

| Name of the Director              | Fee for attending Board meetings | Commission | Others          | Total           |
|-----------------------------------|----------------------------------|------------|-----------------|-----------------|
| Mr. Dalip Sehgal                  | 80,000                           | —          | —               | 80,000          |
| Ms. Mala Tadarwal                 | 80,000                           | —          | —               | 80,000          |
| <b>Total (2)</b>                  | <b>1,60,000</b>                  | <b>—</b>   | <b>—</b>        | <b>1,60,000</b> |
| <b>Total (1 + 2)</b>              | <b>3,40,000</b>                  | <b>—</b>   | <b>2,32,067</b> | <b>5,72,067</b> |
| <b>Overall Ceiling as per Act</b> | <b>1% of net Profits</b>         |            |                 |                 |

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Figures in ₹)

| Sr. No. | Particulars of Remuneration  | Chief Financial Officer | Company Secretary      | Total Amount     |
|---------|--|-------------------------|------------------------|------------------|
|         |  | Mr. Amit Jain           | *Mrs. Kainaaz Bharucha |                  |
| 1.      | Gross Salary   |                         |                        |                  |
|         | a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 5,289,996               | 361,379                | 5,651,375        |
|         | 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   |                         |                        |                  |
|         | (i) As % of Profit   | —                       | —                      | —                |
|         | (ii) Others, specify   | —                       | —                      | —                |
| 5.      | Others, please specify:  |                         |                        |                  |
|         | • Bonus / Performance Pay  | —                       | —                      | —                |
|         | • Provident Fund   | —                       | 15,265                 | 15,265           |
|         | <b>Total</b>   | <b>5,289,996</b>        | <b>376,644</b>         | <b>5,666,640</b> |

\* w.e.f. 26<sup>th</sup> October, 2016

### (vii) Penalties/Punishment/Compounding of Offences:

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013 during the financial year 2016-17.

| 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) |
|--|------------------------------|-------------------|--|------------------------------|------------------------------------|
| <b>COMPANY / DIRECTORS / OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                              |                                    |
| Penalty  | Nil                          | Nil               | Nil  | Nil                          | Nil                                |
| Punishment   | Nil                          | Nil               | Nil  | Nil                          | Nil                                |
| Compounding  | Nil                          | Nil               | Nil  | Nil                          | Nil                                |

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31<sup>st</sup> March, 2017

*[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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017 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, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014;
  - (e) The SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015
  - (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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay 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

# GRAVISS HOSPITALITY LIMITED

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, the Company has taken approval of shareholders in the 55<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> July, 2016:

- (a) Appointment of Ms. Mala Todarwal (DIN: 06933515) as a Woman Non Independent Director of the Company.
- (b) Approval of transactions with Graviss Holdings Private Limited (GHPL).
- (c) Approval for Re-Appointment of Mr. Ravi Ghai as Managing Director for a further term of 5 Years from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March, 2022 with specific terms as set out in the Notice of the Meeting.

For **Martinho Ferrao & Associates**  
Company secretaries

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

Place: Mumbai

Date: 2<sup>nd</sup> May, 2017

This report is to be read with our letter which is annexed as **Annexure A** and forms an integral part of this report.

**'Annexure A'**

To,  
The Members,  
**Graviss Hospitality Limited**

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Martinho Ferrao & Associates**  
Company secretaries

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

Place: Mumbai

Date: 2<sup>nd</sup> May, 2017

## FORM AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

## 1. Details of contracts or arrangements or transactions not at arm's length basis:

|  |    |
|--|----|
| Name(s) of the related party and nature of relationship  | NA |
| Nature of contracts/arrangements/transactions  |    |
| Duration of the contracts/arrangements/transactions  |    |
| Salient terms of the contracts or arrangements or transactions including the value, if any   |    |
| Justification for entering into such contracts or arrangements or transactions   |    |
| Date(s) of approval by the Board   |    |
| Amount paid as advances, if any:   |    |
| Date on which the requisite resolution was passed in general meeting as required under first proviso to section 188 of the Companies Act, 2013 |    |

## 2. Details of material contracts or arrangement or transactions at arm's length basis:

|   |  |
|---|--|
| Name(s) of the related party and nature of relationship                                     | Graviss Holdings Private Limited (GHPL)<br>(common Directors)  |
| Nature of contracts / arrangements / transactions   | Management and Technical Support Services Arrangement  |
| Duration of the contracts / arrangements / transactions                                     | 3 years<br>(from 1 <sup>st</sup> June, 2016 to 31 <sup>st</sup> May, 2019)   |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | The Management and Technical Support Services provided by Graviss Holdings Private Limited (GHPL) to the Company include all matters relating to consultancy in relation to financial management, Company law affairs and secretarial matters, legal counsel & advisory services and providing of management support services from time to time as and when required for conducting the smooth corporate administration requirement of the Company.<br><br>The Company shall pay to GHPL a fee of 1.4% of the Net Turnover of the Company. |
| Date(s) of approval by the Board, if any:   | 5 <sup>th</sup> August, 2016   |
| Amount paid as advances, if any:  | Nil  |

For and on behalf of the Board of Directors

For **GRAVISS HOSPITALITY LIMITED**

Place: Mumbai  
Date: May 2, 2017.

**Ravi Ghai**  
Chairman  
(DIN: 00074612)

## Independent Auditors' Certificate on Corporate Governance

TO THE MEMBERS OF  
**GRAVISS HOSPITALITY LIMITED**

We have examined the compliance of conditions of Corporate Governance by Graviss Hospitality Limited ("the Company"), for the year ended 31<sup>st</sup> March, 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2017.

We 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*

Membership No. 046050

Place: Mumbai

Dated: 2<sup>nd</sup> May, 2017

## Report on Corporate Governance

## 1. Company's Philosophy on the Code of Governance:

Corporate Governance practices enable the affairs of the Company to be managed in a manner which warrant accountability, transparency and fairness in all its transactions on an ongoing basis and necessary steps towards growth and enhancing shareholders value. Accordingly, your Company strives for attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, including timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance in its interaction with stakeholders, including shareholders, employees, the government, lenders and society at large. The Company believes that all its operations and actions must serve the underlying goal of enhancing long term shareholder value. Good Corporate Governance practices attract investors and enhance the confidence of its stakeholders.

The Company has complied with the requirements of Corporate Governance as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of which are as under:

## 2. Board of Directors:

Composition of the Board of Directors, Number of Shares held in the Company, Attendance Details and Other Directorship/Committee Details held as on 31<sup>st</sup> March, 2017

| Sl. No. | Names of Directors           | Category                               | Number of Shares and Convertible Instruments held | Attendance at the Board Meetings held during the F.Y. 2016-2017 | Attendance at the last AGM held on July, 29, 2016 | No. of Directorships in listed entities including your Company | Number of memberships in Audit / Stakeholder Committee(s) | No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities |
|---------|------------------------------|--|---|---|---|--|---|---|
| 1.      | Mr. Ravi Iqbal Krishan Ghai  | Promoter/ Executive Chairman           | 33,24,791   | 2/4   | No  | 1  | 0   | 0   |
| 2.      | Mr. Gaurav Ravi Ghai         | Promoter/ Executive Director           | 23,09,141   | 2/4   | Yes   | 1  | 0   | 0   |
| 3.      | Mr. Dalip Charanjit Sehgal#  | Non-Executive Non-Independent Director | 0   | 4/4   | No  | 3  | 5   | 0   |
| 4.      | Ms. Mala Arun Todarwal       | Non-Executive Non-Independent Director | 0   | 4/4   | No  | 5  | 10  | 0   |
| 5.      | Mr. R. K. P. Shankardass*    | Non-Executive Independent Director     | 40,000  | 2/4   | No  | 0  | 0   | 0   |
| 6.      | Mr. Mahendra Vasantrai Doshi | Non-Executive Independent Director     | 0   | 3/4   | Yes   | 3  | 4   | 1   |
| 7.      | Mr. Gulshan Mohan Bijlani    | Non-Executive Independent Director     | 17,350  | 3/4   | No  | 1  | 1   | 1   |
| 8.      | Mr. Harindra Pal Singh       | Non-Executive Independent Director     | 0   | 1/4   | No  | 1  | 2   | 0   |

# Mr. Dalip C. Sehgal resigned with effect from 2<sup>nd</sup> May, 2017.

\* Mr. R. K. P. Shankardass passed away on 10<sup>th</sup> March, 2017.

**Number of Meetings of the Board of Directors held and dates on which held during the Financial Year ended 31<sup>st</sup> March, 2017:**

| Sl. No. | Dates                                     |
|---------|---|
| 1.      | Tuesday, 24 <sup>th</sup> May, 2016       |
| 2.      | Friday, 5 <sup>th</sup> August, 2016      |
| 3.      | Wednesday, 26 <sup>th</sup> October, 2016 |
| 4.      | Tuesday, 31 <sup>st</sup> January, 2017   |

**Disclosure of Relationships between the Board of Directors inter-se:**

Mr. Ravi Ghai is the father of Mr. Gaurav Ghai

**Web Link where details of Familiarization Programmes imparted to Independent Directors is disclosed:**

[http://www.gravishospitality.com/pdf/Policies/FAMILIARIZATION\\_PROGRAMMES\\_FOR\\_INDEPENDENT\\_DIRECTORS.pdf](http://www.gravishospitality.com/pdf/Policies/FAMILIARIZATION_PROGRAMMES_FOR_INDEPENDENT_DIRECTORS.pdf)

### **3. Audit Committee**

The Board has constituted a well qualified Audit Committee. Majority members of the Committee are Independent Directors including its Chairman. The Audit Committee has played an important role in ensuring the financial integrity of the Company.

The composition and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rules made there under and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Mr. Gulshan Bijlani and Mr. Harindra Pal Singh, as the members are financially literate and Mr. Mahendra Doshi, Chairman and Ms. Mala Todarwal, Member have accounting and related financial management expertise / exposure.

The Audit Committee invites the Managing Director, Chief Financial Officer, Statutory Auditor and Internal Auditors to attend the Audit Committee Meeting(s). The Company Secretary of the Company acts as Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed at the next meeting of the Board.

#### **(i) The Terms of Reference/role of the Audit Committee include the following:**

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Scrutiny of inter-corporate loans and investments;
5. Reviewing, with the management, the quarterly, half-yearly, nine monthly and annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
6. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Evaluation of internal financial controls and risk management systems.
9. Approval or any subsequent modification of transactions of the company with related parties;

10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company
12. Looking into the reasons for substantial defaults (if any), in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. To review the functioning of the Whistle Blower mechanism;
18. Reviewing the Management Discussion and Analysis for the financial condition and results of operation; and
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee during the year has approved the overall framework for Related Party Transactions, the Policy on materiality and dealing with the Related Party Transactions and the criteria for granting omnibus approval in line with the policy of dealing with Related Party Transactions in accordance with provisions of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**(ii) The details as to the date(s) on which the meetings were held during the financial year ended 31st March, 2017 are as follows:**

| Sl. No. | Dates of Meetings              |
|---------|--------------------------------|
| 1.      | 24 <sup>th</sup> May, 2016     |
| 2.      | 5 <sup>th</sup> August, 2016   |
| 3.      | 26 <sup>th</sup> October, 2016 |
| 4.      | 31 <sup>st</sup> January, 2017 |

**(iii) The composition of the Audit Committee of the Board of Directors of the Company along with details of the meetings attended during the financial year ended 31<sup>st</sup> March, 2017 are detailed below:**

| Sl. No. | Name                      | Category                        | Nature of Membership | Meetings Attended |
|---------|---------------------------|---------------------------------|----------------------|-------------------|
| 1.      | Mr. Mahendra V. Doshi     | Non-Executive / Independent     | Chairman             | 3/4               |
| 2.      | Ms. Mala Tadarwal         | Non-Executive / Non-Independent | Member               | 4/4               |
| 3.      | Mr. Harindra Pal Singh    | Non-Executive / Independent     | Member               | 1/4               |
| 4.      | Mr. Gulshan Bijlani       | Non-Executive / Independent     | Member               | 3/4               |
| 5.      | Mr. Dalip Sehgal          | Non-Executive / Non-Independent | Member               | 4/4               |
| 6.      | Mr. R. K. P. Sankardass\$ | Non-Executive / Independent     | Member               | 2/4               |

\$ up to 10<sup>th</sup> March, 2017

## 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee determines the composition of the Board according to the needs and requirements of the Company from time to time and determines the overall compensation for Directors.

The composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

(i) The details as to the date(s) on which the meetings were held during the financial year ended 31<sup>st</sup> March, 2017 are as follows:

| Sl. No. | Dates of Meetings              |
|---------|--------------------------------|
| 1.      | 24 <sup>th</sup> May, 2016     |
| 2.      | 26 <sup>th</sup> October, 2016 |

(ii) The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with details of the meetings attended during the financial year ended 31<sup>st</sup> March, 2017 are detailed below:

| Sl. No. | Name                   | Category                  | Nature of Membership | Meetings Attended |
|---------|------------------------|---------------------------|----------------------|-------------------|
| 1.      | Mr. Mahendra V. Doshi  | Non-Executive/Independent | Chairman             | 2/2               |
| 2.      | Mr. Harindra Pal Singh | Non-Executive/Independent | Member               | 1/2               |
| 3.      | Mr. Gulshan Bijlani    | Non-Executive/Independent | Member               | 2/2               |

(iii) The terms of reference of the Committee includes:

1. Formulation of criteria for qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on diversity of the Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Carry on the evaluation of every director's performance;
7. Any other matter as the Board may decide from time to time.

(iv) Performance Evaluation Criteria for Independent Directors:

The performance of Independent Directors of the Company is evaluated by the entire Board of Directors (excluding the Director being evaluated). An Evaluation Form is filled by the Board of Directors, which, in addition to covering the parameters laid down for evaluation of all Directors, also covers criterion for evaluation of performance of Independent Directors.

Following are the criterion for performance evaluation of Independent Directors of the Company:

- Participation and contribution at Board and Committee meetings;
- Managing relationships with fellow Board members and senior management;
- Director upholds ethical standards of integrity and probity;
- The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization;
- Director exercises objective independent judgment in the best interest of Company;
- Director has effectively assisted the Company in implementing best corporate governance practice and then monitors the same;
- Director helps in bringing independent judgment during board deliberations on strategy, performance, risk management etc.;
- Director keeps himself/ herself well informed about the Company and external environment in which it operates;

- Director acts within his authority and assists in protecting the legitimate interest of the Company, Shareholders and employees;
- Director maintains high level of confidentiality;
- Director adheres to the applicable code of conduct for Independent Directors;
- The willingness and commitment to devote the extensive time necessary to fulfill his/her duties;
- Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings

#### 5. Remuneration of Directors:

The Company's remuneration policy aims to attract and retain talent and is in accordance with the industry practices. The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance earmarked objectives.

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance pay. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and the individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

#### CHAIRMAN AND MANAGING DIRECTOR

The Shareholders of the Company at the 55<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> July, 2016 approved the reappointment of Mr. Ravi Ghai as Managing Director of the Company for a period of five (5) years commencing from 1<sup>st</sup> April, 2017, not liable to retire by rotation. The terms and conditions of his appointment including remuneration payable to him was approved at the said Annual General Meeting, which was in accordance with the provisions of Sections 197, 198 and Schedule V and other provisions of the Companies Act, 2013, including any statutory modifications or any amendment or any substitution or any re-enactment thereof for the time being in force. The details of the remuneration paid to the Managing Director are given in the table regarding details of remuneration paid to Directors.

#### JOINT MANAGING DIRECTOR

The Shareholders of the Company at the 51<sup>st</sup> Annual General Meeting held on 10<sup>th</sup> July, 2012 approved the reappointment of Mr. Gaurav Ghai as Joint Managing Director of the Company for a period of five (5) years commencing from 11<sup>th</sup> May, 2012, not liable to retire by rotation. The terms and conditions of his appointment including remuneration payable to him was approved at the said Annual General Meeting, which was in accordance with the applicable provisions of the Companies Act, 1956, including any statutory modifications or any amendment or any substitution or any re-enactment thereof. The details of the remuneration paid to the Joint Managing Director are given in the table regarding details of remuneration paid to Directors.

#### NON-EXECUTIVE DIRECTORS

The Non-Executive/Independent Directors of the Company play a crucial role for ensuring the quality of corporate governance in a Company. They constitute a necessary component of a balanced Board structure where the in-depth knowledge of the executive directors is blended with the wider experience, unbiased opinions and knowledge of the Independent Directors. The Non-Executive Directors are paid sitting fees for attending the Meetings of the Board. The Company has not granted any Stock Options to any of its Directors.

Details of Remuneration paid to the Directors of the Company for the Financial Year ended 31<sup>st</sup> March, 2017 are as follows:

Figures in ₹

| Name of the Director     | Salary    | Perquisites | Contribution to Provident Fund | Sitting Fees | Performance Linked Bonus | Commission | Total     |
|--------------------------|-----------|-------------|--------------------------------|--------------|--------------------------|------------|-----------|
| Mr. Ravi Ghai            | 30,00,000 | 11,85,000   | 3,60,000                       | 0            | 0                        | 0          | 45,45,000 |
| Mr. Gaurav Ghai          | 24,00,000 | 2,25,000    | 2,88,000                       | 0            | 0                        | 0          | 29,13,000 |
| Mr. Dalip Sehgal         | 0         | 0           | 0                              | 80,000       | 0                        | 0          | 80,000    |
| Ms. Mala Todarwal        | 0         | 0           | 0                              | 80,000       | 0                        | 0          | 80,000    |
| Mr. R. K. P. Shankardass | 0         | 0           | 0                              | 40,000       | 0                        | 0          | 40,000    |
| Mr. Mahendra Doshi       | 0         | 0           | 0                              | 60,000       | 0                        | 0          | 60,000    |
| Mr. Gulshan Bijlani      | 0         | 0           | 0                              | 60,000       | 0                        | 0          | 60,000    |
| Mr. Harindra Pal Singh   | 0         | 0           | 0                              | 20,000       | 0                        | 0          | 20,000    |

#### Criteria of making payments to non-executive directors:

The Criteria for making payments to non-executive Directors of the Company is available at the below web link:

[http://www.gravishhospitality.com/pdf/Policies/Criteria\\_of\\_making\\_payments\\_to\\_NEDs.pdf](http://www.gravishhospitality.com/pdf/Policies/Criteria_of_making_payments_to_NEDs.pdf)

## 6. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee consists of three (3) Members, viz. Mr. Gulshan Bijlani, as Chairman, Mr. Mahendra Doshi and Mr. Harindra Pal Singh as Members.

The terms of reference of the Committee are in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31<sup>st</sup> March, 2017 is detailed below:

| Dates on which meetings were held: |                                 |
|------------------------------------|---------------------------------|
| 30 <sup>th</sup> April, 2016       | 26 <sup>th</sup> October, 2016  |
| 31 <sup>st</sup> May, 2016         | 30 <sup>th</sup> November, 2016 |
| 30 <sup>th</sup> June, 2016        | 31 <sup>st</sup> December, 2016 |
| 31 <sup>st</sup> July, 2016        | 31 <sup>st</sup> January, 2017  |
| 31 <sup>st</sup> August, 2016      | 28 <sup>th</sup> February, 2017 |
| 30 <sup>th</sup> September, 2016   | 31 <sup>st</sup> March, 2017    |

| Name                   | Category                    | Nature of Membership | Meeting Details |          |
|------------------------|-----------------------------|----------------------|-----------------|----------|
|                        |                             |                      | Held            | Attended |
| Mr. Gulshan Bijlani    | Non Executive / Independent | Chairman             | 12              | 12       |
| Mr. Mahendra Doshi     | Non Executive / Independent | Member               | 12              | 11       |
| Mr. Harindra Pal Singh | Non Executive / Independent | Member               | 12              | 1        |

Name and Designation of Compliance Officer: Mrs. Kainaaz Bharucha, Company Secretary & Compliance Officer.

Number of Shareholders' Complaints received so far:

| Request   | Complaints received | Complaints redressed |
|---|---------------------|----------------------|
| Change of Address                                       | 0                   | 0                    |
| Stop Transfer / Procedure for Duplicate Certificate     | 1                   | 1                    |
| Correction of Name/Address                              | 0                   | 0                    |
| Dematerialisation of shares                             | 0                   | 0                    |
| Registration of NECS / ECS Details                      | 0                   | 0                    |
| Confirmation of Details                                 | 3                   | 3                    |
| Procedure For Transmission / Deletion / Transposition   | 3                   | 3                    |
| Issue of Duplicate Dividend Warrant                     | 2                   | 2                    |
| Exchange of Share Certificates                          | 0                   | 0                    |
| Issue of Fresh Demand Draft                             | 0                   | 0                    |
| Registration of Nomination                              | 0                   | 0                    |
| Non-Receipt of Dividend / Interest / Redemption Warrant | 1                   | 1                    |
| Non-Receipt of Annual Report                            | 0                   | 0                    |
| <b>Total</b>  | <b>10</b>           | <b>10</b>            |

Number not solved to the satisfaction of the shareholders: 0

Number of pending complaints: 0

## 7. General Body Meetings:

### (i) Location and Time where last three Annual General Meetings held:

| Year      | Meeting Date                           | Time       | Venue   | No. of Special Resolutions passed at the AGM |
|-----------|--|------------|---|--|
| 2015-2016 | Friday, 29 <sup>th</sup> July, 2016    | 12:30 p.m. | Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026. | 2  |
| 2014-2015 | Friday, 24 <sup>th</sup> July, 2015    | 12:30 p.m. | Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026. | 1  |
| 2013-2014 | Wednesday, 25 <sup>th</sup> June, 2014 | 12:00 noon | Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026. | 0  |

No Special Resolutions were passed during Financial 2016-2017 through Postal Ballot.

There are no special resolutions which are proposed to be conducted through Postal Ballot, as on the date of this Report.

## 8. Means of Communication

### (i) Quarterly Results:

Quarterly, Half-Yearly and Annual Financial Results of the Company were published in leading English and local language newspapers of the place where Registered Office of the Company is located, viz. the Financial Express, Mumbai, Financial Express, Pune and Loksatta, Pune (Marathi).

### (ii) Website:

The Company maintains a separate dedicated section viz. "Investor Relation" for the information of shareholders and other stakeholders of the Company on the Company's website [www.gravishshospitality.com](http://www.gravishshospitality.com).

Quarterly / Half-yearly / Annual Financial Results, Annual Reports, status of unclaimed dividend, various applicable policies of the Company and other required details are available on the Company's website.

(iii) There were no Presentations made do institutional investors or to the analysts during the Financial Year 2016-17.

## 9. General Shareholder Information

The Company is registered with the Registrar of Companies, Maharashtra, Pune. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L55101PN1959PLC012761.

### (i) Annual General Meeting - Date, Time and Venue

Friday, 28<sup>th</sup> July, 2017 at 12:30 p.m. at Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026.

(ii) Book Closure Dates: 19<sup>th</sup> July, 2017 to 28<sup>th</sup> July, 2017 (both days inclusive)

(iii) Financial Year - April, 2016 to March, 2017

(iv) Dividend Payment Date: The Directors of the Company do not recommend dividend for the Financial Year ended 31<sup>st</sup> March, 2017.

(v) The name and address of each Stock Exchange at which the Company's securities are listed and a confirmation about payment of annual listing fee to each such stock exchange:

The Company's shares are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Company has paid the listing fees to BSE Ltd. for the year 2017-18.

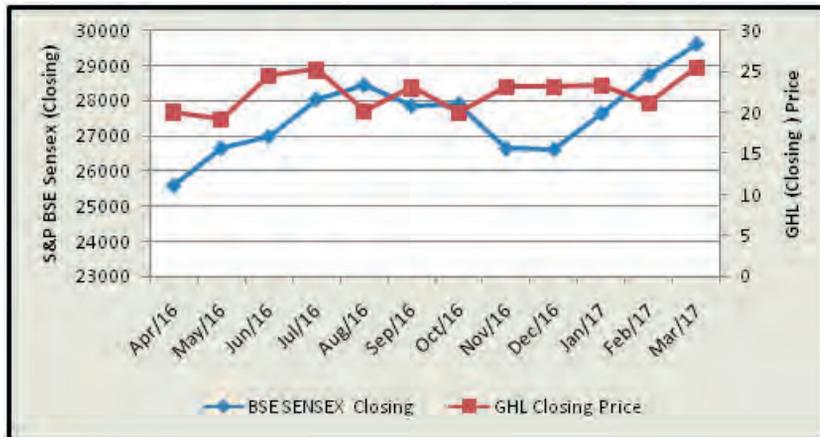
(vi) Stock Code on BSE Ltd.: 509546

(vii) ISIN: INE214F01026

(vii) Market Price Data - High/low, Number and Value of shares traded during each month in the last financial year:

| Month           | High  | Low   | No. of Shares traded | Value of Shares traded | No. of Trades |
|-----------------|-------|-------|----------------------|------------------------|---------------|
| April, 2016     | 23.00 | 18.50 | 12,392               | 250,558                | 30            |
| May, 2016       | 21.00 | 19.15 | 3,551                | 72,083                 | 14            |
| June, 2016      | 26.00 | 20.00 | 3,218                | 67,301                 | 21            |
| July, 2016      | 26.40 | 22.90 | 1,400                | 33,979                 | 23            |
| August, 2016    | 25.00 | 19.60 | 40,615               | 892,102                | 62            |
| September, 2016 | 23.50 | 21.05 | 2,097                | 48,139                 | 15            |
| October, 2016   | 22.05 | 18.20 | 7,265                | 148,461                | 37            |
| November, 2016  | 25.90 | 20.90 | 18,370               | 421,497                | 54            |
| December, 2016  | 23.15 | 23.15 | 7,726                | 178,855                | 10            |
| January, 2017   | 25.10 | 22.00 | 5,276                | 123,767                | 27            |
| February, 2017  | 22.60 | 21.00 | 16,357               | 351,978                | 28            |
| March, 2017     | 25.45 | 21.00 | 6,713                | 141,719                | 21            |

(ix) Performance in comparison to broad-based indices such as BSE SENSEX, CRISIL Index, etc.



(x) Registrar & Share Transfer Agent

Members may correspond with the Company's Registrars and Share Transfer Agent, Link Intime India Private Limited, quoting their folio numbers/ DP ID and Client ID at the following address:

**Link Intime India Private Limited**  
 C-101, 247 Park, L. B. S. Marg,  
 Vikhroli West, Mumbai - 400 083.  
 Telephone Number: 022-49186270  
 Fax Number: 022-49186060  
 Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

(xi) Share Transfer System:

Documents for transfer of shares in physical form can be lodged with Link Intime India Private Limited at its address given above. The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects.

(xii) Distribution of Shareholding

Holding of Nominal Value: ₹2/-

| Range              | Number of shareholders | % of Total Shareholders | Number of shares   | % of Total Share Capital |
|--------------------|------------------------|-------------------------|--------------------|--------------------------|
| 1 to 500           | 886                    | 64.62                   | 2,50,175           | 0.35                     |
| 501 to 1000        | 233                    | 16.99                   | 2,18,827           | 0.31                     |
| 1001 to 2000       | 87                     | 6.35                    | 1,54,276           | 0.22                     |
| 2001 to 3000       | 35                     | 2.55                    | 91,642             | 0.13                     |
| 3001 to 4000       | 15                     | 1.09                    | 56,458             | 0.08                     |
| 4001 to 5000       | 49                     | 3.57                    | 2,22,942           | 0.32                     |
| 5001 to 10000      | 27                     | 1.97                    | 1,80,991           | 0.26                     |
| Greater than 10000 | 39                     | 2.84                    | 6,93,43,824        | 98.33                    |
| <b>Total</b>       | <b>1,371</b>           | <b>100.00</b>           | <b>7,05,19,135</b> | <b>100.00</b>            |

(xiii) Shareholding Pattern:

| Sl. No. | Category of Shareholders          | Total Holding      | Percentage    |
|---------|-----------------------------------|--------------------|---------------|
| 1.      | Promoter & Promoter Group         | 5,27,36,710        | 74.78         |
| 2.      | Overseas Bodies Corporate         | 1,50,27,875        | 21.31         |
| 3.      | Other Bodies Corporate            | 10,20,385          | 1.45          |
| 4.      | Trusts                            | 94,660             | 0.13          |
| 5.      | Hindu Undivided Family            | 16,688             | 0.02          |
| 6.      | Non Resident Individuals          | 10,153             | 0.01          |
| 7.      | Directors or Directors' Relatives | 57,350             | 0.08          |
| 8.      | Clearing Members                  | 27,892             | 0.04          |
| 9.      | Individuals                       | 15,27,422          | 2.17          |
|         | <b>Total</b>                      | <b>7,05,19,135</b> | <b>100.00</b> |

(xiv) Dematerialization of shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz. NSDL and CDSL.

(xv) Percentage of shares held in physical and dematerialized form as on 31<sup>st</sup> March, 2017:

Physical form : 50,44,630 – 7.15%  
 Electronic form with NSDL : 6,52,19,124 – 92.49%  
 Electronic form with CDSL : 2,55,381 – 0.36%

(xvi) Outstanding GDRs/ADRs or warrants or any convertible Instruments, conversion date and likely impact on Equity

The Company does not have any outstanding ADRs/GDRs/Warrants or any convertible instruments.

(xvii) Commodity Price Risk or Foreign Exchange Risk and hedging activities

Not Applicable.

(xviii) Plant Locations:

The Company has one unit viz. Hotel Inter Continental, 135, Netaji Subhash Road, Marine Drive, Mumbai - 400 020.

(xix) Investor Correspondence Address:

**Graviss Hospitality Limited**

**Secretarial Department**

Corporate Office:

254-C, Dr. Annie Besant Road,

Worli, Mumbai - 400 030.

Email: [investers.relations@gravissgroup.com](mailto:investers.relations@gravissgroup.com)

OR

**Link Intime India Private Limited**

C-101, 247 Park, L. B. S. Marg,

Vikhroli West, Mumbai - 400 083.

Telephone Number: 022-49186270

Fax Number: 022-49186060

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## 10. Other Disclosures

**(i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

The Company has not entered into any materially significant related party transactions during the Financial Year 2016-17 that may have potential conflict with the interests of listed entity at large

**(ii) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with the requirements of the Stock Exchange, SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities.

**(iii) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

The Company has adopted a Vigil Mechanism Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The Vigil Mechanism Policy is displayed on the Company's website at the following web link:

<http://www.gravishhospitality.com/pdf/Policies/Policy%20for%20Vigil%20Mechanism.pdf>

**(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46(2) relating to dissemination of information on the website of the Company.

Adoption of Discretionary requirements under Part E of Schedule II to the SEBI Listing Regulations - the Internal Auditor reports directly to the audit committee.

**(v) Web link where policy for determining 'material' subsidiaries is disclosed;**

[http://www.gravishhospitality.com/pdf/Policies/POLICY\\_FOR\\_DETERMINING\\_MATERIAL\\_SUBSIDIARIES.pdf](http://www.gravishhospitality.com/pdf/Policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES.pdf)

**(vi) Web link where policy on dealing with related party transactions is disclosed;**

<http://www.gravishhospitality.com/pdf/Policies/Policy%20on%20related%20party%20transaction.pdf>

## Annexure to Report on Corporate Governance for the Financial Year ended 31<sup>st</sup> March, 2017

To,  
The Members of Graviss Hospitality Limited

### Declaration by the Managing Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Ravi Ghai, Chairman and Managing Director of Graviss Hospitality Limited, hereby confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31<sup>st</sup> March, 2017.

Place: Mumbai  
Date: 2<sup>nd</sup> May, 2017

**RAVI GHAI**  
(DIN: 00074612)  
*Chairman & Managing Director*

### Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

#### The Board of Directors Graviss Hospitality Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2017 and that to the best of our knowledge and belief:

- (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) 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;
- (c) no transactions entered into during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct;
- (d) we accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (e) there have been no significant changes in internal control during this year;
- (f) there have been no significant changes in accounting policies during this year; and
- (g) 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: 2<sup>nd</sup> May, 2017

**AMIT JAIN**  
*Chief Financial Officer*

**GAURAV GHAI**  
(DIN: 00074857)  
*Joint Managing Director*

## Independent Auditors' Report

To the Members of Graviss Hospitality Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GRAVISS HOSPITALITY LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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 Standalone 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. 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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017, 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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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 was no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
    - (iv) The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

**G. SANKAR**  
*Partner*

Membership No. 46050

Place: Mumbai

Dated: 2<sup>nd</sup> May, 2017

## **Annexure to the Auditors' Report**

**Annexure A referred to in the Auditor's Report to the Members of Graviss Hospitality Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2017.**

- (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.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification as compared to the record of inventories.
- (iii) 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) The company has not granted any loans, guarantees or security and has not made investments to which the provisions of section 185 and 186 of the Companies Act, 2013 apply.

The company had granted interest free long term unsecured loans to threesubsidiary companiesin terms of Special Resolution passed by the Shareholders on 28<sup>th</sup> 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). We are informed that the Company being in the hospitality business, the provisions of Section 186 read with Schedule VI to the Companies Act, 2013 are not applicable in respect of the loans granted to the subsidiary companies whose main object of business is also hospitality.

- (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 31<sup>st</sup> March, 2017, 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.15 lacs in respect of AY 2011-12 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. 84 lacs for the year 2010-11 which is contested before the Appellate Tribunal.
- (viii) 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.
- (ix) According to the information and explanations given to usand the records of the company, the company has not raised money by way of initial public offer or further public offer during the year.In our opinion, the term loans taken during the year have, prima facie, been applied for the purpose for which they were raised.
- (x) 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.
- (xi) According to the information and explanations given to usand based on verification of records, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisons of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence clause (xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us, the transactions with related parties were entered in to at reasonable rates and were approved by the Audit Committee or the Board of Directors in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by Accounting Standard 18 - Related Party Disclosures.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to usand based on verification of records , the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**G. SANKAR**  
*Partner*

Membership No. 46050

Place: Mumbai

Dated: 2<sup>nd</sup> May, 2017

## **Annexure to the Auditors' Report**

### **Annexure B referred to in the Auditor's Report to the Members of Graviss Hospitality Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2017.**

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

We have audited the internal financial controls over financial reporting of Graviss Hospitality Limited as of March 31<sup>st</sup>, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

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

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

Place: Mumbai  
Dated: 2<sup>nd</sup> May, 2017

**G. SANKAR**  
*Partner*  
Membership No. 46050

# 56<sup>TH</sup> ANNUAL REPORT

## Balance Sheet

as at 31st March, 2017

| Particulars .....   | As at        | As at                   |                         |
|---|--------------|-------------------------|-------------------------|
| .....   | 31/03/2017   | -----                   | 31/03/2016              |
| .....   | Note No.     | (Rs. in lacs)           | ---- (Rs. in lacs)      |
| <b>EQUITY AND LIABILITIES</b>   |              |                         |                         |
| <b>Shareholders' Funds:</b>   |              |                         |                         |
| Share Capital   | 1            | 1,410.39                | 1,410.39                |
| Reserves and Surplus  | 2            | 22,655.81               | 23,045.54               |
|   |              | <u>24,066.20</u>        | <u>24,455.93</u>        |
| <b>Non-current Liabilities:</b>   |              |                         |                         |
| Long-term borrowings  | 3            | 371.90                  | 178.80                  |
|   |              | <u>371.90</u>           | <u>178.80</u>           |
| <b>Current Liabilities:</b>   |              |                         |                         |
| Short-term borrowings   | 4            | 893.50                  | 736.09                  |
| Trade payables  |              | 397.34                  | 373.06                  |
| Other current liabilities   | 5            | 558.51                  | 466.68                  |
| Short term provisions   | 6            | 10.39                   | 5.37                    |
|   |              | <u>1,859.74</u>         | <u>1,581.20</u>         |
|   | <b>TOTAL</b> | <u><b>26,297.84</b></u> | <u><b>26,215.93</b></u> |
| <b>ASSETS</b>   |              |                         |                         |
| <b>Non-current Assets</b>   |              |                         |                         |
| Fixed Assets:   |              |                         |                         |
| Tangible assets   | 7            | 15,706.22               | 13,573.09               |
| In-tangible assets  | 8            | —                       | 1.66                    |
| Capital work-in-progress  |              | 52.84                   | 46.41                   |
|   |              | <u>15,759.06</u>        | <u>13,621.16</u>        |
| Non-current investments   | 9            | 191.66                  | 21.66                   |
| Long-term loans and advances  | 10           | 9,241.42                | 11,336.67               |
| Other non-current assets  | 11           | 62.42                   | 60.99                   |
| Deferred tax asset / (liability) – (Net)  | 12           | 196.11                  | 22.10                   |
|   |              | <u>25,450.67</u>        | <u>25,062.58</u>        |
| <b>Current Assets:</b>  |              |                         |                         |
| Current Investments   | 13           | 0.17                    | 0.17                    |
| Inventories   | 14           | 186.45                  | 162.31                  |
| Trade receivables   | 15           | 434.27                  | 710.47                  |
| Cash and Bank Balances  | 16           | 63.45                   | 126.58                  |
| Short-term loans and advances   | 17           | 162.83                  | 153.82                  |
|   |              | <u>847.17</u>           | <u>1,153.35</u>         |
|   | <b>TOTAL</b> | <u><b>26,297.84</b></u> | <u><b>26,215.93</b></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: 2<sup>nd</sup> May, 2017

**RAVI GHAI**

Chairman and Managing Director

(DIN: 00074612)

**AMIT JAIN**

Chief Financial Officer

For and on behalf of the Board

**M.V. DOSHI**

Director

(DIN: 00123243)

**Kainaaz Bharucha**

Company Secretary

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

| Particulars  | Note No. | For the year                | For the year                |
|--|----------|-----------------------------|-----------------------------|
|  |          | 31/03/2017<br>(Rs. in lacs) | 31/03/2016<br>(Rs. in lacs) |
| <b>INCOME</b>  |          |                             |                             |
| Revenue from operations  | 18       | 4,147.31                    | 4,720.36                    |
| Other Income   | 19       | 75.71                       | 21.74                       |
| <b>Total Revenue</b>   |          | <b>4,223.02</b>             | <b>4,742.10</b>             |
| <b>EXPENSES</b>  |          |                             |                             |
| Purchases  | 20       | 597.33                      | 763.31                      |
| Changes in Stock   | 21       | (32.15)                     | (9.24)                      |
| Employee benefits expense  | 22       | 1,314.48                    | 1,323.04                    |
| Finance costs  | 23       | 163.79                      | 121.58                      |
| Depreciation and amortisation expenses   | 24       | 472.33                      | 462.70                      |
| Other expenses   | 25       | 2,270.99                    | 2,327.60                    |
| <b>Total Expenses</b>  |          | <b>4,786.77</b>             | <b>4,988.99</b>             |
| <b>PROFIT/(LOSS) BEFORE TAX</b>  |          | <b>(563.75)</b>             | <b>(246.89)</b>             |
| <b>Tax expense:</b>  |          |                             |                             |
| Deferred Tax (Net) (Refer Note "4")  |          | 174.01                      | 139.13                      |
| <b>PROFIT/(LOSS) FOR THE PERIOD AFTER TAX</b>  |          | <b>(389.74)</b>             | <b>(107.76)</b>             |
| <b>Earning per equity share – Rs.</b>  | 26       |                             |                             |
| (a) Basic  |          | (0.55)                      | (0.15)                      |
| (b) Diluted  |          | (0.55)                      | (0.15)                      |
| <b>SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENT</b> | 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: 2<sup>nd</sup> May, 2017

**RAVI GHAI**  
Chairman and Managing Director  
(DIN: 00074612)

**AMIT JAIN**  
Chief Financial Officer

For and on behalf of the Board

**M.V. DOSHI**  
Director  
(DIN: 00123243)  
**Kainaaz Bharucha**  
Company Secretary

## Cash Flow Statement for the Year Ended 31st March, 2017

| Particulars  | As at 31/03/2017<br>(Rs. in lacs) | As at 31/03/2016<br>(Rs. in lacs) |
|--|-----------------------------------|-----------------------------------|
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                                   |                                   |                                   |
| Net profit before taxation and extraordinary item                                | (563.75)                          | (246.89)                          |
| Adjusted for:  |                                   |                                   |
| Depreciation/Amortisation  | 472.33                            | 462.70                            |
| Interest income  | (31.46)                           | (12.04)                           |
| Dividend income  | (0.06)                            | (0.08)                            |
| Interest expense   | 163.79                            | 121.58                            |
| <b>Operating profit before working capital changes</b>                           | <b>40.84</b>                      | <b>325.26</b>                     |
| Increase/(decrease) in trade payables  | 24.28                             | (33.01)                           |
| Increase/(decrease) in short-term provisions                                     | 5.03                              | (3.25)                            |
| Increase/(decrease) in other current liabilities                                 | 49.42                             | 84.39                             |
| Decrease/(Increase) in trade receivables   | 276.20                            | (62.77)                           |
| Decrease/(Increase) in other bank balances                                       | 0.31                              | 55.36                             |
| Decrease/(Increase) in inventories   | (24.14)                           | (11.18)                           |
| Decrease/(Increase) in long-terms loans and advances                             | (235.97)                          | (206.88)                          |
| Decrease/(Increase) in short-terms loans and advances                            | (9.01)                            | 40.02                             |
| Decrease/(Increase) in other non-current assets                                  | (1.42)                            | (7.25)                            |
| <b>Cash generated from operations</b>  | <b>84.70</b>                      | <b>(144.55)</b>                   |
| Income tax paid  | 125.55                            | 180.70                            |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                                    | <b>42.41</b>                      | <b>(40.01)</b>                    |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                    | <b>167.96</b>                     | <b>140.68</b>                     |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (449.02)                          | (277.99)                          |
| Interest received  | 31.46                             | 12.04                             |
| Dividend received  | 0.06                              | 0.08                              |
| <b>NET CASH FROM INVESTING ACTIVITIES (B)</b>                                    | <b>(417.50)</b>                   | <b>(265.87)</b>                   |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                    |                                   |                                   |
| Proceeds/ (Repayment) from Long-term borrowings                                  | 193.09                            | (24.82)                           |
| Proceeds from Short-term borrowings  | 157.41                            | 248.44                            |
| Interest paid  | (163.79)                          | (121.58)                          |
| <b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>                                 | <b>186.71</b>                     | <b>102.06</b>                     |
| <b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>              | <b>(62.83)</b>                    | <b>(23.14)</b>                    |
| <b>Net Increase in cash and cash equivalents</b>                                 |                                   |                                   |
| Cash and cash equivalents at beginning of year:                                  |                                   |                                   |
| Cash on hand and balances with banks   | 120.69                            | 143.83                            |
| <b>Total (D)</b>   | <b>120.69</b>                     | <b>143.83</b>                     |
| Cash and cash equivalents at end of year:  |                                   |                                   |
| Cash on hand and balances with banks   | 57.86                             | 120.69                            |
| <b>Total (E)</b>   | <b>57.86</b>                      | <b>120.69</b>                     |
| <b>Net Increase/(Decrease) in Cash and Cash equivalents (E-D)</b>                | <b>(62.83)</b>                    | <b>(23.14)</b>                    |

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: 2<sup>nd</sup> May, 2017

**RAVI GHAI**  
Chairman and Managing Director  
(DIN: 00074612)

**AMIT JAIN**  
Chief Financial Officer

For and on behalf of the Board

**M.V. DOSHI**  
Director  
(DIN: 00123243)  
**Kainaaz Bharucha**  
Company Secretary

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

|  | <b>As at<br/>31/03/2017<br/>(Rs. in lacs)</b> | <b>As at<br/>31/03/2016<br/>(Rs. in lacs)</b> |
|--|---|---|
| <b>NOTE '1' – SHARE CAPITAL</b>  |   |   |
| <b>(a) Authorised:</b>   |   |   |
| 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><b>2,500.00</b></u>                        | <u><b>2,500.00</b></u>                        |
| <b>(b) Issued, Subscribed and fully paid-up:</b>   |   |   |
| 70,519,135 Equity shares of Rs. 2 each for cash  | <u>1,410.39</u>                               | <u>1,410.39</u>                               |
| <u>70,519,135</u>  | <u><b>1,410.39</b></u>                        | <u><b>1,410.39</b></u>                        |
| (70,519,135)   |   |   |
| <b>(c) Reconciliation of the number of shares</b>  |   |   |
| Opening  | <u>70,519,135</u>                             | <u>70,519,135</u>                             |
| Closing  | <u><b>70,519,135</b></u>                      | <u><b>70,519,135</b></u>                      |
| <b>(d) Share held by each shareholder holding more than 5% shares</b>  |   |   |
| <b>— Equity shares of Rs. 2 each fully paid</b>  |   |   |
| Graviss Holdings Private Limited – 30.93% (30.93%)   | <u>21,813,970</u>                             | <u>21,813,970</u>                             |
| Satinetta Finlease & Investments Private Limited – 32.57% (32.57%)   | <u>22,967,844</u>                             | <u>22,967,844</u>                             |
| Dunearn Investments (Mauritius) Pte Limited – 9.96% (9.96%)  | <u>7,025,708</u>                              | <u>7,025,708</u>                              |
| Inter Continental Hotels Corporation, USA – 6.22% (6.22%)  | <u><b>4,385,235</b></u>                       | <u><b>4,385,235</b></u>                       |
| <b>NOTE '2' – RESERVES AND SURPLUS</b>   |   |   |
| <b>Capital Reserves:</b>   |   |   |
| Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad –<br>As per last account  | <u>7.78</u>                                   | <u>7.78</u>                                   |
| Warrants Forfeited Account:<br>As per last account   | <u>850.01</u>                                 | <u>850.01</u>                                 |
|  | <u><b>850.01</b></u>                          | <u><b>850.01</b></u>                          |
| Share Premium Account:<br>As per last account  | <u>9,183.07</u>                               | <u>9,183.07</u>                               |
|  | <u><b>9,183.07</b></u>                        | <u><b>9,183.07</b></u>                        |
| Capital Redemption Reserve Account<br>As per last account  | <u>318.52</u>                                 | <u>318.52</u>                                 |
|  | <u><b>318.52</b></u>                          | <u><b>318.52</b></u>                          |
| General Reserve:<br>As per last account  | <u>11,320.29</u>                              | <u>11,320.29</u>                              |
|  | <u><b>11,320.29</b></u>                       | <u><b>11,320.29</b></u>                       |
| <b>Profit and Loss Account:</b>  |   |   |
| Opening balance  | <u>1,365.88</u>                               | <u>1,473.63</u>                               |
| Add: Net profit after tax transferred from Statement of Profit and Loss  | <u>(389.74)</u>                               | <u>(107.76)</u>                               |
| Balance in Profit and Loss account   | <u>976.14</u>                                 | <u>1,365.88</u>                               |
|  | <u><b>22,655.81</b></u>                       | <u><b>23,045.54</b></u>                       |

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

|   | As at<br>31/03/2017<br>(Rs. in lacs) | As at<br>31/03/2016<br>(Rs. in lacs) |
|---|--------------------------------------|--------------------------------------|
| <b>NOTE '3' – LONG TERM BORROWINGS</b>  |                                      |                                      |
| <b>(A) Term loan from Bank: (Refer Note "5" below)</b>  |                                      |                                      |
| Axis Bank   |                                      |                                      |
| Term Loan (Secured) – I   | 52.14                                | 153.22                               |
| <b>Note:</b>  |                                      |                                      |
| Term loan from bank carries interest @ 12.15% 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. |                                      |                                      |
| Term Loan (Secured) – II  | 240.61                               | 25.58                                |
| <b>Note:</b>  |                                      |                                      |
| Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 60 monthly instalments of Rs. 6.25 lacs each along with interest, from April 2016. 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.    |                                      |                                      |
| Term Loan (Secured) – III   | 79.15                                | —                                    |
| <b>Note:</b>  |                                      |                                      |
| Term loan from bank carries interest @ 12% p.a. The loan is repayable in 60 monthly instalments of Rs. 1.67 lacs each along with interest, from March 2017. 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.       |                                      |                                      |
|   | 371.90                               | 178.80                               |
| <b>NOTE '4' – SHORT TERM BORROWINGS</b>   |                                      |                                      |
| <b>Overdraft from Bank:</b>   |                                      |                                      |
| Axis Bank   | 893.50                               | 736.09                               |
| <b>Note:</b>  |                                      |                                      |
| Overdraft from bank carries interest @ 11.65% 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.  |                                      |                                      |
|   | 893.50                               | 736.09                               |
| <b>NOTE '5' – OTHER CURRENT LIABILITIES</b>   |                                      |                                      |
| Unpaid Dividends (Not due to be deposited into Investor Education and Protection Fund)  | 1.94                                 | 2.63                                 |
| Interest free security deposits and advance from customers  | 17.72                                | 12.92                                |
| Expenses payable  | 262.19                               | 196.45                               |
| Gratuity obligation   | 66.51                                | 108.41                               |
| <b>Statutory dues payable</b>   |                                      |                                      |
| – TDS payable   | 19.54                                | 16.02                                |
| – VAT payable   | 32.30                                | 30.58                                |
| – Luxury Tax payable  | 12.43                                | 12.79                                |
| – Advance Income tax (net)  | (62.17)                              | (104.58)                             |
| – Others (Provident Fund, ESIC etc)   | 13.05                                | 12.29                                |
| <b>Current maturities of long term debt: (Refer Note "3" above)</b>   |                                      |                                      |
| Term Loans repayable in 12 months   |                                      |                                      |
| – Indian Rupee Loan   | 195.00                               | 174.96                               |
| – Deferred Payment Liability  | —                                    | 4.21                                 |
|   | 558.51                               | 466.68                               |

# GRAVISS HOSPITALITY LIMITED

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

|   | <b>As at<br/>31/03/2017<br/>(Rs. in lacs)</b> | <b>As at<br/>31/03/2016<br/>(Rs. in lacs)</b> |
|---|---|---|
| <b>NOTE '6' – SHORT-TERM PROVISIONS</b> |   |   |
| Provision for leave benefits            | <b>10.39</b>                                  | 5.37  |
|   | <b>10.39</b>                                  | 5.37  |

## NOTE '7' (Rs. in lacs)

| DESCRIPTION                           | GROSS BLOCK         |           |                            |                     | DEPRECIATION / AMORTISATION |                 |                            |                    | NET BLOCK           |                     |
|---------------------------------------|---------------------|-----------|----------------------------|---------------------|-----------------------------|-----------------|----------------------------|--------------------|---------------------|---------------------|
|                                       | As at<br>01/04/2016 | Additions | Deductions/<br>Adjustments | As at<br>31/03/2017 | Upto<br>31/03/2016          | For the<br>Year | Deductions/<br>Adjustments | Upto<br>31/03/2017 | As at<br>31/03/2017 | As at<br>31/03/2016 |
| <b>Tangible Assets:</b>               |                     |           |                            |                     |                             |                 |                            |                    |                     |                     |
| Land- Leasehold<br>(refer note below) | 10,272.33           | —         | —                          | <b>10,272.33</b>    | —                           | —               | —                          | —                  | <b>10,272.33</b>    | 10,272.33           |
| Buildings.                            | 3,750.69            | 114.37    | —                          | <b>3,865.06</b>     | 1,425.54                    | 129.39          | —                          | <b>1,554.93</b>    | <b>2,310.13</b>     | 2,325.15            |
| Premises*                             | 95.88               | 2,161.23  | —                          | <b>2,257.11</b>     | 51.98                       | 28.37           | —                          | <b>80.36</b>       | <b>2,176.75</b>     | 43.91               |
| Plant and Equipment.                  | 977.17              | 12.56     | —                          | <b>989.73</b>       | 827.89                      | 54.04           | —                          | <b>881.93</b>      | <b>107.80</b>       | 149.29              |
| Furniture and Fixtures.               | 2,627.54            | 249.83    | —                          | <b>2,877.37</b>     | 2,221.27                    | 116.03          | —                          | <b>2,337.30</b>    | <b>540.07</b>       | 406.27              |
| Vehicles.                             | 175.60              | —         | —                          | <b>175.60</b>       | 145.76                      | 21.21           | —                          | <b>166.97</b>      | <b>8.63</b>         | 29.84               |
| Office equipment.                     | 830.38              | 63.44     | —                          | <b>893.82</b>       | 499.40                      | 112.44          | —                          | <b>611.84</b>      | <b>281.98</b>       | 330.97              |
| Computers                             | 402.16              | 2.38      | —                          | <b>404.54</b>       | 386.82                      | 9.19            | —                          | <b>396.01</b>      | <b>8.53</b>         | 15.33               |
| <b>TOTAL</b>                          | 19,131.75           | 2,603.81  | —                          | <b>21,735.56</b>    | 5,558.66                    | 470.67          | —                          | <b>6,029.33</b>    | <b>15,706.22</b>    | 13,573.09           |
|                                       | 18,898.79           | 232.96    | —                          | <b>19,131.75</b>    | 5,101.53                    | 457.13          | —                          | <b>5,558.66</b>    | <b>13,573.09</b>    |                     |

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

\*Refer Note "27.B.19"

## NOTE '8' (Rs. in lacs)

| DESCRIPTION               | GROSS BLOCK         |           |                            |                     | DEPRECIATION / AMORTISATION |                 |                            |                    | NET BLOCK           |                     |
|---------------------------|---------------------|-----------|----------------------------|---------------------|-----------------------------|-----------------|----------------------------|--------------------|---------------------|---------------------|
|                           | As at<br>01/04/2016 | Additions | Deductions/<br>Adjustments | As at<br>31/03/2017 | Upto<br>31/03/2016          | For the<br>Year | Deductions/<br>Adjustments | Upto<br>31/03/2017 | As at<br>31/03/2017 | As at<br>31/03/2016 |
| <b>Intangible Assets:</b> |                     |           |                            |                     |                             |                 |                            |                    |                     |                     |
| Computer software         | 41.72               | —         | —                          | <b>41.72</b>        | 40.06                       | 1.66            | —                          | <b>41.72</b>       | <b>(0.00)</b>       | 1.66                |
| <b>TOTAL</b>              | 41.72               | —         | —                          | <b>41.72</b>        | 40.06                       | 1.66            | —                          | <b>41.72</b>       | <b>(0.00)</b>       | 1.66                |
|                           | 41.03               | 0.69      | —                          | <b>41.72</b>        | 34.49                       | 5.57            | —                          | <b>40.06</b>       | <b>1.66</b>         |                     |

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

|   | As at<br>31/03/2017<br>(Rs. in lacs) | As at<br>31/03/2016<br>(Rs. in lacs) |
|---|--------------------------------------|--------------------------------------|
| <b>NOTE '9' – NON CURRENT INVESTMENT</b>  |                                      |                                      |
| <b>TRADE INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE):</b>  |                                      |                                      |
| <b>Unquoted equity instruments:</b>   |                                      |                                      |
| 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)<br>of Graviss Catering Private Limited of Rs. 10 each                                      | 12.89                                | 12.89                                |
| 245,000 of Hotel Kankeshwar Private Limited of Rs. 10 each (Refer Note "27.B.19")   | 170.00                               | —                                    |
| <b>NON-TRADE INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE):</b>  |                                      |                                      |
| 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                                 |
|   | <u>191.66</u>                        | <u>21.66</u>                         |
| Aggregate value of unquoted investments   | 188.51                               | 18.51                                |
| Aggregate value of quoted investments   | 3.15                                 | 3.15                                 |
| Market value of quoted investments  | 6.02                                 | 2.15                                 |
| *(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) |                                      |                                      |
| <b>NOTE '10' – LONG-TERM LOANS AND ADVANCES – UNSECURED CONSIDERED GOOD:</b>  |                                      |                                      |
| Security Deposits   | 1,602.00                             | 1,606.55                             |
| <b>Loans to subsidiary companies:</b>   |                                      |                                      |
| – Graviss Hotels and Resorts Limited (Refer Note "27.B.19")   | 6,863.42                             | 9,240.32                             |
| – Graviss Catering Private Limited  | 392.13                               | 189.80                               |
| – Hotel Kankeshwar Private Limited (Refer Note "27.B.19")   | 83.87                                | —                                    |
| Capital advance   | 300.00                               | 300.00                               |
|   | <u>9,241.42</u>                      | <u>11,336.67</u>                     |
| <b>NOTE '11' – OTHER NON-CURRENT ASSETS:</b>  |                                      |                                      |
| Margin Money Deposit with Bank  | 62.42                                | 60.99                                |
|   | <u>62.42</u>                         | <u>60.99</u>                         |
| <b>NOTE '12' – DEFERRED TAX ASSET / (LIABILITY):</b>  |                                      |                                      |
| Deferred tax liability:   |                                      |                                      |
| Depreciation on fixed assets  | 119.58                               | 115.10                               |
| Deferred tax asset:   |                                      |                                      |
| Expenses allowed on payment basis   | 81.30                                | 67.05                                |
| Unabsorbed Depreciation   | 234.39                               | 70.15                                |
|   | <u>196.11</u>                        | <u>22.10</u>                         |

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

|  | As at<br>31/03/2017<br>(Rs. in lacs) | As at<br>31/03/2016<br>(Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| <b>NOTE '13' – CURRENT INVESTMENTS IN MUTUAL FUNDS (Valued at lower of cost and market value):</b> |                                      |                                      |
| 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                                 | 0.20                                 |
| <b>NOTE '14' – INVENTORIES (Valued at lower of cost and net realisable value):</b>                 |                                      |                                      |
| Food and Beverages   | 155.54                               | 123.39                               |
| Stores and Other Operating Supplies  | 30.91                                | 38.92                                |
|  | 186.45                               | 162.31                               |
| <b>NOTE '15' – TRADE RECEIVABLES:</b>  |                                      |                                      |
| Debts outstanding for a period exceeding six months – (Secured, considered good)                   | 35.79                                | 30.39                                |
| Debts outstanding for a period exceeding six months – (Unsecured, considered good)                 | 322.94                               | 11.32                                |
| Other debts  | 75.54                                | 668.76                               |
|  | 434.27                               | 710.47                               |
| <b>NOTE '16' – CASH AND BANK BALANCES:</b>   |                                      |                                      |
| <b>Cash and Cash Equivalents</b>   |                                      |                                      |
| Current accounts   | 38.47                                | 101.84                               |
| Cash on hand   | 19.40                                | 18.86                                |
| <b>Other Bank Balances:</b>  |                                      |                                      |
| Unpaid Dividend accounts   | 1.94                                 | 2.63                                 |
| Fixed Deposit with banks maturing within one year  | 3.64                                 | 3.25                                 |
|  | 63.45                                | 126.58                               |
| <b>NOTE '17' – SHORT-TERM LOANS AND ADVANCES:</b>  |                                      |                                      |
| (Unsecured, considered good)   |                                      |                                      |
| <b>Advances to others:</b>   |                                      |                                      |
| Prepaid expenses   | 80.42                                | 80.80                                |
| Loans to employees   | 6.05                                 | 9.52                                 |
| Balances with statutory/government authorities   | 7.82                                 | 5.60                                 |
| Advance to suppliers   | 62.32                                | 54.70                                |
| Other advances   | 6.22                                 | 3.20                                 |
|  | 162.83                               | 153.82                               |
| <b>NOTE '18' – REVENUE FROM OPERATIONS</b>   |                                      |                                      |
| Sales-Rooms  | 1,577.59                             | 1,662.28                             |
| Sales-Food and Beverages   | 2,144.79                             | 2,683.95                             |
| Sales of services  | 424.93                               | 374.13                               |
|  | 4,147.31                             | 4,720.36                             |

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

|  | <b>As at<br/>31/03/2017<br/>(Rs. in lacs)</b> | As at<br>31/03/2016<br>(Rs. in lacs) |
|--|---|--------------------------------------|
| <b>NOTE '19' – OTHER INCOME</b>                                    |   |                                      |
| Interest received on deposits with banks                           | 31.46   | 12.04                                |
| Dividend Income  | 0.06  | 0.08                                 |
| Unclaimed Credit balances written back                             | 29.79   | —                                    |
| Exchange Rate Difference (net)                                     | 0.65  | —                                    |
| Foreign Exchange Commission  | 2.13  | 2.62                                 |
| Miscellaneous receipts   | 11.62   | 7.00                                 |
|  | <u>75.71</u>                                  | <u>21.74</u>                         |
| <b>NOTE '20' – PURCHASES</b>                                       |   |                                      |
| Food and Beverages items   | 597.33  | 763.31                               |
|  | <u>597.33</u>                                 | <u>763.31</u>                        |
| <b>NOTE '21' – CHANGES IN STOCK (Food &amp; Beverages items)</b>   |   |                                      |
| Opening stock  | 123.39  | 114.15                               |
| Closing stock  | 155.54  | 123.39                               |
| (Increase)/Decrease in stock                                       | <u>(32.15)</u>                                | <u>(9.24)</u>                        |
| <b>NOTE '22' – EMPLOYEE BENEFITS EXPENSE (Refer note "27.B.3")</b> |   |                                      |
| Salaries and Wages (including bonus and gratuity)                  | 1,200.57                                      | 1,213.71                             |
| Contributions to:  |   |                                      |
| Provident, Family Pension and other Funds                          | 71.19   | 67.57                                |
| Staff welfare expenses   | 42.72   | 41.76                                |
|  | <u>1,314.48</u>                               | <u>1,323.04</u>                      |
| <b>NOTE '23' – FINANCE COSTS</b>                                   |   |                                      |
| Interest expense (Bank loans)                                      | 163.79  | 121.58                               |
|  | <u>163.79</u>                                 | <u>121.58</u>                        |
| <b>NOTE '24' – DEPRECIATION AND AMORTISATION EXPENSES:</b>         |   |                                      |
| Depreciation of tangible assets                                    | 470.67  | 457.13                               |
| Amortisation of intangible assets                                  | 1.66  | 5.57                                 |
|  | <u>472.33</u>                                 | <u>462.70</u>                        |

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

|  | As at<br>31/03/2017<br>(Rs. in lacs) | As at<br>31/03/2016<br>(Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| <b>NOTE '25' – OTHER EXPENSES</b>                |                                      |                                      |
| <b>Operating Expenses:</b>                       |                                      |                                      |
| Power, Fuel and Water                            | 332.35                               | 332.87                               |
| Repairs and Maintenance:                         |                                      |                                      |
| Building   | 47.45                                | 58.05                                |
| Machinery  | 17.74                                | 16.40                                |
| Others   | 108.00                               | 138.44                               |
| Stores and Supplies including Linen and Uniforms | 97.00                                | 99.71                                |
| Washing and Laundry expenses                     | 52.81                                | 65.17                                |
| Business Operating expenses                      | 171.44                               | 205.53                               |
| Music and other Operating expenses               | 121.94                               | 124.94                               |
| <b>General Expenses:</b>                         |                                      |                                      |
| Rent   | 12.60                                | 12.67                                |
| Rates and Taxes                                  | 182.05                               | 125.69                               |
| Insurance  | 28.18                                | 29.08                                |
| Hire charges                                     | 0.42                                 | 8.91                                 |
| Advertisement and Sales Promotion                | 232.16                               | 224.25                               |
| Commission on Sales                              | 53.88                                | 63.03                                |
| Travelling and Conveyance                        | 225.52                               | 253.17                               |
| Printing and Stationery                          | 20.20                                | 25.66                                |
| Postage and Telephones                           | 33.87                                | 41.75                                |
| Other expenses                                   | 148.86                               | 114.70                               |
| Payments to Auditors (Note "27.B.4")             | 8.34                                 | 8.60                                 |
| Legal and Professional charges                   | 215.81                               | 204.36                               |
| Franchise and Corporate Service fees             | 156.33                               | 171.07                               |
| Donations  | 0.67                                 | —                                    |
| Directors Sitting fees                           | 3.37                                 | 3.55                                 |
|  | <b>2,270.99</b>                      | <b>2,327.60</b>                      |

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

|  |            |            |
|--|------------|------------|
| Net profit after Taxation (in Rs. Lacs)  | (389.74)   | (107.76)   |
| Weighted average number of equity shares | 70,519,135 | 70,519,135 |
| Earnings per equity shares (in Rs.)      | (0.55)     | (0.15)     |
| Nominal value per share (Rs.)            | 2.00       | 2.00       |

## NOTE '27'

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

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 &amp; 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:

- (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 and received refund.  
The Company is hopeful of getting the order in favour from the Appellate Authorities in respect of income tax demand of Rs. 15 lacs for the assessment year 2011-12 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 2008-09 and 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. 84 lacs for the year 2010-11, 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. 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 of the Company on similar issue.

### B. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account- Rs. NIL -(Previous year-Rs. 28 lacs)

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.55 lacs in the Profit & Loss Account.

#### Defined Benefit Plans:

|   | Gratuity                 |                          | Leave Encashment         |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
| <b>Changes in the Present Value of Obligation</b> |                          |                          |                          |                          |
| (a) Present Value of Obligation as at 1st April   | 201.35                   | 206.41                   | 11.55                    | 14.31                    |
| (b) Interest Cost                                 | 13.22                    | 15.54                    | 0.90                     | 1.11                     |
| (c) Service Cost                                  | 21.30                    | 26.69                    | 22.49                    | 25.23                    |
| (d) Curtailment Cost/(Credit)                     | —                        | —                        | —                        | —                        |
| (e) Settlement Cost/(Credit)                      | —                        | —                        | —                        | —                        |
| (f) Benefits Paid                                 | (63.19)                  | (13.39)                  | —                        | —                        |
| (g) Interest guarantee (if relevant)              | —                        | —                        | —                        | —                        |
| (h) Actuarial (Gain)/Loss                         | (67.11)                  | (33.91)                  | (17.82)                  | (29.10)                  |
| (i) Present Value of Obligation as at 31st March  | 105.57                   | 201.35                   | 17.13                    | 11.55                    |

Notes 27 — (Contd.)

|  | Gratuity                 |                          | Leave Encashment         |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
| <b>Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b> |                          |                          |                          |                          |
| (a) Present Value of Defined Benefit Obligation as at 31st March   | 105.57                   | 201.35                   | 17.13                    | 11.55                    |
| (b) Fair Value of Plan Assets as at 31st March   | 39.05                    | 92.94                    | 6.74                     | 6.18                     |
| (c) Net Liability recognized in the Balance Sheet as at 31st March   | 66.51                    | 108.41                   | 10.39                    | 5.37                     |
| <b>Expenses Recognized in the Profit and Loss Account</b>  |                          |                          |                          |                          |
| (a) Service Cost   | 21.30                    | 26.69                    | 22.49                    | 25.23                    |
| (b) Interest Cost  | 13.22                    | 15.54                    | 0.90                     | 1.11                     |
| (c) Expected Return on Plan Assets   | (4.36)                   | (6.82)                   | (0.43)                   | (0.40)                   |
| (d) Curtailment Cost/(Credit)  | —                        | —                        | —                        | —                        |
| (e) Settlement Cost/(Credit)   | —                        | —                        | —                        | —                        |
| (f) Net Actuarial (Gain)/Loss  | (72.06)                  | (33.04)                  | (17.93)                  | (29.19)                  |
| (g) Total Expenses recognized in the Profit and Loss A/c   | (41.90)                  | 2.37                     | 5.03                     | (3.25)                   |
| <b>Actuarial Assumptions</b>   |                          |                          |                          |                          |
| Retirement age   | 58 Years                 | 58 Years                 |                          |                          |
| Discount rate  | 8 to 9%                  | 8 to 9%                  |                          |                          |
| Mortality  | LIC<br>(1994-96) Ult     | LIC<br>(1994-96) Ult     |                          |                          |
| Withdrawal rate  | 1.30%                    | 1.30%                    |                          |                          |
| Salary escalation  | 5 to 10%                 | 5 to 10%                 |                          |                          |

3. Employees' Remuneration and Benefits includes  
Remuneration paid to the Managing Director and Joint Managing Director

|                                | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
|--------------------------------|--------------------------|--------------------------|
| Salary                         | 54.00                    | 54.00                    |
| Contribution to Provident Fund | 6.48                     | 6.48                     |
| Other Perquisites              | 14.10                    | 14.10                    |
|                                | <b>74.58</b>             | <b>74.58</b>             |

4. Payments to Auditors  
Audit Fee  
Certification Fee  
Other service

|                   | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
|-------------------|--------------------------|--------------------------|
| Audit Fee         | 6.50                     | 6.50                     |
| Certification Fee | 1.60                     | 1.60                     |
| Other service     | —                        | —                        |
|                   | <b>8.10</b>              | <b>8.10</b>              |

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

|                                       | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
|---------------------------------------|--------------------------|--------------------------|
| <b>Trade Receivables (Current):</b>   |                          |                          |
| Graviss Holdings Private Limited      | 316.22                   | 590.55                   |
| Rich Graviss Products Private Limited | 0.51                     | 0.89                     |
| Graviss Foods Private Limited         | 2.61                     | 4.21                     |
|                                       | <b>319.33</b>            | <b>595.66</b>            |

**Notes 27 — (Contd.)**

**Loans and Advances:**

**Security Deposits: (Non Current)**

|                                      |               |          |
|--------------------------------------|---------------|----------|
| Graviss Holdings Private Limited     | —             | 754.00   |
| Cross Word Beverages Private Limited | <b>800.00</b> | 800.00   |
| Pure Foods & Ice Cream               | <b>4.00</b>   | 4.00     |
|                                      | <b>804.00</b> | 1,558.00 |

(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, Hotel Kankeshwar Pvt Ltd., Graviss Brands Pvt Ltd., Graviss Hotels & Resorts Limited, Crossword Beverages Pvt. Ltd., Pure Foods & Ice Cream, Satinetta Finelease & Investments Pvt Ltd.

**iv. Key Managerial Personnel**

|                                     |                         |
|-------------------------------------|-------------------------|
| Mr. Ravi Ghai                       | Managing Director       |
| Mr. Gaurav Ghai                     | Joint Managing Director |
| Mr. Amit Jain                       | Chief Financial Officer |
| Ms.Lajja Shah upto 05-08-2016       | Company Secretary       |
| Ms.Kainaaz Bharucha from 26-10-2016 | Company Secretary       |

**B. Transactions with Related Parties:**

|   | (Rs. in lacs) | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
|---|---------------|--------------------------|--------------------------|
| <b>i Sales</b>  |               |                          |                          |
| Graviss Holding Private Limited                       |               | <b>186.54</b>            | 809.60                   |
| <b>ii Purchase</b>                                    |               |                          |                          |
| Other related parties where the common control exists |               | —                        | —                        |
| <b>iii Expenditure and other services fees paid</b>   |               |                          |                          |
| Shareholders/Directors/Managing Director              | <b>3.37</b>   |                          |                          |
| Other related parties where the common control exists | <b>71.98</b>  | <b>75.35</b>             | 106.17                   |
| <b>iv Managerial Remuneration</b>                     |               |                          |                          |
| Managing Director and Joint Managing Director         |               | <b>74.58</b>             | 74.58                    |
| Chief Financial Officer                               |               | <b>52.90</b>             | 50.27                    |
| Company Secretary                                     |               | <b>5.50</b>              | 5.00                     |
| <b>v Purchase of Assets (slump sale)</b>              |               |                          |                          |
| Graviss Hotels and Resorts Limited                    |               | <b>2,161.23</b>          | —                        |
| <b>vi Purchase of Non Current Investments</b>         |               |                          |                          |
| Graviss Hotels and Resorts Limited                    |               | <b>170.00</b>            | —                        |
| <b>vii Loan Received back</b>                         |               |                          |                          |
| Graviss Hotels and Resorts Limited                    |               | <b>2,376.95</b>          | —                        |
| <b>viii Loan given</b>                                |               |                          |                          |
| Hotel Kankeshwar Private Limited                      |               | <b>83.87</b>             | —                        |
| <b>ix Loans/Advances/Deposits given</b>               |               |                          |                          |
| Other related parties where the common control exists |               | <b>8,059.55</b>          | 11,187.98                |
| <b>x Debtors</b>                                      |               |                          |                          |
| Other related parties where the common control exists |               | <b>319.33</b>            | 595.66                   |
| <b>xi Outstanding payables</b>                        |               |                          |                          |
| Other related parties where the common control exists |               | <b>17.42</b>             | 12.82                    |

## Notes 27 — (Contd.)

7. Value of raw materials and stores consumed:

|                | 2016-17                |                      | 2015-16                |                      |
|----------------|------------------------|----------------------|------------------------|----------------------|
|                | % of total consumption | Amount (Rs. in lacs) | % of total consumption | Amount (Rs. in lacs) |
| Raw Materials: |                        |                      |                        |                      |
| Imported       | 0                      | —                    | 0                      | —                    |
| Indigenous     | 100                    | 565                  | 100                    | 754                  |
| Stores:        |                        |                      |                        |                      |
| Imported       | 0                      | —                    | 1                      | 1                    |
| Indigenous     | 100                    | 76                   | 99                     | 76                   |

|  | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
|--|--------------------------|--------------------------|
| 8. <b>Value of imports (CIF value):</b>  |                          |                          |
| Stores, Supplies and Spare Parts for Machinery   | —                        | 0.82                     |
| 9. <b>Earnings in Foreign Exchange:</b>  |                          |                          |
| (a) Sale of Rooms and Food and Beverages Income  | 1,303.23                 | 1,382.93                 |
| (b) Encashment of Foreign Exchange   | 34.21                    | 39.83                    |
|  | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
| 10. <b>Expenditure in Foreign Currencies:</b>  |                          |                          |
| (a) Travelling – Directors   | 86.47                    | 60.97                    |
| (b) Travelling – Others  | 20.09                    | 35.53                    |
| (c) Agency Commission  | 23.73                    | 20.35                    |
| (d) Consultants Fees   | 41.08                    | 3.87                     |
| (e) Franchise Fees   | 167.12                   | 146.35                   |
| (f) Others   | 1.34                     | —                        |
| 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. The Company does not have any asset whose useful life is different from the significant part of that asset.  |                          |                          |
| 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. 392.13 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. |                          |                          |

**Notes 27 — (Contd.)**

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. 6,863.42 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. (a) The Company has entered into a Business Transfer Agreement on 1st February 2017 for purchase of the Business undertaking of Alibaug of its subsidiary Graviss Hotels and Resorts Limited as a going concern on a slump sale basis. By virtue of the said agreement the building under construction, the loan to Hotel Kankeshwar Private Limited and liabilities were purchased on slump sale basis for a consideration of Rs. 2206.95 lacs to the holding Company and the consideration of the sale has been adjusted against the amount receivable from the said subsidiary.
- (b) The Company has acquired 2,45,000 equity shares of Rs 10 each fully paid of Hotel Kankeshwar Private Limited for a consideration of Rs. 170 lacs during the year. Hotel Kankeshwar Private Limited has become wholly owned subsidiary of the company.
- (c) During the year the company has discontinued its catering operations at Worli.
- (d) The Company has entered into an agreement with a company for supplying highly trained manpower in production and guest services and has received during the year service charges of Rs 96 lacs for the same.

**20. Disclosure on Specified Bank Notes (SBNs):**

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

| Particulars   | SBNs<br>(Rs.) | Other<br>denominations<br>notes<br>(Rs.) | Total<br>(Rs.)   |
|---|---------------|--|------------------|
| Closing cash in hand as on November 8, 2016         | 5,005,021     | 70,174                                   | 5,075,195        |
| (+) Permitted receipts                              | —             | 9,689,623                                | 9,689,623        |
| (-) Permitted payments                              | —             | 5,384,047                                | 5,384,047        |
| (-) Amount deposited in Banks                       | 5,005,021     | 2,813,528                                | 7,818,549        |
| <b>Closing cash in hand as on December 30, 2016</b> | —             | <b>1,562,222</b>                         | <b>1,562,222</b> |

**21. 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.

**Signature to Notes '1' to '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: 2<sup>nd</sup> May, 2017

**RAVI GHAI**

*Chairman and Managing Director*

(DIN: 00074612)

**AMIT JAIN**

*Chief Financial Officer*

For and on behalf of the Board

**M.V. DOSHI**

*Director*

(DIN: 00123243)

**Kainaaz Bharucha**

*Company Secretary*

## Independent Auditors' Report

To the Member of Graviss Hospitality Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Graviss Hospitality Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017 the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its subsidiaries 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. The respective Board of Directors of the companies included in the Group and of its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 145.66 lacs as at 31<sup>st</sup> March, 2017, total revenues of Rs.0.27lacs and net cash flows amounting to Rs. 0.28 lacs for the year ended

on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the Holding Company incorporated in India is disqualified as on 31<sup>st</sup> March, 2017 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 27.B.1.A to the consolidated financial statements.
    - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - (iii) There was no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
    - (iv) The Group has provided requisite disclosures in the financial statements as regards holding and dealings in Specified Bank Notes as defined in Notification SO 3407(E) dated 8<sup>th</sup> November, 2016 of the Ministry of Finance in respect of the holding company and its subsidiaries incorporated in India, during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016; and such disclosures are in accordance with the books of account maintained by the Company – Refer Note 27.B.23 to the consolidated financial statements.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1".

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

**G. SANKAR**  
*Partner*

Place: Mumbai  
Dated: 2<sup>nd</sup> May, 2017

Membership No. 46050

## ANNEXURE 1

### To the Independent Auditor's Report on even date on the Consolidated Financial Statements of Graviss Hospitality Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Graviss Hospitality Limited ("the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

## **Opinion**

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

## **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

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

Place: Mumbai  
Dated: 2<sup>nd</sup> May, 2017

**G. SANKAR**  
*Partner*  
Membership No. 46050

# 56<sup>TH</sup> ANNUAL REPORT

## Consolidated Balance Sheet

as at 31st March, 2017

| Particulars  | Note No. | As at<br>31/03/2017<br>(Rs. in lacs) | As at<br>31/03/2016<br>(Rs. in lacs) |
|--|----------|--------------------------------------|--------------------------------------|
| <b>EQUITY AND LIABILITIES</b>  |          |                                      |                                      |
| <b>Shareholders' Funds:</b>  |          |                                      |                                      |
| Share Capital  | 1        | 1,410.39                             | 1,410.39                             |
| Minority Interest  |          | 0.00                                 | 0.00                                 |
| Reserves and Surplus   | 2        | 21,606.59                            | 21,997.11                            |
|  |          | <u>23,016.98</u>                     | <u>23,407.50</u>                     |
| <b>Non-current Liabilities:</b>  |          |                                      |                                      |
| Long-term borrowings   | 3        | 382.68                               | 360.04                               |
|  |          | <u>382.68</u>                        | <u>360.04</u>                        |
| <b>Current Liabilities:</b>  |          |                                      |                                      |
| Short-term borrowings  | 4        | 893.50                               | 736.09                               |
| Trade payables   |          | 417.14                               | 382.68                               |
| Other current liabilities  | 5        | 587.95                               | 511.22                               |
| Short-term provisions  | 6        | 10.39                                | 5.37                                 |
|  |          | <u>1,908.98</u>                      | <u>1,635.36</u>                      |
| <b>TOTAL</b>   |          | <u><u>25,308.64</u></u>              | <u><u>25,402.90</u></u>              |
| <b>ASSETS</b>  |          |                                      |                                      |
| <b>Non-current Assets</b>  |          |                                      |                                      |
| Fixed Assets:  |          |                                      |                                      |
| Tangible assets  | 7        | 16,803.89                            | 15,966.60                            |
| In-tangible assets   | 8        | —                                    | 1.66                                 |
| Capital work-in-progress   |          | 1,154.38                             | 6,160.59                             |
|  |          | <u>17,958.27</u>                     | <u>22,128.85</u>                     |
| Non-current investments  | 9        | 3.77                                 | 3.77                                 |
| Long-term loans and advances   | 10       | 1,907.52                             | 1,919.28                             |
| Other non-current assets   | 11       | 92.14                                | 88.87                                |
| Deferred tax asset / (liability) – (Net)   | 12       | 196.11                               | 22.10                                |
|  |          | <u>20,157.81</u>                     | <u>24,162.87</u>                     |
| <b>Current Assets:</b>   |          |                                      |                                      |
| Current Investments  | 13       | 0.17                                 | 0.17                                 |
| Inventories  | 14       | 4,368.81                             | 162.31                               |
| Trade receivables  | 15       | 449.47                               | 719.30                               |
| Cash and Bank Balances   | 16       | 79.49                                | 164.33                               |
| Short-term loans and advances  | 17       | 252.89                               | 193.92                               |
|  |          | <u>5,150.83</u>                      | <u>1,240.03</u>                      |
| <b>TOTAL</b>   |          | <u><u>25,308.64</u></u>              | <u><u>25,402.90</u></u>              |
| SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS | 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: 2<sup>nd</sup> May, 2017

**RAVI GHAI**

Chairman and Managing Director

(DIN: 00074612)

**AMIT JAIN**

Chief Financial Officer

For and on behalf of the Board

**M.V. DOSHI**

Director

(DIN: 00123243)

**Kainaaz Bharucha**

Company Secretary

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

| Particulars   | Note No.  | Year ended<br>31/03/2017<br>(Rs. in lacs) | Year ended<br>31/03/2016<br>(Rs. in lacs) |
|---|-----------|---|---|
| <b>INCOME</b>   |           |   |   |
| Revenue from operations   | 18        | 4,323.47                                  | 4,985.77                                  |
| Other Income  | 19        | 77.88                                     | 25.11                                     |
| <b>TOTAL</b>  |           | <b>4,401.35</b>                           | <b>5,010.88</b>                           |
| <b>EXPENSES</b>   |           |   |   |
| Purchases   | 20        | 597.33                                    | 763.31                                    |
| Changes in Stock  | 21        | (32.15)                                   | (9.24)                                    |
| Employee benefits expense   | 22        | 1,327.78                                  | 1,340.19                                  |
| Finance costs   | 23        | 172.89                                    | 138.91                                    |
| Depreciation and amortisation expenses  | 24        | 480.97                                    | 469.96                                    |
| Other expenses  | 25        | 2,418.32                                  | 2,649.44                                  |
| <b>TOTAL</b>  |           | <b>4,965.14</b>                           | <b>5,352.57</b>                           |
| <b>PROFIT/(LOSS) BEFORE TAX</b>   |           | <b>(563.79)</b>                           | <b>(341.69)</b>                           |
| <b>Tax expense:</b>   |           |   |   |
| Current tax   |           | (0.75)                                    | (1.20)                                    |
| Deferred Tax (Net)  |           | 174.01                                    | 101.67                                    |
| Tax relating to earlier years   |           | —   | (0.52)                                    |
| <b>PROFIT/(LOSS) FOR THE PERIOD</b>   |           | <b>(390.53)</b>                           | <b>(241.74)</b>                           |
| <b>Earning per equity share – Rs.</b>   | <b>26</b> |   |   |
| (a) Basic   |           | (0.55)                                    | (0.34)                                    |
| (b) Diluted   |           | (0.55)                                    | (0.34)                                    |
| <b>SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS</b> | <b>27</b> |   |   |

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: 2<sup>nd</sup> May, 2017

**RAVI GHAI**  
Chairman and Managing Director  
(DIN: 00074612)

**AMIT JAIN**  
Chief Financial Officer

For and on behalf of the Board

**M.V. DOSHI**  
Director  
(DIN: 00123243)

**Kainaaz Bharucha**  
Company Secretary

## Consolidated Cash Flow Statement for the Year Ended 31st March, 2017

| Particulars  | As at 31/03/2017<br>(Rs. in lacs) | As at 31/03/2016<br>(Rs. in lacs) |
|--|-----------------------------------|-----------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                    |                                   |                                   |
| Net profit before taxation and extraordinary items                               | (563.81)                          | (341.69)                          |
| Adjustments for:   |                                   |                                   |
| Depreciation/Amortisation  | 480.98                            | 469.96                            |
| Non Cash items   | —                                 | 101.28                            |
| Interest income  | (33.63)                           | (15.41)                           |
| Dividend income  | (0.06)                            | (0.08)                            |
| Interest expense   | 172.89                            | 138.91                            |
| <b>Operating profit before working capital changes</b>                           | <b>56.37</b>                      | <b>352.97</b>                     |
| Increase / (decrease) in trade payables  | 34.50                             | (40.68)                           |
| Increase / (decrease) in short-term provisions                                   | 5.03                              | (3.25)                            |
| Increase / (decrease) in other current liabilities                               | 74.24                             | 76.28                             |
| Decrease / (Increase) in trade receivables                                       | 269.83                            | (65.61)                           |
| Decrease / (Increase) in other bank balances                                     | 0.31                              | 55.36                             |
| Decrease / (Increase) in inventories   | (24.14)                           | (11.18)                           |
| Decrease / (Increase) in long-terms loans and advances                           | (14.16)                           | 17.23                             |
| Decrease / (Increase) in short-terms loans and advances                          | (59.97)                           | 35.47                             |
| Decrease / (Increase) in other non-current assets                                | (3.26)                            | 20.58                             |
|  | <b>282.38</b>                     | <b>84.20</b>                      |
| Cash generated from operations   | 338.75                            | 437.17                            |
| Income tax paid  | 41.69                             | (42.27)                           |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                                    | <b>380.44</b>                     | <b>394.90</b>                     |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                    |                                   |                                   |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (505.85)                          | (485.53)                          |
| Interest received  | 33.63                             | 15.41                             |
| Dividend received  | 0.06                              | 0.08                              |
| <b>NET CASH FROM INVESTING ACTIVITIES (B)</b>                                    | <b>(472.15)</b>                   | <b>(470.04)</b>                   |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                    |                                   |                                   |
| Proceeds/ (Repayment) from Long-term borrowings                                  | 22.65                             | (29.34)                           |
| Proceeds from Short-term borrowings  | 157.41                            | 248.44                            |
| Interest paid  | (172.89)                          | (138.91)                          |
| <b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>                                 | <b>7.17</b>                       | <b>80.19</b>                      |
| <b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>              | <b>(84.55)</b>                    | <b>5.05</b>                       |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                 |                                   |                                   |
| Cash and cash equivalents at beginning of year:                                  |                                   |                                   |
| Cash on hand and balances with banks   | 158.46                            | 153.42                            |
| <b>Total (D)</b>   | <b>158.46</b>                     | <b>153.42</b>                     |
| Cash and cash equivalents at end of year:  |                                   |                                   |
| Cash on hand and balances with banks   | 73.90                             | 158.46                            |
| <b>Total (E)</b>   | <b>73.90</b>                      | <b>158.46</b>                     |
| <b>Net Increase/(Decrease) in cash and cash equivalents (E-D)</b>                | <b>(84.55)</b>                    | <b>5.05</b>                       |

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: 2<sup>nd</sup> May, 2017

For and on behalf of the Board

**RAVI GHAI**

Chairman and Managing Director

(DIN: 00074612)

**AMIT JAIN**

Chief Financial Officer

**M.V. DOSHI**

Director

(DIN: 00123243)

**Kainaaz Bharucha**

Company Secretary

## Notes forming part of the Consolidated Financial Statements as at 31 March, 2017

| NOTE '1' – SHARE CAPITAL   | <b>As at<br/>31/03/2017<br/>Rs. in lacs</b> | <b>As at<br/>31/03/2016<br/>Rs. in lacs</b> |
|--|---|---|
| <b>(a) Authorised:</b>   |   |   |
| 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 | <b>230.00</b>                               | 230.00                                      |
| 113,500,000 Equity shares of Rs. 2 each  | <b>2,270.00</b>                             | 2,270.00                                    |
|  | <b>2,500.00</b>                             | 2,500.00                                    |
| <b>(b) Issued, Subscribed and fully paid-up:</b>   |   |   |
| 70,519,135 Equity shares of Rs. 2 each for cash  | <b>1,410.39</b>                             | 1,410.39                                    |
| <b>70,519,135</b>  | <b>1,410.39</b>                             | 1,410.39                                    |
| (70,519,135)   |   |   |
| <b>(c) Reconciliation of the number of shares</b>  |   |   |
| Opening  | <b>70,519,135</b>                           | 70,519,135                                  |
| Closing  | <b>70,519,135</b>                           | 70,519,135                                  |
| <b>(d) Share held by each shareholder holding more than 5% shares</b>  |   |   |
| <b>— Equity shares of Rs. 2 each fully paid</b>  |   |   |
| Graviss Holdings Private Limited - 30.93% (30.93%)   | <b>21,813,970</b>                           | 21,813,970                                  |
| Satinetta Finlease & Investments Private Limited- 32.57% (32.57%)  | <b>22,967,844</b>                           | 22,967,844                                  |
| Dunearn Investments (Mauritius) Pte Limited- 9.96% (9.96%)   | <b>7,025,708</b>                            | 7,025,708                                   |
| Inter Continental Hotels Corporation, USA- 6.22% (6.22%)   | <b>4,385,235</b>                            | 4,385,235                                   |
| <b>NOTE '2' – RESERVES AND SURPLUS</b>   |   |   |
| <b>Capital Reserves:</b>   |   |   |
| Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad –<br>As per last account  | <b>7.78</b>                                 | 7.78  |
| Warrants Forfeited Account<br>As per last account  | <b>850.01</b>                               | 850.01                                      |
|  | <b>850.01</b>                               | 850.01                                      |
| Share Premium Account:<br>As per last account  | <b>9,183.07</b>                             | 9,183.07                                    |
|  | <b>9,183.07</b>                             | 9,183.07                                    |
| Capital Redemption Reserve Account<br>As per last account  | <b>318.52</b>                               | 318.52                                      |
|  | <b>318.52</b>                               | 318.52                                      |
| General Reserve:<br>As per last account  | <b>11,320.29</b>                            | 11,320.29                                   |
|  | <b>11,320.29</b>                            | 11,320.29                                   |
| Goodwill on Consolidation  | <b>(112.44)</b>                             | (112.44)                                    |
|  | <b>(112.44)</b>                             | (112.44)                                    |
| <b>Profit and Loss Account:</b>  |   |   |
| Opening balance  | <b>429.89</b>                               | 671.62                                      |
| Add: Net profit after tax transferred from Statement of Profit and Loss  | <b>(390.53)</b>                             | (241.74)                                    |
| Balance in Profit and Loss account   | <b>39.36</b>                                | 429.89                                      |
|  | <b>21,606.59</b>                            | 21,997.11                                   |

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## Notes forming part of the Consolidated Financial Statements as at 31 March, 2017

|  | As at<br>31/03/2017<br>Rs. in lacs | As at<br>31/03/2016<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTES '3' – LONG TERM BORROWINGS</b>  |                                    |                                    |
| <b>(A) Term loans from Bank : (Refer note '5' below)</b>   |                                    |                                    |
| Axis Bank  |                                    |                                    |
| Term Loan (Secured) – I  | 52.14                              | 153.22                             |
| <b>Note:</b>   |                                    |                                    |
| Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 59 monthly instalments of Rs. 8.33 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. |                                    |                                    |
| Axis Bank  |                                    |                                    |
| Term Loan (Secured) – II   | 240.61                             | 25.58                              |
| <b>Note:</b>   |                                    |                                    |
| Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 60 monthly instalments of Rs. 6.25 lacs each along with interest, from April 2016. 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.       |                                    |                                    |
| Axis Bank  |                                    |                                    |
| Term Loan (Secured) – III  | 79.15                              | —                                  |
| <b>Note:</b>   |                                    |                                    |
| Term loan from bank carries interest @ 12% p.a. The loan is repayable in 60 monthly instalments of Rs. 1.67 lacs each along with interest, from March 2017. 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>(B) Unsecured Loans:</b>  |                                    |                                    |
| From Graviss Holdings Private Limited<br>(a related party)<br>(interest @ 12.5% p.a. and not repayable within one year)  | —                                  | 166.32                             |
| <b>(C) Deferred payment liabilities:</b>   |                                    |                                    |
| (carry interest rates ranging from 10% to 12%, repayable in various EMI's and secured by hypothecation of vehicles)  | 10.78                              | 14.92                              |
|  | <b>382.68</b>                      | <b>360.04</b>                      |
| <b>NOTE '4' – SHORT-TERM BORROWINGS</b>  |                                    |                                    |
| <b>Overdraft from Bank: (Secured)</b>  |                                    |                                    |
| Axis Bank  | 893.50                             | 736.09                             |
| <b>Note:</b>   |                                    |                                    |
| Overdraft from bank carries interest @ 11.65% 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.  |                                    |                                    |
|  | <b>893.50</b>                      | <b>736.09</b>                      |
| <b>NOTE '5' – OTHER CURRENT LIABILITIES</b>  |                                    |                                    |
| Unpaid Dividends (Not due to be deposited into Investor Education and Protection Fund)   | 1.94                               | 2.63                               |
| Interest free deposits and advance from customers  | 32.72                              | 19.28                              |
| Expenses payable   | 265.66                             | 197.60                             |
| Gratuity obligation  | 66.51                              | 108.41                             |
| <b>Statutory dues payable</b>  |                                    |                                    |
| – TDS payable  | 20.86                              | 17.06                              |
| – Service Tax payable  | 1.38                               | —                                  |
| – VAT payable  | 33.09                              | 30.58                              |
| – Luxury Tax payable   | 12.43                              | 12.79                              |
| – Advance Income tax (net)   | (78.04)                            | (119.46)                           |
| – Others (Provident Fund, ESIC etc.)   | 13.05                              | 12.29                              |
| Liability for capital expenditure  | 19.14                              | 46.69                              |
| <b>Current maturities of long term debt:</b> (Refer Note '3' above)  |                                    |                                    |
| Term Loans repayable in 12 months  |                                    |                                    |
| – Indian Rupee Loan  | 195.00                             | 174.96                             |
| – Deferred Payment Liability   | 4.19                               | 8.39                               |
|  | <b>587.95</b>                      | <b>511.22</b>                      |

# GRAVISS HOSPITALITY LIMITED

## Notes forming part of the Consolidated Financial Statements as at 31 March, 2017

|  | As at<br>31/03/2017<br>Rs. in lacs | As at<br>31/03/2016<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTES '6' – SHORT-TERM PROVISIONS</b> |                                    |                                    |
| Provision for leave benefits             | 10.39                              | 5.37                               |
|  | <u>10.39</u>                       | <u>5.37</u>                        |

**NOTE '7'** (Rs in lacs)

| DESCRIPTION                            | Gross Block         |           |                            |                     | DEPRECIATION / AMORTISATION |                 |                            |                    | NET BLOCK           |                     |
|--|---------------------|-----------|----------------------------|---------------------|-----------------------------|-----------------|----------------------------|--------------------|---------------------|---------------------|
|  | As at<br>01-04-2016 | Additions | Deductions/<br>Adjustments | As at<br>31-03-2017 | Upto<br>31-03-2016          | For the<br>year | Deductions/<br>Adjustments | Upto<br>31-03-2017 | As at<br>31-03-2017 | As at<br>31-03-2016 |
| <b>Tangible Assets:</b>                |                     |           |                            |                     |                             |                 |                            |                    |                     |                     |
| Land — Leasehold<br>(refer note below) | 10,272.33           | —         | —                          | 10,272.33           | —                           | —               | —                          | —                  | 10,272.33           | 10,272.33           |
| Land — Freehold                        | 2,383.82            | —         | 1,430.69                   | 953.13              | —                           | —               | —                          | —                  | 953.13              | 2,383.82            |
| Buildings                              | 3,750.65            | 248.02    | —                          | 3,998.67            | 1,425.54                    | 130.13          | —                          | 1,555.67           | 2,443.00            | 2,325.11            |
| Premises                               | 95.88               | 2,161.23  | —                          | 2,257.11            | 51.98                       | 28.37           | —                          | 80.35              | 2,176.76            | 43.91               |
| Plant and Equipment                    | 977.18              | 12.56     | —                          | 989.74              | 827.90                      | 54.04           | —                          | 881.94             | 107.81              | 149.29              |
| Furniture and Fixtures                 | 2,627.54            | 258.35    | —                          | 2,885.89            | 2,221.27                    | 116.56          | —                          | 2,337.84           | 548.06              | 406.27              |
| Vehicles                               | 229.27              | —         | —                          | 229.27              | 189.70                      | 28.58           | —                          | 218.27             | 11.00               | 39.58               |
| Office equipment                       | 833.07              | 63.44     | —                          | 896.50              | 502.06                      | 112.44          | —                          | 614.51             | 282.00              | 330.99              |
| Computers                              | 413.63              | 3.70      | —                          | 417.33              | 398.29                      | 9.19            | —                          | 407.48             | 9.82                | 15.33               |
| <b>Total</b>                           | 21,583.37           | 2,747.31  | 1,430.69                   | 22,899.97           | 5,616.74                    | 479.31          | —                          | 6,096.06           | 16,803.89           | 15,966.63           |
|  | 21,286.41           | 232.96    | (64.00)                    | 21,583.37           | 5,152.35                    | 464.39          | —                          | 5,616.74           | 15,966.63           | —                   |

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

**NOTE '8'** (Rs. in lacs)

| DESCRIPTION               | GROSS BLOCK         |           |                            |                     | DEPRECIATION / AMORTISATION |                 |                            |                    | NET BLOCK           |                     |
|---------------------------|---------------------|-----------|----------------------------|---------------------|-----------------------------|-----------------|----------------------------|--------------------|---------------------|---------------------|
|                           | As at<br>01/04/2016 | Additions | Deductions/<br>Adjustments | As at<br>31/03/2017 | Upto<br>31/03/2016          | For the<br>Year | Deductions/<br>Adjustments | Upto<br>31/03/2017 | As at<br>31/03/2017 | As at<br>31/03/2016 |
| <b>Intangible Assets:</b> |                     |           |                            |                     |                             |                 |                            |                    |                     |                     |
| Computer software         | 41.72               | —         | —                          | 41.72               | 40.06                       | 1.66            | —                          | 41.72              | —                   | 1.66                |
| <b>TOTAL</b>              | 41.72               | —         | —                          | 41.72               | 40.06                       | 1.66            | —                          | 41.72              | —                   | 1.66                |
|                           | 41.03               | 0.69      | —                          | 41.72               | 34.49                       | 5.57            | —                          | 40.06              | 1.66                | —                   |

### NOTES '9' – 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 |
|-------|--|------|------|

|   |             |      |
|---|-------------|------|
| Aggregate value of unquoted investments | <u>0.62</u> | 0.62 |
| Aggregate value of quoted investments   | <u>3.15</u> | 3.15 |
| Market value of quoted investments      | <u>6.02</u> | 2.15 |

\*(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)

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

|   | As at<br>31/03/2017<br>Rs. in lacs | As at<br>31/03/2016<br>Rs. in lacs |
|---|------------------------------------|------------------------------------|
| <b>NOTES '10' – LONG-TERM LOANS AND ADVANCES</b>  |                                    |                                    |
| Security Deposits   | 1,607.52                           | 1,619.28                           |
| Capital advance – Unsecured, considered good  | 300.00                             | 300.00                             |
|   | <u>1,907.52</u>                    | <u>1,919.28</u>                    |
| <b>NOTES '11' – OTHER NON-CURRENT ASSETS</b>  |                                    |                                    |
| Margin Money Deposit with Bank  | 92.14                              | 88.87                              |
|   | <u>92.14</u>                       | <u>88.87</u>                       |
| <b>NOTE '12' – DEFERRED TAX ASSET / (LIABILITY):</b>  |                                    |                                    |
| Deferred tax liabilities:   |                                    |                                    |
| Depreciation on fixed assets  | 119.58                             | 115.10                             |
| Deferred tax asset:   |                                    |                                    |
| Expenses allowed on payment basis   | 81.30                              | 67.05                              |
| Unabsorbed Depreciation   | 234.39                             | 70.15                              |
|   | <u>196.11</u>                      | <u>22.10</u>                       |
| <b>NOTES '13' – CURRENT INVESTMENTS IN MUTUAL FUNDS (valued at lower of cost and market value):</b> |                                    |                                    |
| 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                               | 0.20                               |
| <b>NOTES '14' – INVENTORIES (valued at lower of cost and net realisable value)</b>                  |                                    |                                    |
| Food and Beverages  | 155.54                             | 123.39                             |
| Stores and Other Operating Supplies   | 30.91                              | 38.92                              |
| Stock in trade  | 4,182.36                           | —                                  |
|   | <u>4,368.81</u>                    | <u>162.31</u>                      |
| <b>NOTES '15' – TRADE RECEIVABLES</b>   |                                    |                                    |
| Debts outstanding for a period exceeding six months – (Secured, considered good)                    | 35.79                              | 30.39                              |
| Debts outstanding for a period exceeding six months – (Unsecured, considered good)                  | 322.94                             | 12.71                              |
| Other debts   | 90.74                              | 676.20                             |
|   | <u>449.47</u>                      | <u>719.30</u>                      |
| <b>NOTES '16' – CASH AND BANK BALANCES</b>  |                                    |                                    |
| <b>Cash and Cash Equivalents</b>  |                                    |                                    |
| Current accounts  | 52.63                              | 119.93                             |
| Cash on hand  | 21.28                              | 38.52                              |
| <b>Other Bank Balances:</b>   |                                    |                                    |
| Unpaid Dividend accounts  | 1.94                               | 2.63                               |
| Fixed Deposit with banks maturing within one year   | 3.64                               | 3.25                               |
|   | <u>79.49</u>                       | <u>164.33</u>                      |

## Notes forming part of the Consolidated Financial Statements as at 31 March, 2017

|  | As at<br>31/03/2017<br>Rs. in lacs | As at<br>31/03/2016<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTES '17' – SHORT-TERM LOANS AND ADVANCES</b>                      |                                    |                                    |
| (Unsecured, considered good)   |                                    |                                    |
| <b>Advances to others:</b>   |                                    |                                    |
| Prepaid expenses   | 80.77                              | 81.12                              |
| Loans to employees   | 25.05                              | 28.52                              |
| Balances with statutory/government authorities                         | 8.12                               | 5.97                               |
| Advance to suppliers   | 62.32                              | 54.70                              |
| Advance recoverable in cash or kind for value to be received           | 6.23                               | 3.21                               |
| Security and other deposits  | 70.40                              | 20.40                              |
|  | <b>252.89</b>                      | 193.92                             |
| <b>NOTES '18' – REVENUE FROM OPERATIONS</b>                            |                                    |                                    |
| Sales-Rooms  | 1,577.59                           | 1,662.28                           |
| Sales-Food and Beverages   | 2,144.79                           | 2,683.95                           |
| Sale of services   | 601.09                             | 639.54                             |
|  | <b>4,323.47</b>                    | 4,985.77                           |
| <b>NOTES '19' – OTHER INCOME</b>                                       |                                    |                                    |
| Interest received on deposits with banks                               | 33.63                              | 15.41                              |
| Dividends income   | 0.06                               | 0.08                               |
| Unclaimed Credit balances written back                                 | 29.79                              | —                                  |
| Exchange Rate Difference (net)   | 0.65                               | —                                  |
| Foreign Exchange Commission  | 2.13                               | 2.62                               |
| Miscellaneous receipts   | 11.62                              | 7.00                               |
|  | <b>77.88</b>                       | 25.11                              |
| <b>NOTES '20' – PURCHASES</b>  |                                    |                                    |
| Food & Beverages items   | 597.33                             | 763.31                             |
|  | <b>597.33</b>                      | 763.31                             |
| <b>NOTES '21' – CHANGES IN STOCK (FOOD &amp; BEVERAGES ITEMS)</b>      |                                    |                                    |
| Opening stock  | 123.39                             | 114.15                             |
| Closing stock  | 155.54                             | 123.39                             |
| (Increase) / Decrease in stock   | <b>(32.15)</b>                     | (9.24)                             |
| <b>NOTES '22' – EMPLOYEE BENEFITS EXPENSE (refer to Note "27.B.3")</b> |                                    |                                    |
| Salaries and wages (including bonus and gratuity)                      | 1,213.87                           | 1,230.86                           |
| Contributions to:  |                                    |                                    |
| Provident, Family Pension and other Funds                              | 71.19                              | 67.57                              |
| Staff welfare expenses   | 42.72                              | 41.76                              |
|  | <b>1,327.78</b>                    | 1,340.19                           |
| <b>NOTES '23' – FINANCE COSTS</b>                                      |                                    |                                    |
| Interest expense (Bank loans)  | 163.79                             | 121.58                             |
| Other borrowing costs  | 9.10                               | 17.33                              |
|  | <b>172.89</b>                      | 138.91                             |

# 56<sup>TH</sup> ANNUAL REPORT

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

|  | As at<br>31/03/2017<br>Rs. in lacs | As at<br>31/03/2016<br>Rs. in lacs |
|--|------------------------------------|------------------------------------|
| <b>NOTES '24' – DEPRECIATION AND AMORTISATION EXPENSES</b> |                                    |                                    |
| Depreciation of tangible assets                            | 479.31                             | 464.39                             |
| Amortisation of intangible assets                          | 1.66                               | 5.57                               |
|  | <b>480.97</b>                      | <b>469.96</b>                      |

## NOTES '25' – OTHER EXPENSES

### Operating Expenses:

|  |        |        |
|--|--------|--------|
| Power, Fuel and Water                            | 332.35 | 332.87 |
| Repairs and Maintenance:                         |        |        |
| Building   | 47.45  | 58.05  |
| Machinery  | 17.74  | 16.40  |
| Others   | 108.41 | 139.91 |
| Stores and Supplies including Linen and Uniforms | 97.00  | 99.71  |
| Washing and Laundry expenses                     | 52.81  | 65.17  |
| Business Operating expenses                      | 171.44 | 205.53 |
| Hall Decoration                                  | 89.84  | 161.60 |
| Music and other Operating expenses               | 121.94 | 124.94 |

### General Expenses:

|                                      |                 |                 |
|--------------------------------------|-----------------|-----------------|
| Rent                                 | 14.40           | 14.47           |
| Rates and Taxes                      | 182.05          | 125.69          |
| Insurance                            | 29.99           | 30.68           |
| Hire charges                         | 12.33           | 17.14           |
| Advertisement and Sales Promotion    | 232.16          | 224.25          |
| Commission on Sales                  | 53.88           | 63.03           |
| Travelling and Conveyance            | 232.85          | 260.32          |
| Printing and Stationery              | 20.77           | 29.38           |
| Postage and Telephones               | 34.68           | 43.03           |
| Other expenses                       | 167.70          | 235.11          |
| Payments to Auditors (Note 27.B.4)   | 9.49            | 9.73            |
| Legal and Professional charges       | 228.64          | 217.81          |
| Franchise and Corporate Service fees | 156.33          | 171.07          |
| Donations                            | 0.67            | —               |
| Directors Sitting fees               | 3.37            | 3.55            |
|                                      | <b>2,418.32</b> | <b>2,649.44</b> |

## NOTES '26' – EARNINGS PER EQUITY SHARE

|  |            |            |
|--|------------|------------|
| Net profit after Taxation (in Rs. in Lacs) | (390.52)   | (241.74)   |
| Weighted average number of equity shares   | 70,519,135 | 70,519,135 |
| Earnings per equity shares (in Rs.)        | (0.55)     | (0.34)     |
| 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 2017.

#### 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, 2017. 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, 2017.
- (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<br>(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.

##### 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.

## Note 28 — (Contd.)

**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. 33.49 lacs (previous year Rs. 33.49 lacs).
- (b) During the year the Company has received order in favour from Appellate Tribunal for the assessment year 2009-10 and received refund.  
The Company is hopeful of getting the order in favour from the Appellate Authorities in respect of income tax demand of Rs. 15 lacs for the assessment year 2011-12 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 2008-09 and 2009-10 and accordingly no provision is made for the same in the financial statements.
- (c) In the matter of VAT demand and penalty of Rs. 84 lacs for the year 2010-11, 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. 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 – Rs. NIL – (Previous year Rs. 28 lacs)

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:

**Note 28 — (Contd.)**

**Defined Contribution Plans:**

The company has recognised contribution to Provident Fund of Rs. 55 lacs in the Profit & Loss Account.

**Defined Benefit Plans:**

**Rs in lacs**

|  | Gratuity             |                      | Leave Encashment |         |
|--|----------------------|----------------------|------------------|---------|
|  | 2016-17              | 2015-16              | 2016-17          | 2015-16 |
| <b>Changes in the Present Value of Obligation</b>  |                      |                      |                  |         |
| (a) Present Value of Obligation as at 1st April  | 201.35               | 206.41               | 11.55            | 14.31   |
| (b) Interest Cost  | 13.22                | 15.54                | 0.90             | 1.11    |
| (c) Service Cost   | 21.30                | 26.69                | 22.49            | 25.23   |
| (d) Curtailment Cost/(Credit)  | —                    | —                    | —                | —       |
| (e) Settlement Cost/(Credit)   | —                    | —                    | —                | —       |
| (f) Benefits Paid  | (63.19)              | (13.39)              | —                | —       |
| (g) Interest guarantee (if relevant)   | —                    | —                    | —                | —       |
| (h) Actuarial (Gain)/Loss  | (67.11)              | (33.91)              | (17.82)          | (29.10) |
| (i) Present Value of Obligation as at 31st March   | 105.57               | 201.35               | 17.13            | 11.56   |
| <b>Amount Recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b> |                      |                      |                  |         |
| (a) Present Value of Defined Benefit Obligation as at 31st March   | 105.57               | 201.35               | 17.13            | 11.55   |
| (b) Fair Value of Plan Assets as at 31st March   | 39.05                | 92.94                | 6.74             | 6.18    |
| (c) Net Liability recognized in the Balance Sheet as at 31st March   | 66.51                | 108.41               | 10.39            | 5.37    |
| <b>Expenses Recognized in the Profit and Loss Account</b>  |                      |                      |                  |         |
| (a) Service Cost   | 21.30                | 26.69                | 22.49            | 25.23   |
| (b) Interest Cost  | 13.22                | 15.54                | 0.90             | 1.11    |
| (c) Expected Return on Plan Assets   | (4.36)               | (6.82)               | (0.43)           | (0.40)  |
| (d) Curtailment Cost/(Credit)  | —                    | —                    | —                | —       |
| (e) Settlement Cost/(Credit)   | —                    | —                    | —                | —       |
| (f) Net Actuarial (Gain)/Loss  | (72.06)              | (33.04)              | (17.93)          | (29.19) |
| (g) Total Expenses recognized in the Profit and Loss A/c   | (41.90)              | 2.36                 | 5.03             | (3.25)  |
| <b>Actuarial Assumptions</b>   |                      |                      |                  |         |
| Retirement age   | 58 Years             | 58 Years             | —                | —       |
| Discount rate  | 8 to 9%              | 8 to 9%              | —                | —       |
| Mortality  | LIC<br>(1994-96) Ult | LIC<br>(1994-96) Ult | —                | —       |
| Withdrawal rate  | 1.30%                | 1.30%                | —                | —       |
| Salary escalation  | 5 to 10%             | 5 to 10%             | —                | —       |

3. Employees' Remuneration and Benefits includes Remuneration paid to the Managing Director and Joint Managing Director

|                                | 2016-17<br>(Rs. in lacs) | 2015-16<br>(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

|                               | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
|-------------------------------|--------------------------|--------------------------|
| Audit Fee                     | 7.56                     | 7.56                     |
| Certification charges and fee | 1.60                     | 1.60                     |
|                               | 9.16                     | 9.16                     |

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

|                                       | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
|---------------------------------------|--------------------------|--------------------------|
| <b>Trade Receivables (Current):</b>   |                          |                          |
| Graviss Holdings Private Limited      | 316.22                   | 590.55                   |
| Rich Graviss Products Private Limited | 0.51                     | 0.89                     |
| Graviss Foods Private Limited         | 2.61                     | 4.21                     |
|                                       | 319.33                   | 595.66                   |

## Note 28 — (Contd.)

**Loans and Advances:****Security Deposits: (Non current)**

|                                      |               |                 |
|--------------------------------------|---------------|-----------------|
| Graviss Holdings Private Limited     | —             | 754.00          |
| Cross Word Beverages Private Limited | <b>800.00</b> | 800.00          |
| Pure Foods & Ice Cream               | <b>4.00</b>   | 4.00            |
|                                      | <b>804.00</b> | <b>1,558.00</b> |

(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., Crossword Beverages Pvt. Ltd., Pure Foods & Ice Cream, Satinetta Finelease & Investments Pvt Ltd.

**iv Key Managerial Personnel**

|                                      |                         |
|--------------------------------------|-------------------------|
| Mr. Ravi Ghai                        | Managing Director       |
| Mr. Gaurav Ghai                      | Joint Managing Director |
| Mr. Amit Jain                        | Chief Financial Officer |
| Ms. Lajja Shah upto 05-08-2016       | Company Secretary       |
| Ms. Kainaaz Bharucha from 26-10-2016 | Company Secretary       |

**B. Transactions with Related Parties:**

|   | (Rs. in lacs) | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
|---|---------------|--------------------------|--------------------------|
| <b>I Sale</b>   |               |                          |                          |
| Graviss Holdings Private Limited                      |               | <b>186.54</b>            | 809.60                   |
| <b>ii Expenditure and other services fees paid</b>    |               |                          |                          |
| Shareholders/Directors/Managing Director              | <b>10.57</b>  |                          |                          |
| Other related parties where the common control exists | <b>71.98</b>  | <b>82.55</b>             | 135.76                   |
| <b>iii Managerial Remuneration</b>                    |               |                          |                          |
| Managing Director and Joint Managing Director         |               | <b>74.58</b>             | 74.58                    |
| Chief Financial Officer                               |               | <b>52.90</b>             | 50.27                    |
| Company Secretary                                     |               | <b>5.50</b>              | 5.00                     |
| <b>iv Loans/Advances/Deposits given</b>               |               |                          |                          |
| Other related parties where the common control exists |               | <b>804.00</b>            | 1,564.04                 |
| <b>v Debtors</b>                                      |               |                          |                          |
| Other related parties where the common control exists |               | <b>319.33</b>            | 595.66                   |
| <b>vi Outstanding payables</b>                        |               |                          |                          |
| Other related parties where the common control exists |               | <b>17.42</b>             | 12.82                    |

7. Value of raw materials and stores consumed:

|                | 2016-17                         |                      | 2015-16                         |                      |
|----------------|---------------------------------|----------------------|---------------------------------|----------------------|
|                | Percentage of total consumption | Amount (Rs. in lacs) | Percentage of total consumption | Amount (Rs. in lacs) |
| Raw Materials: |                                 |                      |                                 |                      |
| Indigenous     | 100                             | 565                  | 100                             | 754                  |
| Stores:        |                                 |                      |                                 |                      |
| Imported       | —                               | —                    | 1                               | —                    |
| Indigenous     | 100                             | 76                   | 99                              | 76                   |

**Note 28 — (Contd.)**

|   | 2016-17<br>(Rs. in lacs) | 2015-16<br>(Rs. in lacs) |
|---|--------------------------|--------------------------|
| <b>8. Value of imports (CIF value):</b>   |                          |                          |
| Stores, Supplies and Spare Parts for Machinery  | —                        | 0.82                     |
| <b>9. Earnings in Foreign Exchange:</b>   |                          |                          |
| (a) Sale of Rooms and Food and Beverages Income   | 1,303.23                 | 1,382.93                 |
| (b) Encashment of Foreign Exchange  | 34.21                    | 39.83                    |
| <b>10. Expenditure in Foreign Currencies:</b>   |                          |                          |
| (a) Travelling – Directors  | 86.47                    | 60.97                    |
| (b) Travelling – Others   | 20.09                    | 35.53                    |
| (c) Agency Commission   | 23.73                    | 20.35                    |
| (d) Consultants Fees  | 41.08                    | 3.87                     |
| (e) Franchise Fees  | 167.12                   | 146.35                   |
| (f) Others  | 1.34                     | —                        |
| 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. The Company does not have any asset whose useful life if different from the significant part of that asset.   |                          |                          |
| 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 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. (a) The land and buildings under construction held at Goa, belonging to Graviss Hotels and Resorts Limited (GHRL), have been converted into Stock-in-Trade with effect from 1st October 2016 as the Company intends to sell the same as residential apartments after development of the same, at cost incurred or net realisable value whichever is less, as the date of conversion.  |                          |                          |
| Subsequent to the aforesaid conversion, GHRL has entered into a Joint Development Agreement with a developer on 30-11-2016 for development and sale of the residential apartments. By virtue of the said agreement, GHRL will retain ownership in the land and will be entitled to 40% of the total saleable area. GHRL has obtained necessary permissions from the concerned authorities for development of the residential apartments.  |                          |                          |

## Note 28 — (Contd.)

The Stock in trade held as on 31st March 2017 is valued at cost or net realisable value whichever is lower.

(b) During the year the company has discontinued its catering operations at Worli.

(c) The Company has entered into an agreement with a company for supplying highly trained manpower in production and guest services and has received during the year service charges of Rs 96 lacs for the same.

## 22. Disclosure of Net Assets and Share in Profit or Loss

| Sl. no. | Name of the Entity                            | Net Assets Total Assets minus<br>Total Liabilities |                        | Share in profit or loss                     |                        |
|---------|---|--|------------------------|---|------------------------|
|         |   | As % of<br>consolidated<br>net assets              | Amount<br>(Rs in lacs) | As % of<br>consolidated<br>profit or (loss) | Amount<br>(Rs in lacs) |
| 1.      | Graviss Hospitality Limited – Parent          | 104%   | 23,953.77              | 100%  | (389.73)               |
| 2.      | Graviss Catering Private Limited – Subsidiary | -1%  | (314.00)               | 0%  | (0.87)                 |
| 3.      | Graviss Hotels & Resorts Limited – Subsidiary | -2%  | (621.53)               | 0%  | 0.84                   |
| 4.      | Hotel Kankeshwar Private Limited – Subsidiary | 0%   | (1.27)                 | 0%  | (0.76)                 |
|         |   | <b>100%</b>  | <b>23,016.97</b>       | <b>100%</b>                                 | <b>(390.53)</b>        |

## 23. Disclosure on Specified Bank Notes (SBNs):

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

| Particulars   | SBNs<br>(Rs.) | Other<br>denominations<br>notes<br>(Rs.) | Total<br>(Rs.)   |
|---|---------------|--|------------------|
| Closing cash in hand as on November 8, 2016         | 5,205,021     | 1,616,007                                | 6,821,028        |
| (+) Permitted receipts                              | —             | 10,259,379                               | 10,259,379       |
| (-) Permitted payments                              | —             | 6,342,404                                | 6,342,404        |
| (-) Amount deposited in Banks                       | 5,205,021     | 2,874,284                                | 8,079,305        |
| <b>Closing cash in hand as on December 30, 2016</b> | <b>—</b>      | <b>2,658,698</b>                         | <b>2,658,698</b> |

## 24. 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.

## Signature to Notes '1' to '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: 2<sup>nd</sup> May, 2017

**RAVI GHAI**

Chairman and Managing Director

(DIN: 00074612)

**AMIT JAIN**

Chief Financial Officer

For and on behalf of the Board

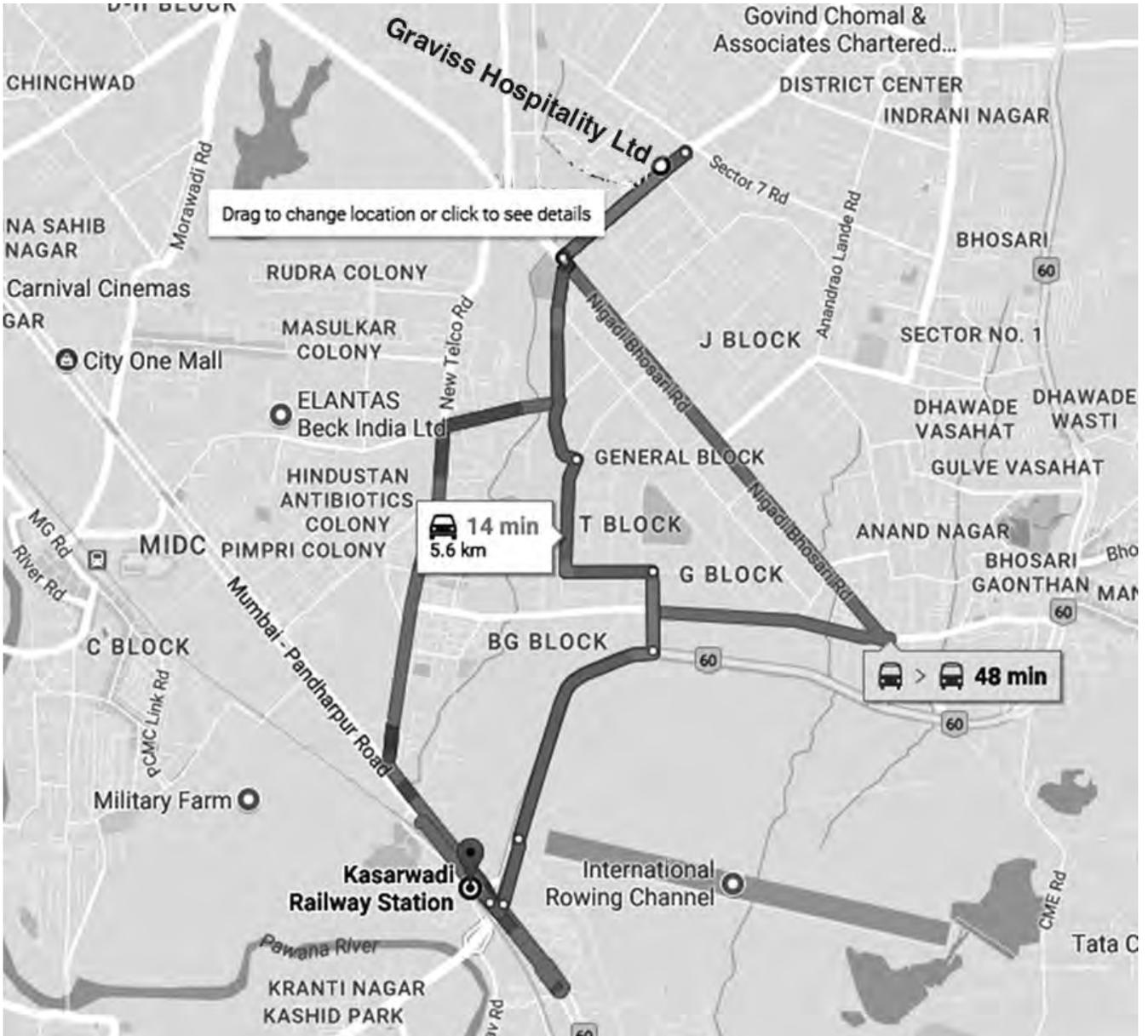
**M.V. DOSHI**

Director

(DIN: 00123243)

**Kainaaz Bharucha**

Company Secretary



**ROUTE MAP TO THE VENUE OF AGM**