

2nd July, 2019

BSE limited

Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Fort, Mumbai - 400 001
Scrip Code: 509546

Sir/Madam,

Sub.: Annual Report of the Company and Notice convening 58th Annual General Meeting ("AGM")

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed Notice convening the AGM and the Annual Report of the Company for the Financial Year 2018-19, which is being dispatched/sent to the members of the Company by permitted mode(s).

The AGM of the Company will be held on Friday, 26th July, 2019 at 12:30 p.m. at the Registered Office of the Company at "Dairy Tops", J-177, M.I.D.C., Pimpri-Chinchwad, Pune – 411 026.

The Notice of AGM along with the Annual Report for the Financial Year 2018-19 is also being made available on the website of the Company at www.gravisshospitality.com

This is for your information and record.

Thanking you.

Yours truly,

For **Graviss Hospitality Limited**



Kainaaz Bharucha
Company Secretary

Encl.: As above.

GRAVISS HOSPITALITY LIMITED

2018-2019



58TH ANNUAL REPORT



GRAVISS

HOSPITALITY

QUALITY • PASSION • INNOVATION

GRAVISS HOSPITALITY LIMITED

(CIN: L55101PN1959PLC012761)

BOARD OF DIRECTORS

| | |
|------------------------|--|
| Mr. Ravi Ghai | : Chairman & Managing Director |
| Mr. Gaurav Ghai | : Joint Managing Director |
| Mr. Mahendra Doshi | : Director |
| Mr. Harindra Pal Singh | : Director |
| Mr. Gulshan Bijlani | : Director |
| Ms. Tina Pardal | : Director – Appointed w.e.f. 17th May, 2018 |

CHIEF FINANCIAL OFFICER

Mr. Farangilal Goyal – appointed w.e.f. 23rd October, 2018

COMPANY SECRETARY

Mrs. Kainaaz Bharucha

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park, LBS Marg
Vikhroli (West), Mumbai 400 083
Contact No. 022-4918 6000, Fax: 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

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Notice to Members

NOTICE is hereby given that the 58th Annual General Meeting of the members of GRAVISS HOSPITALITY LIMITED will be held on Friday, 26th July, 2019 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 Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2019, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Tina Parda (DIN: 07148874) who retires by rotation and being eligible, offers herself for re-appointment.
3. **To appoint Statutory Auditors.**

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014 ('the Rules'), including any statutory modification(s) or amendment(s) thereto or substitution(s) or reenactment(s) made thereof for the time being in force, pursuant to recommendation of the Board of Directors of the Company, M/s. A. T. Jain & Co., Chartered Accountants, Mumbai, Firm Registration No: 103886W, be and are hereby appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of 6th Annual General Meeting of the Company to be held in the year 2024, subject to ratification by Members at every Annual General Meeting, if so required by the Companies Act, 2013, on a remuneration that may be determined by the Audit Committee/ Board of Directors in consultation with the Auditors.

RESOLVED FURTHER THAT any of the Directors or the Chief Financial Officer or the Company Secretary of the Company be and are hereby authorised severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution and matters incidental thereto."

SPECIAL BUSINESS:

4. **Approval for transaction with Graviss Holdings Private Limited, Related Party.**

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

"RESOLVED THAT pursuant to the provisions of Sections 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with rules made thereunder ('the Rules'), including any statutory modification(s) or amendment(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force, and pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and pursuant to the approval of the Audit Committee and the Board of Directors of the Company vide their Resolutions dated 10th May, 2019, and subject to such other approvals, consents, permissions and sanctions of any authorities, as may be necessary, the approval of the Members be and is hereby accorded to enter into/proposed to be entered into contracts / arrangements /agreements/ transactions for management and technical support services with Graviss Holdings Private Limited, a 'Related Party' as defined under Section 2 (76) of the Companies Act, 2013 for transactions upto ` 13 crore per financial year starting from 1st April, 2019 for 3 (three) financial years, as per the terms and conditions mutually agreed from time to time and as set out in the Explanatory Statement annexed to the Notice convening this meeting, which are in the ordinary course of business of the Company and all the terms and conditions including pricing are at arm's length basis, in which Mr. Ravi Ghai and Mr. Gaurav Ghai, Directors of the Company, are interested.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, any Director and/ or the Company Secretary of the Company be and are hereby authorized, jointly and/or severally, to agree, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as they may deem fit and execute all agreements, addendum agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto, as the Board in its absolute discretion may deem fit."

5. **Approve the borrowing limit under Section 180(1)(c) of the Companies Act, 2013.**

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

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in

GRAVISS HOSPITALITY LIMITED

force), the Articles of Association of the Company and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board') to borrow any sum or sums of money, from time to time, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital and free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 100 Crores (Rupees One Hundred Crores only) or equivalent amount in any other foreign currency.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/ agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to delegate all or any of the above powers to a Committee constituted/to be constituted by the Board and/or any Member of such Committee/Board and generally to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

6. **Approve the limits under Section 180 (1) (a) of the Companies Act, 2013.**

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

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company ('the Board') to create such charges, mortgages and hypothecations in addition or supplemental to the existing charges, mortgages and hypothecations, if any, created by the Company, on its movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions and any Lending Agencies or bodies/ Security Trustees/ Agents, for the purpose of securing any borrowing, loans and/or advances already obtained or that may be obtained, together with interest, all other costs, charges and expenses and other moneys payable by the Company to the concerned Lenders, up to a sum of Rs. 100 Crores (Rupees One Hundred Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments, agreements and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted/to be constituted by the Board and/ or any Member of such Committee with power to the said Committee to sub-delegate its powers to any of its Members for the purpose of giving effect to the aforesaid Resolution."

7. **Approval of remuneration of Mr. Ravi Ghai, Managing Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment:**

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

"RESOLVED THAT pursuant to regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V to the Companies Act, 2013, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Ravi Ghai (DIN: 00074612), Managing Director at such terms and conditions as approved by Members in its Annual General Meeting held on 29th July, 2016, notwithstanding that the annual aggregate remuneration payable to Mr. Ravi Ghai, Managing Director and Mr. Gaurav Ghai, Joint Managing Director, exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act in any year during the remaining tenure of his appointment.

RESOLVED FURTHER THAT all the existing terms and conditions of remuneration including salary, perquisites and commission as per ordinary resolution passed in Annual General Meeting held on 29th July, 2016, shall remain unchanged.

RESOLVED FURTHER THAT the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Ravi Ghai, Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

8. **Approval of remuneration of Mr. Gaurav Ghai, Joint Managing Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment:**

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

"RESOLVED THAT pursuant to regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V to the Companies Act, 2013, consent of the Members be and is hereby accorded for payment of remuneration to Mr. Gaurav Ghai (DIN: 00074857), Joint Managing Director at such terms and conditions as approved by Members in its Annual General Meeting held on 28th July, 2017, notwithstanding that the annual aggregate remuneration payable to Mr. Ravi Ghai, Managing Director and Mr. Gaurav Ghai, Joint Managing Director, exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act in any year during the remaining tenure of his appointment.

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RESOLVED FURTHER THAT all the existing terms and conditions of remuneration including salary, perquisites and commission as per ordinary resolution passed in Annual General Meeting held on 28th July, 2017, shall remain unchanged.

RESOLVED FURTHER THAT the approval of shareholders shall be valid only till the expiry of the existing term of Mr. Gaurav Ghai, Joint Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

9. **To keep the Register and Index of Members at a place other than the Registered Office of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 88, 92 and 94 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Rules made thereunder, the consent of the Members be and is hereby accorded to keep, maintain and preserve the Register of Members and Index of Members of the Company at the Office of the Company's Registrar and Share Transfer Agent, viz. Link Intime India Private Limited situated at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 or any other place in accordance with the provisions of Section 94 of the Act.

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. **Approval for fees to be charged for Service of documents under Section 20 of the Companies Act, 2013:**

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

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 read with applicable rules made thereunder including any statutory modification(s) or amendment(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force and subject to such other laws, Rules, Regulations, etc., as may be applicable, whereby a document may be served on any Member by the Company by sending it to him/her by post or by registered post or by speed post or by courier or by delivery at his/her office or address as recorded in the Register of Members maintained by the Company/Registrar and Share transfer agent or by such electronic or other mode as may be prescribed, the consent of the Members be and are hereby accorded to charge from the said Member(s), a fee in advance equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the Member for delivery of such document to him/her through a particular mode of service mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company."

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution and matters incidental thereto."

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

Place: Mumbai,
Dated: May 10, 2019

Gaurav Ghai
Joint Managing Director
(DIN: 00074857)

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

GRAVISS HOSPITALITY LIMITED

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 to 9, 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 16th July, 2019 to 26th July, 2019, (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.
- (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 2018-19 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 2018-19 are being sent in the permitted mode.

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Members may also note that the Notice of the 58th Annual General Meeting and the Annual Report 2019 will also be available on the Company's website www.gravishshospitality.com

- (q) Particulars of directors seeking appointment / re-appointment are annexed.
- (r) 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.
- (s) **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 58th Annual General Meeting (AGM) through e-voting service provided by Central Depository Services(India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:

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

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

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

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- xv. Corporate/Institutional Members (corporate/FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to helpdesk.evoting@cdslindia.com and the Scrutinizer's email id mferraocs@yahoo.com. The file scanned image of the Board Resolution should be in the naming format "Corporate name_EVSN".
- xvi. If you wish to provide feedback on the e-voting system click on 'Suggestions'. In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com or investors.relations@gravissgroup.com.
- (t) The remote E-voting period commences on 23rd July, 2019 (9.00 a.m.) and ends on 25th July, 2019 (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 19th July, 2019 ('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.
- (u) 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. 19th July, 2019. 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.
- (v) 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.
- (w) 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.
- (x) 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 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.

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Gaurav Ghai

Joint Managing Director

(DIN: 00074857)

Place: Mumbai,

Dated: May 10, 2019

Registered Office:

Dairy Tops, Plot No. J-177, M.I.D.C.

Bhosari, Pune-411 026, MAHARASHTRA

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Explanatory Statement in Respect of Items of Special Business

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

ITEM NO. 4:

The Company has entered into an agreements for Management and Technical Support Services with Graviss Holdings Private Limited, as per the terms and conditions mutually agreed from time to time, which are in the ordinary course of business of the company and terms and conditions including pricing are at arm's length basis and the same are reviewed by the Audit Committee on quarterly basis. The transactions entered into/proposed to be entered constitutes 'material' as per Related Party Transactions Policy of the Company and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material Related Party Transactions require approval of the shareholders, in which the concerned related parties are required to abstain from voting.

The particulars of the transactions pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

| Name of the Related party | Name of the Director or Key Managerial personnel who is related | Nature of relationship | Particulars of the contract or arrangement | Nature, material terms, monetary value (Amt in ₹) | Any other information relevant or important for the members to make a decision on the proposed transaction |
|---|---|---|---|---|--|
| Graviss Holdings Private Limited (GHPL) | Mr. Ravi Ghai Mr. Gaurav Ghai | Directors in Graviss Holdings Private Limited | Management and Technical Support Services Arrangement | <p>The Management and Technical Support Services provided by GHPL to the Company include all matters relating to consultancy in relation to financial management, secretarial matters, legal counsel & advisory services and providing of management support services from time to time, as and when required. 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> <p>In consideration to availing of Management and Technical Support services from GHPL, GHPL shall pay to GHPL a fee of 1.4% of the Net Turnover of GHPL. In addition to the Technical Support Service Fee payable in Operating year, on receipt of invoices provided by GHPL, GHPL shall reimburse such out-of-pocket expenses incurred by GHPL in carrying out the Management and Technical Support Services, which shall include payments to and charges of professional consultants, agencies, levies, taxes or any other fees paid by GHPL on behalf of GHPL.</p> <p>The abovementioned consideration shall be paid by GHPL to GHPL on a monthly basis within 15 days of the end of each month.</p> | The transaction is in Ordinary course of business of the Company and on arm's length Price basis |

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The copy of respective documents entered/ to be entered containing broad terms and conditions are open for inspection during business hours between 11.00 a.m. to 1.00 pm on all days except Saturday(s), Sunday(s) and Public Holiday(s) at the Registered Office of the Company upto and including the date of Annual General Meeting and same is also available for inspection by members at the Annual General Meeting.

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

The Board, therefore, recommends the Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members.

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

ITEM NO. 5 & 6:

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence, it is proposed to increase the maximum borrowing limits up to Rs. 100.00 Crores (Rupees One Hundred Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Special Resolutions set out at Item Nos. 5 and 6 of the accompanying Notice.

ITEM NO. 7:

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("Amended Listing Regulations"), the remuneration payable to Executive Directors who are promoters or member of promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under section 198 of the Act, where there is more than one such director.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

Mr. Ravi Ghai (DIN: 00074612) was re-appointed as Managing Director for a term of five years effective from April 01, 2017 and his remuneration was also approved by the Members of the Company in their Annual General Meeting held on 29th July, 2016 by way of Ordinary Resolution. In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying him remuneration even if the annual aggregate remuneration payable to Mr. Ravi Ghai, Managing Director and Mr. Gaurav Ghai, Joint Managing Director, exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act in any year during the remaining tenure of his appointment.

The Board of Directors recommended the resolution at Item No. 7 of the Notice for approval of Members by Special Resolution.

Mr. Ravi Ghai holds 33,24,791 (4.71%) equity shares in the Company.

Apart from Mr. Ravi Ghai, who is interested himself and Mr. Gaurav Ghai, Joint Managing Director and their relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 8:

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 ("Amended Listing Regulations"), the remuneration payable to Executive Directors who are promoters or member of promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if, the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under section 198 of the Act, where there is more than one such director.

The approval given by the shareholders shall be valid only till the expiry of the term of such Director.

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Mr. Gaurav Ghai (DIN: 00074857) was re-appointed as Joint Managing Director for a term of five years effective from May 11, 2017 and his remuneration was also approved by the Members of the Company in their Annual General Meeting held on 28th July, 2017 by way of Ordinary Resolution. In order to comply with the requirement of Amended Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for paying him remuneration even if the annual aggregate remuneration payable to Mr. Ravi Ghai, Managing Director and Mr. Gaurav Ghai, Joint Managing Director, exceeds 5% of the net profit of the Company as calculated under section 198 of the Companies Act in any year during the remaining tenure of his appointment.

The Board of Directors recommended the resolution at Item No. 8 of the Notice for approval of Members by Special Resolution.

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

Apart from Mr. Gaurav Ghai, who is interested himself and Mr. Ravi Ghai, Managing Director and their relatives, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 9:

Sections 88 and 94(1) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 mandates every company to maintain the Register and Index of Members at the Registered Office of the Company.

However, such Registers may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting.

Accordingly, Members approval is sought in terms of Section 94(1) of the Companies Act, 2013 for keeping and maintaining the Register and Index of Members of the Company at the Office of Link Intime India Private Limited, the Registrar and Transfer Agent of the Company, situated at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 or any other place in accordance with the provisions of Section 94 of the Act.

The Directors recommend the said resolution proposed vide Item No. 9 to be passed as a Special Resolution by the Members.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution.

ITEM NO. 10:

Pursuant to the provisions of Section 20 of the Companies Act, 2013, a document may be served by the Company on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office or at address as recorded in the Register of Members maintained by the Company/RTA, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its Annual General Meeting.

In view of the above provision and in order to enable the Company to determine the fees for the delivery of the documents through requested mode, approval of Members, by way of Ordinary Resolution, is being sought for the amount of fees to be charged for service of documents under Section 20 of the Companies Act, 2013.

The Board of Directors recommends the passing of the Ordinary Resolution as set out at Item No. 10 of the accompanying Notice for approval by the members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in the Resolution.

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ANNEXURE TO AGM NOTICE

I. Disclosure pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, is as under:

Details pertaining to Mrs. Tina Pardal as Director who is retiring by rotation at the ensuing Annual General Meeting and offers herself for Re-appointment

| | | |
|-----|---|---|
| 1. | Name of the Director DIN | Tina Pardal 07148874 |
| 2. | Date of Birth | 16/01/1959 |
| 3. | Age | 60 years |
| 4. | Qualification | Bachelor of Arts |
| 5. | Experience & Expertise | Mrs. Tina Pardal has over two decades of experience as a Designer and Executor of wedding décor and an event planner. |
| 6. | The last drawn remuneration | ₹ 60,000/- as sitting fee |
| 7. | Date of first appointment on the Board | 17/05/2018 |
| 8. | Shareholding of the Director in the Company | Nil |
| 9. | Relationships with other Directors, Manager and other Key Managerial Personnel of the Company | She is not related to any Director and Key Managerial Personnel of the Company. |
| 10. | Number of Board Meetings attended during the year | 4 |
| 11. | Other Directorships | Nil |
| 12. | Committee Chairmanships / Memberships | Nil |

II. Disclosures under Regulation 36 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

In terms of Section 139(2) of the Companies Act, 2013, the term of office of M/s. V. Sankar Aiyar & Co., Chartered Accountants, (FRN: 109208W) as Statutory Auditors of the Company, shall expire at the ensuing 58th AGM of the Company. Accordingly, the Board of Directors of the Company approved the appointment of M/s. A. T. Jain & Co., Chartered Accountants, Mumbai having Firm Registration Number: 103886W, to hold office from the conclusion of the ensuing 58th Annual General Meeting of the Company till the conclusion of the 63rd Annual General Meeting of the Company to be held in the year 2024, subject to the consent of the members at the ensuing 58th Annual General Meeting.

M/s. A. T. Jain & Co., Chartered Accountants (FRN: 103886W), have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that they are not disqualified to be appointed as the Statutory Auditors of the Company and their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

| | |
|--|---|
| Proposed fees payable to M/s. A. T. Jain & Co., Chartered Accountants | 7 lacs per financial year |
| Terms of Appointment | Appointment for 5 (Five) Financial years from 2019-2020 to 2023-2024 |
| Any material change in the fee payable to M/s. A. T. Jain & Co., Chartered Accountants from that paid to M/s. V. Sankar Aiyar & Co., the outgoing auditors and rationale for such change | N.A. |
| Basis of recommendation for appointment and credentials of the Statutory Auditor proposed to be appointed | M/s. A.T. Jain & Co., Chartered Accountants, Mumbai, having Firm Registration No: 103886W, is a multi-service, multi-industry professional services organization since 1983, with a niche in diverse services ranging from Assurance & Compliance to Taxation & Structuring. They have a force of highly trained personnel with specialized service capabilities. They are advisors and auditors to several large domestic and multinational organizations. |

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Management Discussion and Analysis

Overview of Tourism & Hospitality:

India continued to build its lead as one of the fastest growing large economies in the world during FY 2018-19. Recent estimates as per the Central Statistical Office pegged GDP growth for FY 2018-19 at 7% led by government expenditure on roads and affordable housing, strong gross capital formation and improved exports. A moderate, but resilient private consumption and steady construction activity remain enablers to this growth (Source: Monetary Policy Committee of RBI, April 2019). Domestic consumption is expected to grow into a \$6 trillion opportunity by 2030 (Source: WEF Future of Consumption in Fast-Growth Consumer Markets: India, January 2019). Healthy savings by Indian households (22% of their income), higher proportion of young, working population and policy reforms are the long-term drivers for India's economic growth in future.

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists. Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs 15.24 trillion (US\$ 234.03 billion) in 2017 to Rs 32.05 trillion (US\$ 492.21 billion) in 2028. During 2018, arrivals through e-tourist visa increased 39.60 per cent year-on-year to 2.37 million. During January 2019, arrivals through e-tourist visa increased by 21.10 per cent year-on-year to 0.29 million.

Opportunities:

The launch of several branding and marketing initiatives by the Government of India such as 'Incredible India!' and 'Athiti Devo Bhava' has provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country. Incredible India 2.0 campaign was launched in September 2017. In September 2018, the Indian government launched the 'Incredible India Mobile App' to assist the traveller to India and showcase major experiences for travelling. The Government of India is working to achieve one per cent share in world's international tourist arrivals by 2020 and two per cent share by 2025.

In October 2018, Statue of Sardar Vallabhbhai Patel, also known as 'Statue of Unity', was inaugurated as a tourist attraction. It is the tallest statue in the World standing at a height of 182 metre. It is expected to boost the tourism sector in the country and put India on the world tourism map. In February 2019, the visiting hours has been increased by two more hours and has been equipped with e-bike tours. The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai). Total FDI received by Indian hotel & tourism sector was US\$ 12.35 billion between April 2000 and March 2019.

Threats:

The industry's concern however, are high GST rates, which at 28% for room tariffs above ₹7,500 are amongst the highest in South East Asia positioning the country as an expensive destination in comparison with regional peers. Further, the recent turmoil within the airline industry in India leading to a decline in flights has impacted travel, notwithstanding the high demand for air travel.

Outlook:

India's hotel industry is on an upswing on the back of robust prospects in the domestic tourism industry, increasing foreign tourist arrivals, improving forex inflows, high demand for air travel and muted supply growth. These factors corroborated by domestic macroeconomic data suggest the road ahead will bring higher revenues and margins for the hospitality industry in the country. Growth in upscale and budget hotels, in particular is expected to be buoyant with other segments too witnessing healthy momentum.

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Key Financial Ratios:

| Standalone | | | |
|---|---------|---------|---|
| Ratios | 2018-19 | 2017-18 | Explanation for changes |
| Debtors Turnover Ratio | 6.08 | 8.96 | Due to increase in average receivables |
| Inventory Turnover Ratio (On cost of goods sold) | 4.98 | 3.85 | Due to increase in cost of goods sold |
| Interest Coverage Ratio | (2.43) | 0.54 | Due to increase in expenses (before finance cost) |
| Current Ratio | 0.51 | 0.51 | No Change |
| Debt Equity Ratio | 0.14 | 0.11 | Due to increase in debt |
| Operating Margin Ratio | (0.08) | 0.02 | Due to increase in expenses and static turnover |
| Net Profit Margin | (0.04) | (0.01) | Due to decrease in net profit and static turnover |
| Return on Net Worth (RON) | -0.85% | -0.33% | Due to decrease in RON as compared to previous year |

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Directors' Report

The Members of Graviss Hospitality Limited

Dear Shareholders,

Your Directors have pleasure in presenting the Fifty Eighth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2019 is summarized below:

(₹ in Lacs)

| Particulars (Standalone basis) | 2018-2019 | 2017-2018 |
|--|----------------|----------------|
| Gross Income | 4,755 | 4,743 |
| Profit Before Interest & Depreciation | 140 | 661 |
| Finance Charges | 150 | 162 |
| Gross Profit | (10) | 499 |
| Provision for Depreciation | 504 | 573 |
| Net Loss Before Tax | (514) | (74) |
| Provision for Tax | 333 | 3 |
| Net Loss After Tax | (181) | (71) |
| Balance of Profit brought forward | (1,511) | (1,441) |
| Balance available for appropriation | 0 | 0 |
| Proposed Dividend on Equity Shares | 0 | 0 |
| Tax on proposed Dividend | 0 | 0 |
| Balance carried forward | (1,692) | (1,512) |

OVERVIEW OF OPERATIONAL VIS-À-VIS FINANCIAL PERFORMANCE

During the financial year, the total revenue was Rs. 4,755 Lacs as compared to Rs. 4,743 Lacs in the last year. The Net Loss after tax stood at Rs. 181 Lacs as against loss of Rs. 71 Lacs in the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2018-19, together with the Auditors' Report form part of this Annual Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Graviss Catering Private Limited and Hotel Kanakeshwar Private Limited continue to be the 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:

(₹ 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 | 2.27 | 0.88 | 1.47 | 0.18 |
| 2. | Graviss Catering Private Limited | 78.73 | 127.75 | 2.24 | (10.75) | 2.24 | (10.75) |
| 3. | Hotel Kanakeshwar Private Limited | 0.93 | 3.17 | (11.09) | (12.62) | (11.09) | (12.62) |

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.

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DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2019.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information section of this Annual Report.

TRANSFER TO RESERVES

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

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.

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 2018-19 are given in the Corporate Governance Report which forms a part of this Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) RE-APPOINTMENT BY RETIREMENT OF OFFICE BY ROTATION:

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Tina Pardal, Non- Executive Non-Independent 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 Eighth Annual General Meeting and the relevant Resolution is recommended for your approval thereto.

(b) KEY MANAGERIAL PERSONNEL:

During the year under review, Mr. Amit Jain resigned as the Chief Financial Officer of the Company on 23rd October, 2018 and Mr. Farangilal Goyal was appointed as the Chief Financial Officer of the Company w.e.f. 23rd October, 2018.

Mr. Ravi Ghai, Managing Director (DIN: 00074612), Mr. Gaurav Ghai, Joint Managing Director (DIN: 00074857), Mr. Farangilal Goyal, 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.

(c) DECLARATION OF INDEPENDENCE FROM INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

(d) 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.gravishhospitality.com/investor-relations.html>

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(e) PERFORMANCE 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.

(f) 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 does 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.

AUDIT COMMITTEE

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

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**.

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.

LISTING OF SHARES

The Company's equity shares are listed on BSE Limited (BSE). Further, the applicable listing fees for the financial year 2019-2020 have been paid to the BSE Limited.

AUDITORS AND THEIR REPORT

(a) STATUTORY AUDITORS:

In terms of Section 139(2) of the Companies Act, 2013, the term of office of M/s. V. Sankar Aiyar & Co., Chartered Accountants, (FRN: 109208W) as Statutory Auditors of the Company, shall expire at the ensuing 58th AGM of the Company. Accordingly, the Board of Directors of the Company approved the appointment of M/s. A. T. Jain & Co., Chartered Accountants, Mumbai having Firm Registration Number: 103886W, to hold office from the conclusion of the ensuing 58th Annual General Meeting of the Company till the conclusion of the 63rd Annual General Meeting of the Company to be held in the year 2024, subject to the consent of the members at the ensuing 58th Annual General Meeting and ratification of the appointment at every subsequent Annual General Meeting to be held till the year 2024.

M/s. A. T. Jain & Co., Chartered Accountants (FRN: 103886W), have given their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that they are not disqualified to be appointed as the Statutory Auditors of the Company and their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013.

The Statutory Auditors of the Company, M/s. V. Sankar Aiyar & Co., have issued an unmodified opinion on the Financial Statements for the financial year ended 31st March 2019. The Auditor's Report for the financial year ended 31st March, 2019 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 2018-19.

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(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 2018-19.

At the Meeting of the Board of Directors of the Company held on 10th May, 2019, M/s. Pipalia Singhal & Associates, Chartered Accountants, Mumbai have been re-appointed as Internal Auditors for the financial year 2019-2020.

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 10th May, 2019 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 2019-2020. 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, 2020. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed as **Annexure D**.

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

NOMINATION AND REMUNERATION POLICY

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. During the year under review, the Company has revised the Nomination and Remuneration Policy, in accordance with the amendments to Section 178 of the Act and Listing Regulations.

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

http://www.gravishhospitality.com/pdf/Policies/Nomination_and_Remuneration_Policy.pdf

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 2018-19.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a 'Vigil Mechanism Policy' in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations, 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.gravishhospitality.com/pdf/Policies/Policy%20for%20Vigil%20Mechanism.pdf>

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 2018-2019 in terms of actual inflows: Rs.1,618.67 lacs

Foreign Exchange outgo during the Financial Year 2018-2019 in terms of actual outflows: Rs.100 lacs

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TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 125 of the Companies Act, 2013, interim dividend pertaining to the financial year 2011-12 amounting to ₹ 99,258/- which remained unpaid or unclaimed for a period of 7 years was transferred by the Company to the Investor Education and Protection Fund.

PUBLIC DEPOSITS

During the financial year 2018-19, 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.

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 31st March, 2019, are set out in Note Nos. 6 and 7 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.

RELATED PARTY TRANSACTIONS

During the year under review, the Company revised its Policy on dealing with and Materiality of Related Party Transactions, in accordance with the amendments to the applicable provisions of the Listing Regulations. The Policy is also available on the website of the Company at:

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

All Related Party Transactions which were entered during the financial year 2018-19 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. All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and Materiality of Related Party Transactions, formulated by the Company. There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. There are no person(s) or entities forming part of the Promoter(s)/ Promoter(s) Group which individually hold 10% or more shareholding in the Company.

The details of the related party transactions of the Company as required under Accounting Standard – 18 are set out in Note No. 40 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.

INTERNAL FINANCIAL CONTROLS

The Company has sound internal financial controls commensurate to the size and nature of its business. The Company periodically reviews the internal financial controls in the light of new statutes, changes in business models, adoption of new technology solutions and suggestions for improvements received from employees.

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.

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 during the financial year 2018-19.

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2018-19 and the date of this report.

GRAVISS HOSPITALITY LIMITED

CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

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 31st March, 2019, 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 31st March, 2019 and of the loss of the Company for the financial year ended 31st March, 2019;
- (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.

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**

Mumbai,
Dated: May 10, 2019

Gaurav Ghai
Jt. Managing Director
(DIN: 00074857)

Mahendra Doshi
Independent Director
(DIN: 00123243)

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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. A.the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-2019

| Name of Directors drawing remuneration | Total Remuneration (in ₹) | Ratio |
|--|---------------------------|-------|
| Mr. Ravi Ghai | 45,45,000 | 13 |
| Mr. Gaurav Ghai | 29,13,000 | 8 |

Notes:

- Median Remuneration for the F. Y. 2018-19 is ` 3,51,621/-
- In the aforesaid calculation, remuneration is not considered of those permanent employees who worked for less than 12 months during the financial year 2018-19
- The remuneration of Directors excludes sitting fees paid to them for the F. Y. 2018-19

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 2018-19

| Name | Remuneration (in ₹) | | Increase / (Decrease) (in %) |
|---|---------------------|-------------|------------------------------|
| | 2018-19 | 2017-18 | |
| 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. Farangilal Goyal - Chief Financial Officer* | 21,25,000 | 42,87,418** | -50% |
| Mrs. Kainaaz Bharucha - Company Secretary | 8,04,804 | 7,52,928 | 7% |

*the appointment was made on 23rd October, 2018.

**Remuneration of Mr. Amit Jain, CFO, who resigned on 23rd October, 2018

C. The percentage increase in the median remuneration of employees in the financial year 2018-19: 6%

D. The number of permanent employees on the rolls of company: 215

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2018-19 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:

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.

GRAVISS HOSPITALITY LIMITED

ANNEXURE B TO THE DIRECTORS' REPORT

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 | (619.91) | (322.51) | 13.49 |
| 5. | Total assets | 6,385.42 | 44.83 | 235.33 |
| 6. | Total Liabilities | 7,000.32 | 359.69 | 197.33 |
| 7. | Investments | 0 | 0 | 0 |
| 8. | Turnover | 0 | 78.73 | 0.93 |
| 9. | Profit before taxation | 2.27 | 3.04 | (11.09) |
| 10. | Provision for taxation | 0.80 | 0.80 | 0 |
| 11. | Profit after taxation | 1.47 | 2.24 | (11.09) |
| 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**

Mumbai,
Dated: May 10, 2019

Gaurav Ghai
Joint Managing Director
(DIN: 00074857)

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ANNEXURE C TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

[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:

- (i) CIN:- L55101PN1959PLC012761
- (ii) Registration Date: 5th August, 1959
- (iii) Name of the Company: Graviss Hospitality Ltd.
- (iv) Category/Sub-Category of the Company: Company Limited by shares/ Indian Non-Government Company
- (v) Address of the Registered office and contact details
Dairy Tops, Plot No. J-177, MIDC, Bhosari, Pune - 411 026, Maharashtra.
Telephone Number : 020-30681102
Fax Number : 020-30681139
Email : investors.relations@gravissgroup.com
- (vi) Whether shares listed on recognized Stock Exchange(s) Yes / BSE Limited (Scrip Code: 509546)
- (vii) Name, Address & contact details of the Registrar & Transfer Agent, if any.
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

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 | 35.67 |
| 2 | Restaurants and mobile food service activities | 561 | 64.33 |

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 Regd. Off. Address: 254-C, Dr. Annie Besant Road, Worli, Mumbai - 400 030. | U15200MH1996PLC096973 | Subsidiary | 99.98 | 2(87)(ii) |
| 2 | Graviss Catering Private Limited Regd. Off. Address: 23-B, 1st Floor, Main Pusa Road, Near Karol Bagh, Metro Station, New Delhi. | U74899DL1978PTC008829 | Subsidiary | 100 | 2(87)(ii) |
| 3 | Hotel Kanakeshwar Private Limited Regd. Off. Address: 254-C, Dr. Annie Besant Road, Worli, Mumbai - 400 030. | U55109MH1989PTC053640 | Subsidiary | 100 | 2(87)(ii) |

GRAVISS HOSPITALITY LIMITED

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 [As on 1st-April-2018] | | | | No. of Shares held at the end of the year [As on 31-March-2019] | | | | % 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 | 0.00 | 29,29,265 | 4.15 | 29,29,265 | 0.00 | 29,29,265 | 4.15 | 0.00 |
| (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 | 0.00 | 4,64,82,654 | 65.92 | 4,64,82,654 | 0.00 | 4,64,82,654 | 65.92 | 0.00 |
| (e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL: (A) (1) | 4,94,11,919 | 0.00 | 4,94,11,919 | 70.07 | 4,94,11,919 | 0.00 | 4,94,11,919 | 70.07 | 0.00 |
| (2) Foreign | | | | | | | | | |
| (a) NRI-Individuals | 33,24,791 | 0.00 | 33,24,791 | 4.71 | 33,24,791 | 0.00 | 33,24,791 | 4.71 | 0.00 |
| (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 |
| SUB TOTAL (A) (2) | 33,24,791 | 0.00 | 33,24,791 | 4.71 | 33,24,791 | 0.00 | 33,24,791 | 4.71 | 0.00 |
| Total Shareholding of Promoter (A)=(A)(1)+(A)(2) | 5,27,36,710 | 0.00 | 5,27,36,710 | 74.78 | 5,27,36,710 | 0.00 | 5,27,36,710 | 74.78 | 0.00 |
| 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 | 0 | 0 | 0 | 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 |
| SUB TOTAL (B)(1): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (2) Non Institutions | | | | | | | | | |
| (a) Bodies corporates | | | | | | | | | |
| (i) Indian | 8,19,309 | 500 | 8,19,809 | 1.16 | 8,15,696 | 500 | 8,16,196 | 1.16 | 0.00 |
| (ii) Overseas | 36,16,932 | 0 | 36,16,932 | 5.13 | 36,16,932 | 0 | 36,16,932 | 5.13 | 0.00 |
| (b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 6,81,394 | 6,51,495 | 13,32,889 | 1.89 | 7,19,514 | 6,36,720 | 13,56,234 | 1.92 | 0.03 |
| (ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh | 64,976 | 3,48,137 | 4,13,113 | 0.59 | 64,976 | 3,22,902 | 3,87,878 | 0.55 | -0.04 |
| (c) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| 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 | 0.00 |
| Hindu Undivided Family | 33,122 | 0.00 | 33,122 | 0.05 | 37,122 | 0.00 | 37,122 | 0.05 | 0.00 |
| Non Resident Indians (Non Repat) | 3,600 | 0.00 | 3,600 | 0.00 | 5,100 | 0.00 | 5,100 | 0.01 | 0.00 |
| Other Directors | 57,350 | 0.00 | 57,350 | 0.0813 | 57,350 | 0.00 | 57,350 | 0.0813 | 0.00 |
| Clearing Members | 7.00 | 0.00 | 7.00 | 0.00 | 10.00 | 0.00 | 10.00 | 0.00 | 0.00 |
| Trusts | 94,660 | 0.00 | 94,660 | 0.13 | 94,660 | 0.00 | 94,660 | 0.13 | 0.00 |
| SUB TOTAL:(B) (2) | 1,23,97,058 | 53,85,367 | 1,77,82,425 | 25.22 | 1,24,37,068 | 53,45,357 | 1,77,82,425 | 25.22 | 0.00 |
| Total Public Shareholding (B) = (B) (1) + (B) (2) | 1,23,97,058 | 53,85,367 | 1,77,82,425 | 25.22 | 1,24,37,068 | 53,45,357 | 1,77,82,425 | 25.22 | 0.00 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 6,51,33,768 | 53,85,367 | 7,05,19,135 | 100.00 | 6,51,73,778 | 53,45,357 | 7,05,19,135 | 100.00 | |

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(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 (01.04.2018 to 31.03.2019) | |
|---|-------------------------|--|----------------------------------|------|---|----------------------------------|--------|--|----------------------------------|
| | | 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. 2018-19. | | | | | | | | | |

GRAVISS HOSPITALITY LIMITED

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

| Sl. No. | Shareholders' Name | Shareholding | | Date | Transactions during the year | | Reason | Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) | |
|---------|---|--|----------------------------------|------|------------------------------|----------------------------------|--------|--|----------------------------------|
| | | 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 |
| 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 | 6,36,309 | 0.09 | — | — | — | N.A. | 6,36,309 | 0.09 |
| 5. | Swavin Business Consultants Private Limited | 1,54,194 | 0.22 | — | — | — | N.A. | 1,54,194 | 0.22 |
| 6. | Mrs. Gayatri Daulet Singh | 64,976 | 0.09 | — | — | — | N.A. | 64,976 | 0.09 |
| 7. | Mr. Hitesh Ramji Javeri | 50,000 | 0.07 | — | — | — | N.A. | 50,000 | 0.07 |
| 8. | Mrs. Ravina Bhojwani | 49,651 | 0.07 | — | — | — | N.A. | 49,651 | 0.07 |
| 9. | Mrs. Gaurika Chandok | 49,476 | 0.07 | — | — | — | N.A. | 49,476 | 0.07 |
| 10. | Mr. 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 (As on 01.04.2018) | | Date | Increase / (Decrease) in Promoters Shareholding | | Reason | Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) | |
|---------|------------------------|---|----------------------------------|------|---|----------------------------------|--------|--|----------------------------------|
| | | 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 |
| 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. Mahendra Doshi | 0 | 0 | — | — | — | — | 0 | 0 |
| 4. | Mr. Harindra Pal Singh | 0 | 0 | — | — | — | — | 0 | 0 |
| 5. | Mr. Gulshan Bijlani | 17,350 | 0.0246 | — | — | — | — | 17,350 | 0.0246 |
| 6. | Mrs. Tina Pardal | 0 | 0 | — | — | — | — | 0 | 0 |
| 7. | Mr. Farangilal Goyal | 0 | 0 | — | — | — | — | 0 | 0 |
| 8. | Mrs. Kainaaz Bharucha | 0 | 0 | — | — | — | — | 0 | 0 |

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(vi) Indebtedness

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

(Rs. in lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|-------------------------------------|-----------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| (i) Principal Amount | 339.47 | 0 | 0 | 339.47 |
| (ii) Interest due but not paid | — | — | — | — |
| (iii) Interest accrued but not due | — | — | — | — |
| Total (i+ii+iii) | 339.47 | 0 | 0 | 339.47 |
| Change in Indebtedness during the financial year | | | | |
| — Addition | 44.02 | 0 | 0 | 44.02 |
| — Reduction (repayment) | 0 | 0 | 0 | — |
| Net Change | 44.02 | 0 | 0 | 44.02 |
| Indebtedness at the end of the financial year | | | | |
| (i) Principal Amount | 383.49 | 0 | 0 | 383.49 |
| (ii) Interest due but not paid | — | — | — | 0 |
| (iii) Interest accrued but not due | — | — | — | 0 |
| Total (i+ii+iii) | 383.49 | — | — | 383.49 |

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 Managing Director (Rs. in Lacs) | Mr. Gaurav Ghai Joint Managing Director (Rs. in Lacs) |
|---------|--|---|---|
| 1. | Gross salary | | |
| | a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 30 | 24 |
| | 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 | | |
| | — as % of profit | — | — |
| | — Others, please specify | — | — |
| 5. | Others: | | |
| | — Sitting Fees | — | — |
| | — Bonus/Performance Pay | — | — |
| | — Provident Fund | 3.60 | 2.88 |
| | Total | 45.45 | 29.13 |
| | Ceiling as per the Act | 10% of Net Profits | |

GRAVISS HOSPITALITY LIMITED

B. Remuneration to other directors:

1. Independent Directors

(Rs. in lacs)

| Name of the Director | Fee for attending Board meetings | Commission | Others | Total |
|------------------------|----------------------------------|------------|----------|-----------------|
| Mr. Mahendra V. Doshi | 80,000 | — | — | 80,000 |
| Mr. Gulshan M. Bijlani | 20,000 | — | — | 20,000 |
| Mr. Harindra Pal Singh | 80,000 | — | — | 80,000 |
| Total (1) | 1,80,000 | — | — | 1,80,000 |

2. Non-Executive / Promoter Directors

| Name of the Director | Fee for attending Board meetings | Commission | Others | Total |
|----------------------------|----------------------------------|-------------------|----------|-----------------|
| Mrs. Tina Pardal | 60,000 | — | — | 60,000 |
| Total (2) | 60,000 | — | — | 60,000 |
| Total (1 + 2) | 2,40,000 | — | — | 2,40,000 |
| Overall Ceiling as per Act | | 1% of Net Profits | | |

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

(Rs. in lacs)

| Sr. No. | Particulars of Remuneration | Chief Financial Officer | Company Secretary | Total Amount |
|---------|--|-------------------------|-----------------------|------------------|
| | | Mr. Farangilal Goyal# | Mrs. Kainaaz Bharucha | |
| 1. | Gross Salary | | | |
| | a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 21,25,000 | 7,52,928 | 28,77,928 |
| | 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 & Gratuity | — | 47,072 | 47,072 |
| | Total | 21,25,000 | 8,00,000 | 29,25,000 |

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(vii) Penalties / Punishment / Compounding of Offences:

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013 during the financial year 2018-19.

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

GRAVISS HOSPITALITY LIMITED

ANNEXURE D TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2019

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

Based on our verification of the **Graviss Hospitality Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Graviss Hospitality Limited** ("the Company") for the Financial Year ended on 31st March, 2019 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) Standard Weights and Measures Act, 1976
 - (b) Food Safety and Standards Act, 2006
 - (c) The Legal Metrology Act, 2009

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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 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 57th Annual General Meeting of the Company held on 27th July, 2018 for:

- (a) Appointment of a Director in place of Mr. Ravi Ghai (DIN: 00074612) who retires by rotation and being eligible, offers himself for reappointment.
- (b) Appointment of Mrs. Tina Pardal (DIN: 07148874) as a Non-Executive Non-Independent Director.
- (c) Approval for transaction with Related Party - Graviss Holdings Private Limited.
- (d) Re-appointment of Mr. Mahendra V. Doshi (DIN: 00123243) as an Independent Non-Executive Director for another period of five years viz. from 1st April, 2019 to 31st March, 2024.
- (e) Re-appointment of Mr. Gulshan M. Bijlani (DIN: 01987683) as an Independent Non-Executive Director for another period of five years viz. from 1st April, 2019 to 31st March, 2024.
- (f) Re-appointment of Mr. Harindra Pal Singh (DIN: 00032181) as an Independent Non-Executive Director for another period of five years viz. from 1st April, 2019 to 31st March, 2024.

For **Martinho Ferrao & Associates**
Company secretaries

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

Place: Mumbai
Dated: 24th June, 2019

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

GRAVISS HOSPITALITY LIMITED

ANNEXURE E TO THE DIRECTORS' REPORT

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) (common Directors) | Ice Hospitality Private Limited (Mr. Ravi Ghai is the Beneficial Owner of the Company) | Graviss Foods Private Limited (Mr. Ravi Ghai is the Beneficial Owner of the Company) |
|---|--|--|---|
| Nature of contracts / arrangements / transactions | Catering Agreement | Purchase and sale of raw materials. | <ul style="list-style-type: none"> Boarding / Lodging services Purchase of Baskin Robbins gift vouchers |
| Duration of the contracts / arrangements / transactions | 3 years (from 1st November, 2017 to 31st October, 2020) | Varies from time to time | Varies from time to time. |
| Salient terms of the contracts or arrangements or transactions including the value, if any: | <p>Graviss Hospitality Limited (GHL) provides catering services at 254-C, Dr. Annie Besant Road, Worli, Mumbai 400 030 under their trading name "Mayfair Rooms" strictly in accordance with the directions of Graviss Holdings Private Limited (GHPL).</p> <p>The Company shall pay to GHPL 1% (one percent) of total receipt of GHL from the function/parties organized at Mayfair Rooms, Worli, to GHPL. It shall be accounted and paid quarterly.</p> | Selling and buying of raw materials at prevailing prices | <ul style="list-style-type: none"> Boarding / Lodging services at Hotel InterContinental, Marine Drive for senior personnel of Graviss Foods Private Limited. Purchase of Gift Coupons of Baskin Robbins Ice cream from Graviss Foods Private Limited at prevailing prices. |
| Date(s) of approval by the Board, if any: | 30th November, 2017 | 10th May, 2019 | 10th May, 2019 |
| Amount paid as advances, if any: | Nil | Nil | Nil |

For and on behalf of the Board of Directors
For **GRAVISS HOSPITALITY LIMITED**

Place: Mumbai
Dated: May 10, 2019

Gaurav Ghai
Joint Managing Director
(DIN: 00074857)

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‘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
Dated: 24th June, 2019

GRAVISS HOSPITALITY LIMITED

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:

As on the date of this Report, the Board comprised of 6(six) members, 3 (three) of which are Independent Directors constituting half of the Board strength, 1 (one) is Non- Executive Director, 1 (one) is a Chairman and Managing Director (Promoter) and 1 (one) is a Joint Managing Director (Promoter). The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder.

The details of attendance of Directors at Board Meetings during the financial year 2018-19 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

| Name of the Director & Director Identification Number (DIN) | Board Meeting Dates | | | | AGM held on 27th July, 2018 |
|---|---------------------|------------------|--------------------|--------------------|-----------------------------|
| | 17th May, 2018 | 2nd August, 2018 | 23rd October, 2018 | 24th January, 2019 | |
| Mr. Ravi Iqbal Ghai (DIN: 00074612) | X | X | ✓ | X | X |
| Mr. Gaurav Ravi Ghai (DIN: 00074857) | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mrs. Tina Sunil Pardal (DIN: 07148874) | N.A. | ✓ | ✓ | ✓ | X |
| Mr. Mahendra Vasantraai Doshi (DIN: 00123243) | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Gulshan Mohan Bijlani (DIN: 01987683) | ✓ | X | X | X | ✓ |
| Mr. Harindra Pal Singh (DIN: 00032181) | ✓ | ✓ | ✓ | ✓ | X |

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Composition of the Board of Directors, Number of Shares held in the Company, Attendance Details and Other Directorship/Committee Details held as on 31st March, 2019

| Sl. No. | Names of Directors and DIN | Category | Directorships in other listed entities | Number of Shares and Convertible Instruments held | Attendance at the Board Meetings held during the F.Y. 2018-2019 | Attendance at the last AGM held on July, 27, 2018 | No. of Directorships in other Companies* | Membership and Chairmanship of the Committees of the Board of other Companies** | |
|---------|--|--|--|---|---|---|--|---|--------|
| | | | | | | | | Chairman | Member |
| 1. | Mr. Ravi Iqbal Ghai (DIN: 00074612) | Promoter / Non Executive Chairman | Nil | 33,24,791 | 1/4 | No | Nil | Nil | Nil |
| 2. | Mr. Gaurav Ravi Ghai (DIN: 00074857) | Promoter / Non Executive Director | Nil | 23,09,141 | 4/4 | Yes | Nil | Nil | Nil |
| 3. | Mrs. Tina Sunil Pardal (DIN: 07148874) | Non Executive Non Independent Director | Nil | 0 | 3/4 | No | Nil | Nil | Nil |
| 4. | Mr. Mahendra Vasantrai Doshi (DIN: 00123243) | Non Executive Independent Director | LKP Finance Limited - Executive Chairman & Promoter Nilkamal Limited - Independent Director | 0 | 4/4 | Yes | 6 | 1 | 2 |
| 5. | Mr. Gulshan Mohan Bijlani (DIN: 01987683) | Non Executive Independent Director | Nil | 17,350 | Yes | Nil | Nil | Nil | Nil |
| 6. | Mr. Harindra Pal Singh (DIN: 00032181) | Non Executive Independent Director | Nil | 0 | No | Nil | 2 | Nil | Nil |

* Excludes directorship in Graviss Hospitality Limited. Also excludes directorship in private companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and alternate directorships.

** For the purpose of considering the limit of Committee memberships and chairmanships of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered. Also excludes the memberships & chairmanships in Graviss Hospitality Limited.

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.gravisshospitality.com/pdf/Policies/FAMILIARIZATION_PROGRAMMES_FOR_INDEPENDENT_DIRECTORS.pdf

Key Board Qualifications, Expertise and Attributes

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees.

In view of the objectives and activities of our Business, the Company requires skills/expertise/competencies in the areas of Finance, Regulatory, Strategy, Technology, Sales & Marketing, Hospitality, Human Resources and Risk & Governance.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. The Board periodically evaluates the need for change in its composition and size.

GRAVISS HOSPITALITY LIMITED

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 has 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.

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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 Regulations 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, 2019 are as follows:

| Sl. No. | Dates of Meetings |
|---------|--------------------|
| 1. | 17th May, 2018 |
| 2. | 2nd August, 2018 |
| 3. | 23rd October, 2018 |
| 4. | 24th January, 2019 |

- (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 31st March, 2019 are detailed below:

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

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 Regulations 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- (i) During the Financial Year ended 31st March, 2019, the meeting of the Nomination and Remuneration Committee was held once on 23rd October, 2018.

- (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 31st March, 2019 are detailed below:

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

- (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;

GRAVISS HOSPITALITY LIMITED

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 55th Annual General Meeting held on 29th July, 2016 approved the reappointment of Mr. Ravi Ghai as Managing Director of the Company for a period of five (5) years commencing from 1st 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 subject to 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 51st Annual General Meeting held on 10th 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 11th 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.

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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 / Committees. 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 31st March, 2019 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. Mahendra Doshi | 0 | 0 | 0 | 80,000 | 0 | 0 | 80,000 |
| Mr. Gulshan Bijlani | 0 | 0 | 0 | 20,000 | 0 | 0 | 20,000 |
| Mr. Harindra Pal Singh | 0 | 0 | 0 | 80,000 | 0 | 0 | 80,000 |
| Mrs. Tina Pardal | 0 | 0 | 0 | 60,000 | 0 | 0 | 60,000 |

Criteria for 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.gravisshospitality.com/pdf/Policies/Criteria_of_making_payments_to_NEDs.pdf

INDEPENDENT DIRECTORS

The Independent Directors have submitted declaration(s) that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and are independent of the management of the Company.

Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/ Chairmanships more than the prescribed limits.

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 31st March, 2019 is detailed below:

| Dates on which meetings were held: | |
|------------------------------------|---------------------|
| 30th April, 2018 | 31st October, 2018 |
| 31st May, 2018 | 30th November, 2018 |
| 29th June, 2018 | 31st December, 2018 |
| 31st July, 2018 | 31st January, 2019 |
| 31st August, 2018 | 28th February, 2019 |
| 28th September, 2018 | 29th March, 2019 |

GRAVISS HOSPITALITY LIMITED

| Name | Category | Nature of Membership | Meeting Details | |
|------------------------|-----------------------------|----------------------|-----------------|----------|
| | | | Held | Attended |
| Mr. Gulshan Bijlani | Non Executive / Independent | Chairman | 12 | 11 |
| Mr. Mahendra Doshi | Non Executive / Independent | Member | 12 | 10 |
| Mr. Harindra Pal Singh | Non Executive / Independent | Member | 12 | 3 |

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

Number of Shareholders' Requests received so far:

| Request | Requests received | Requests processed |
|---|-------------------|--------------------|
| Change of Address | 3 | 3 |
| Stop Transfer / Procedure for Duplicate Certificate | 10 | 10 |
| Correction of Name/Address | 2 | 2 |
| Issue of Duplicate Certificate | 2 | 2 |
| Registration of NECS / ECS Details | 1 | 1 |
| Confirmation of Details | 0 | 0 |
| Procedure For Transmission / Deletion / Transposition | 13 | 13 |
| Issue of Duplicate Dividend Warrant | 1 | 1 |
| Exchange of Share Certificates | 12 | 12 |
| Issue of Fresh Demand Draft | 1 | 1 |
| Non-Receipt of Annual Report | 0 | 0 |
| Unclaimed Dividend | 0 | 0 |
| Request for Annual Report | 1 | 1 |
| Total | 46 | 46 |

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 |
|-----------|-------------------------|------------|---|--|
| 2017-2018 | Friday, 27th July, 2018 | 12:30 p.m. | Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026. | 4 |
| 2016-2017 | Friday, 28th July, 2017 | 12:30 p.m. | Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026. | 1 |
| 2015-2016 | Friday, 29th July, 2016 | 12:30 p.m. | Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026. | 2 |

No Special Resolutions were passed during Financial 2018-2019 through Postal Ballot.

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

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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 of the place where Registered Office of the Company is located, newspapers 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.gravishhospitality.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 2018-19.

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, 26th July, 2019 at 12:30 p.m. at Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026.

(ii) Book Closure Dates: 16th July, 2019 to 26th July, 2019 (both days inclusive)

(iii) Financial Year - April, 2018 to March, 2019

(iv) Dividend Payment Date: The Directors of the Company do not recommend dividend for the Financial Year ended 31st March, 2019.

(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 2018-19.

(vi) Stock Code on BSE Ltd.: 509546

(vii) ISIN: INE214F01026

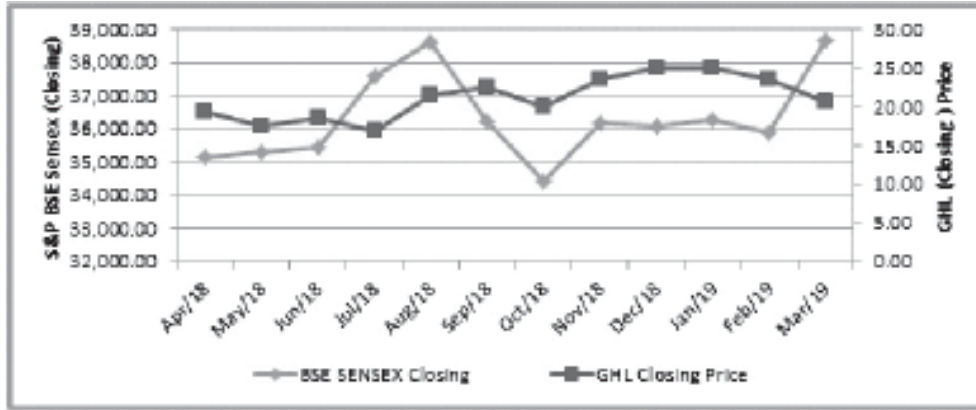
(viii) Market Price Data - High/ low, Number and Value of shares traded during each month in the financial year 2018-2019:

| Month | High (in Rupees) | Low (in Rupees) | No. of Shares traded | No. of Trades | Total Turnover (in Rupees) |
|-----------------|---------------------|--------------------|-------------------------|---------------|-------------------------------|
| April, 2018 | 21.95 | 15.75 | 5,952 | 34 | 1,19,735 |
| May, 2018 | 19.45 | 17.55 | 2,029 | 19 | 37,700 |
| June, 2018 | 18.90 | 15.30 | 20,824 | 46 | 3,66,787 |
| July, 2018 | 18.50 | 16.80 | 2,825 | 10 | 49,047 |
| August, 2018 | 22.50 | 16.00 | 25,087 | 64 | 5,09,624 |
| September, 2018 | 22.50 | 19.35 | 2,005 | 11 | 42,977 |
| October, 2018 | 22.00 | 19.90 | 750 | 5 | 15,080 |
| November, 2018 | 23.50 | 19.00 | 10,270 | 29 | 2,16,599 |
| December, 2018 | 25.05 | 23.00 | 5,155 | 19 | 1,27,137 |
| January, 2019 | 25.00 | 23.70 | 158 | 5 | 3,885 |
| February, 2019 | 25.10 | 23.50 | 1,215 | 11 | 29,719 |
| March, 2019 | 23.90 | 20.20 | 5,571 | 22 | 1,27,535 |

GRAVISS HOSPITALITY LIMITED

- (ix) Performance in comparison to broad-based indices.

The chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2018-19 (based on month end closing).



- (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

- (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 | Total Shares for the Range | % of Issued Capital |
|--------------------|------------------------|-------------------------|----------------------------|---------------------|
| 1 to 500 | 728 | 64.6536 | 2,18,231 | 0.31 |
| 501 to 1000 | 189 | 16.7851 | 1,78,437 | 0.25 |
| 1001 to 2000 | 71 | 6.3055 | 1,27,040 | 0.18 |
| 2001 to 3000 | 26 | 2.3091 | 68,638 | 0.10 |
| 3001 to 4000 | 12 | 1.0657 | 46,327 | 0.07 |
| 4001 to 5000 | 44 | 3.9076 | 1,99,728 | 0.28 |
| 5001 to 10000 | 20 | 1.7762 | 1,35,233 | 0.19 |
| Greater than 10000 | 36 | 3.1972 | 6,95,45,501 | 98.62 |
| Total | 1.126 | 100 | 7,05,19,135 | 100 |

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(xiii) Shareholding Pattern:

| Sr. 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 | 8,16,196 | 1.16 |
| 4. | Trusts | 94,660 | 0.13 |
| 5. | Hindu Undivided Family | 37,122 | 0.05 |
| 6. | Non Resident Individuals (Non-Repat) | 5,100 | 0.01 |
| 7. | Directors or Directors' Relatives | 57,350 | 0.08 |
| 8. | Clearing Members | 10 | 0.00 |
| 9. | Public | 17,44,112 | 2.48 |
| | Total | 7,05,19,135 | 100.00 |

(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 31st March, 2019:

| | | |
|---------------------------|---|------------|
| Physical form | : | 50,22,455 |
| Electronic form with NSDL | : | 65,173,778 |
| Electronic form with CDSL | : | 3,22,902 |

(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 - 400 018.
Telephone Number: 022-62513131

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

10. Other Disclosures

(i) Related Party Transactions

All transactions entered into by the Company with related parties, during the financial year 2018-19, were in the ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with the Rules issued thereunder and relevant provisions of Listing Regulations.

The Audit Committee, during the financial year 2018-19, has approved Related Party Transactions along with granting omnibus approval in line with the Policy of materiality of Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The related party transactions entered into by the Company pursuant to the omnibus approval granted by the Audit Committee is reviewed at least on a quarterly basis by the said Committee.

There are no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company 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

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

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

(vii) Certificate from Practicing Company Secretary

Certificate as required under Part C of Schedule V of Listing Regulations has been received from Mr. Matinho Ferrao (CP No. 5676), Proprietor of M/s. Matinho Ferrao & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

(viii) Total fees paid to Statutory Auditors of the Company

Total fees of ₹ 9,15,000 (Rupees Nine Lac Fifteen Thousand only) for financial year 2018-19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

(ix) Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2018-19 are as under:

- Number of complaints filed during the financial year: 0
- Number of complaints disposed of during the financial year: 0
- Number of complaints pending as on end of the financial year: 0

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Annexure to Report on Corporate Governance for the Financial Year ended 31st March, 2019

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, Gaurav Ghai, Joint 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 31st March, 2019.

Place: Mumbai
Date: 10th May, 2019

GAURAV GHAI
Joint 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 31st March, 2019 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: 10th May, 2019

FARANGILAL GOYAL
Chief Financial Officer

GAURAV GHAI
Joint Managing Director

Certificate on Corporate Governance

The Members of
GRAVISS HOSPITALITY LIMITED,
Dairy Tops, Plot No. J-177, MIDC Bhosari, Pune-26.

We have examined the compliance of the conditions of Corporate Governance by **GRAVISS HOSPITALITY LIMITED** ('the Company') for the year ended on March 31, 2019 as stipulated in Regulation 27 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as "said Regulations") and the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 27 of the said Regulations.

We state that as per the records maintained by the Registrars and Share Transfer Agents of the Company and presented to the Stakeholder Relationship Committee, no investor grievances are pending for a period exceeding one month against the Company.

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

Martinho Ferrao
Proprietor
Membership No. 6221
Certificate of Practice No. 5676

Mumbai
Dated: 25th June, 2019

For and on behalf of
Martinho Ferrao & Associates
Company Secretaries

GRAVISS HOSPITALITY LIMITED

Independent Auditors' Report

To the Members of Graviss Hospitality Limited

Report on the Audit of the Standalone Ind AS financial statements

Opinion

We have audited the standalone Ind AS financial statements of Graviss Hospitality Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, loss, total comprehensive income, changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Response to Key Audit Matter |
|---|--|
| <p>Investments in Subsidiaries</p> <p>Investments in subsidiaries are valued at cost adjusted for impairment losses. In line with "Ind AS 36 Impairment of assets", in case there is an indication of possible impairment, the Corporation carries out an impairment test by comparing the recoverable amount of the investments - determined according to the value in use method - and their carrying amount.</p> <p>We considered the impairment test of investments in subsidiaries as a key audit matter for our audit.</p> | <p>With reference to this key audit matter, we examined the assessment of the management that one of the subsidiaries is able to get regular orders of decoration and earn sufficient margin to meet the fixed costs and that in the case of another subsidiary, the market value of the lands acquired would be more than the original cost.</p> <p>Accordingly we considered the assessment of the management to be appropriate.</p> |

Emphasis of Matter

Without qualifying our opinion, attention of the members is drawn to Note 49 & 50, in view of the matter stated therein relating to the accumulated losses of two subsidiaries as at 31st March, 2019, 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.

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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders Information but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

GRAVISS HOSPITALITY LIMITED

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "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 (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) 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".

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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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 standalone Ind AS financial statements - Refer Note No 35.A of the financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Mumbai
Dated: 10th May, 2019

V. MOHAN
Partner
Membership No. 17748

GRAVISS HOSPITALITY LIMITED

Annexure A to Auditor's Report

Annexure referred to in our report of even date to the members of GRAVISS HOSPITALITY Limited on the accounts for the year ended 31st March 2019

- 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.
- 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, goods and service tax, custom duty, excise duty, cess and other statutory dues where applicable.
According to the information and explanations given to us, no undisputed amounts in respect of the aforesaid statutory dues were in arrears, as at 31st March, 2019, 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 / goods and service tax / excise duty / cess, which have not been deposited on account of any dispute. 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 us and 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 us and based on verification of records, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions 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 into 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 Ind AS 24-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 us and 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

Place: Mumbai
Dated: 10th May, 2019

V. MOHAN
Partner
Membership No. 17748

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Annexure B

Annexure B referred to in the Auditor's Report to the members of GRAVISS HOSPITALITY Limited on the financial statements for the year ended 31st March 2019

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 31st, 2019 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.

GRAVISS HOSPITALITY LIMITED

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, 2019 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: 10th May, 2019

V. MOHAN
Partner
Membership No. 17748

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Balance Sheet

as at 31st March, 2019

| Particulars | Note No. | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|--|----------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Non-current assets: | | | |
| Property, plant and equipment | 5 | 15,930.39 | 15,944.45 |
| Capital Work-in-Progress | 5 | 124.91 | 73.42 |
| Financial Assets | | | |
| Investments | 6 | 195.48 | 197.06 |
| Trade receivables | 11 | 38.25 | 38.25 |
| Loans | 7 | 8,480.36 | 8,506.04 |
| Others | 8 | 68.82 | 64.27 |
| Income Tax assets (Net) | | 48.38 | 9.22 |
| Other Non-current assets | 9 | 300.00 | 300.00 |
| Total Non-current assets | | 25,186.59 | 25,132.71 |
| Current assets | | | |
| Inventories | 10 | 172.13 | 153.48 |
| Financial Assets | | | |
| Trade receivables | 11 | 879.00 | 580.76 |
| Cash and cash equivalents | 12 | 122.26 | 145.59 |
| Other Balances with Banks | 13 | 5.46 | 5.99 |
| Loans | 14 | 8.54 | 10.40 |
| Other Financial Assets | 15 | 0.28 | 1.29 |
| Income Tax assets (Net) | | 30.52 | 27.88 |
| Other current assets | 16 | 159.31 | 148.29 |
| Total current assets | | 1,377.50 | 1,073.69 |
| Total Assets | | 26,564.09 | 26,206.40 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share capital | 17 | 1,410.39 | 1,410.39 |
| Other Equity | 18 | 20,017.69 | 20,185.38 |
| Total Equity | | 21,428.08 | 21,595.77 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 19 | 383.49 | 339.47 |
| Deferred tax liabilities (Net) | 20 | 2,045.93 | 2,158.33 |
| Total Non-current liabilities | | 2,429.42 | 2,497.80 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 21 | 998.45 | 879.92 |
| Trade payables | 22 | — | — |
| Total outstanding dues of Micro and Small Enterprises | | — | — |
| Total outstanding dues of creditors other than Micro and Small Enterprises | | 872.40 | 473.97 |
| Other Financial Liabilities | 23 | 762.46 | 654.17 |
| Other Current liabilities | 24 | 64.65 | 93.47 |
| Provisions | 25 | 8.63 | 11.30 |
| Total current liabilities | | 2,706.59 | 2,112.83 |
| Total Liabilities | | 5,136.01 | 4,610.63 |
| Total Equity and Liabilities | | 26,564.09 | 26,206.40 |
| Summary of Significant Accounting Policies and Other Notes to the financial statements | 1 to 54 | | |

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

V. MOHAN

Partner (Membership No. 17748)

Place: Mumbai

Dated: 10th May, 2019

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

F.L. GOYAL

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary

GRAVISS HOSPITALITY LIMITED

Statement of Profit and Loss Account for the year ended 31st March, 2019

| Particulars | | For the year ended 31/03/2019 (Rs. in lacs) | For the year ended 31/03/2018 (Rs. in lacs) |
|--|----------|--|--|
| | Note No. | | |
| INCOME | | | |
| Revenue from operations | 26 | 4,672.35 | 4,719.77 |
| Other Income | 27 | 82.58 | 23.63 |
| Total Income | | 4,754.93 | 4,743.39 |
| EXPENSES | | | |
| Food and Beverages consumed | 28 | 811.25 | 654.78 |
| Employee benefits expense | 29 | 1,215.97 | 1,182.70 |
| Finance costs | 30 | 150.00 | 161.46 |
| Depreciation and amortisation expenses | 31 | 504.05 | 573.19 |
| Other expenses | 32 | 2,587.51 | 2,245.17 |
| Total Expenses | | 5,268.78 | 4,817.31 |
| PROFIT/(LOSS) BEFORE TAX | | (513.85) | (73.92) |
| Tax expense: | | | |
| Deferred Tax (Net) (Refer Note "20") | | 117.63 | 3.09 |
| Excess Provision for Tax of earlier years reversed | | 214.95 | — |
| Total Tax Expenses | | 332.58 | 3.09 |
| PROFIT/(LOSS) AFTER TAX | | (181.27) | (70.83) |
| Other comprehensive income: | 33 | | |
| (i) Items that will not be reclassified to profit or loss | | 18.81 | (44.96) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (5.23) | 12.51 |
| (iii) Items that will be reclassified to profit or loss | | — | — |
| (iv) Income tax relating to items that will be reclassified to profit or loss | | — | — |
| Other comprehensive income for the year | | 13.58 | (32.45) |
| Total comprehensive income for the year | | (167.69) | (103.27) |
| Earning per equity share – Rs. | 34 | | |
| (a) Basic | | (0.24) | (0.15) |
| (b) Diluted | | (0.24) | (0.15) |
| Summary of Significant Account Policies and Other Notes to the Financial Statements | 1 to 54 | | |

As per our separate report of even date

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

Firm Registration No. 109208W

V. MOHAN
Partner (Membership No. 17748)

Place: Mumbai

Dated: 10th May, 2019

GAURAV GHAI
Joint Managing Director
(DIN:00074857)

F.L. GOYAL
Chief Financial Officer

M.V. DOSHI
Director
(DIN:00123243)

KAINAAZ BHARUCHA
Company Secretary

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Cash Flow Statement for the Year Ended 31st March, 2019

| Particulars | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) | |
|--|--------------------------------------|--------------------------------------|-------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit before taxation, and extraordinary item | (513.85) | (73.92) | |
| Less: Remeasurement of Employees Benefits Adjusted in OCI | 18.81 | (44.96) | |
| Net profit before Tax After Adjustment in OCI | (495.04) | (118.88) | |
| Adjustments for: | | | |
| Non Cash Items | | | |
| Depreciation and Amortisation Expenses | 504.05 | 573.19 | |
| Fixed Assets written off | | | |
| Finance Cost | 150.00 | 161.46 | |
| Interest Income | (54.49) | (11.48) | |
| Dividend Income | (0.06) | (0.06) | |
| (Profit) / loss on sale of fixed assets | (26.18) | (4.01) | |
| (Profit) / loss on sale of investments | — | (0.06) | |
| Income Recognized Against Capital Grant | 573.32 | 719.04 | |
| Operating profit before working capital changes | 78.28 | 600.16 | |
| Adjustments for: | | | |
| Trade and other receivables | (298.23) | (184.76) | |
| Inventories | (18.66) | 32.97 | |
| Loans | 25.68 | 435.38 | |
| Other current assets | (12.16) | 0.58 | |
| Other Financial Liabilities | 108.29 | 97.75 | |
| Other Current Liabilities | (31.48) | 30.10 | |
| Trade and other payables | 398.41 | 76.62 | |
| Cash generations from operations | 250.13 | 1,088.81 | |
| Direct taxes paid | 173.16 | 25.10 | |
| Net cash flow from Operating Activities | 423.29 | 1,113.91 | |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (600.82) | (832.98) | |
| Sale of Fixed Assets | 85.53 | 5.00 | |
| (Purchase)/Sales of Investments | 1.58 | (2.29) | |
| Interest Income | 54.49 | 11.48 | |
| Dividend Income | 0.06 | 0.06 | |
| Net cash used in Investing Activities | (459.16) | (818.73) | |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from Long-term borrowings | 44.02 | 162.57 | |
| Repayment of Long-term borrowings | — | (195.00) | |
| Short Term borrowings (Net) | 118.53 | (13.59) | |
| Finance Cost | (150.00) | (161.46) | |
| Net cash used in financing activities (C) | 12.54 | (207.47) | |
| Net Increase / (Decrease) in Cash and cash equivalents (A+B+C) | (23.33) | 87.72 | |
| Opening Cash and Cash Equivalents | 145.59 | 57.87 | |
| Closing Cash and Cash Equivalents | 122.26 | 145.59 | |
| | 23.33 | (87.72) | |
| Breakup of Opening Cash and Cash Equivalents | | | |
| Balances with Banks | | | |
| In Current Accounts | 136.60 | 38.47 | |
| Cash on Hand | 8.98 | 19.40 | |
| Cash and Cash Equivalents | 145.58 | 57.86 | |
| Breakup of Closing Cash and Cash Equivalents | | | |
| Balances with Banks | | | |
| In Current Accounts | 97.76 | 136.60 | |
| Cash on Hand | 24.50 | 8.98 | |
| Cash and Cash Equivalents | 122.26 | 145.58 | |
| Disclosure as per Ind AS -7 as below: | | | |
| Particulars | 01-04-18 | Cash Flows | 31-03-2019 |
| Long Term Borrowings | 339.47 | 44.02 | 383.49 |
| Short Term Borrowings | 879.92 | 118.53 | 998.45 |
| Total Liabilities from financing activities | 1,219.38 | 162.55 | 1,381.93 |

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

V. MOHAN

Partner (Membership No. 17748)

Place: Mumbai

Dated: 10th May, 2019

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

F.L. GOYAL

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary

GRAVISS HOSPITALITY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

| | Opening balance (Rs in lacs) | Changes during the year (Rs in lacs) | Closing balance (Rs in lacs) |
|--------------------------------|------------------------------------|---|------------------------------------|
| A. Equity Share Capital | | | |
| As at 31st March 2019 | 1,410.39 | — | 1,410.39 |
| As at 31st March 2018 | 1410.39 | — | 1,410.39 |

| | Reserves and Surplus | | | | | | | Total |
|--|----------------------|--------------------|-----------------------|----------------------------------|--------------------|---------------------------------------|---------------------------------------|------------------|
| | Retained Earnings | General Reserve | Warrants Forfeited | Securities Premium Reserve | Capital Reserve | Capital Redemp- tion Reserve | Other Compre- hensive Income | |
| B. Other Equity | | | | | | | | |
| Balance as at 01st April 2018 | (1,511.34) | 11,320.29 | 850.01 | 9,183.07 | 7.78 | 318.52 | 17.05 | 20,185.38 |
| Additions during the year | | | | | | | | — |
| Surplus in the Statement of profit and loss | (181.27) | — | — | — | — | — | 13.58 | (167.68) |
| Balance as at 31 March 2018 | (1,692.61) | 11,320.29 | 850.01 | 9,183.07 | 7.78 | 318.52 | 30.63 | 20,017.71 |

C. Nature of reserves

Securities Premium collected on issue of securities are accumulated as part of securities premium.

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NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO 1

Company Overview

GRAVISS HOSPITALITY LIMITED was incorporated in 1959. The Registered Office of the Company is located at Pune. Its shares are listed in Bombay Stock Exchange (BSE). It is engaged in the hospitality business having one hotel in the name of Inter-Continental at Marine Drive Mumbai.

NOTE NO. 2

Basis for preparation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (Act) read with Rule 4A of Companies (Accounts) Second Amendment Rules, 2015, Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder. The Financial Statements have been prepared under historical cost convention basis except for derivative financial instruments, certain financial assets and financial liabilities which have been measured at fair value.

The Company's presentation and functional currency is Indian Rupees and all values are rounded off to the nearest lacs (INR 00,000), except when otherwise indicated.

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 10-05- 2019.

NOTE NO. 3

Use of Judgement, Assumptions and Estimates

The preparation of the Company's financial statements requires management to make informed judgements, reasonable assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements relate to the following areas:

- a) Financial instruments
- b) Useful lives of property, plant & equipment
- c) Valuation of inventories
- d) Measurement of recoverable amounts of assets / cash-generating units
- e) Assets and obligations relating to employee benefits
- f) Evaluation of recoverability of deferred tax assets; and
- g) Provisions and Contingencies.

NOTE NO. 4

SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant & equipment

- a) The cost of an item of property, plant and equipment is recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.
- b) Property, plant and equipment are stated at cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment loss, if any.
- c) The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation (if any) and the applicable borrowing cost till the asset is ready for its intended use.
- d) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- e) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds if any and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- f) Direct expenses incurred during construction period on capital projects are capitalised.
- g) The company has leasehold land which is a finance lease. The carrying amount representing the fair value (revalued before the date of transition to Ind AS) of the leased land, is recognized under Property, Plant and Equipment and is treated as deemed cost on adoption of Ind AS.

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

B Depreciation

- a) Depreciation on property, plant and equipment (except leasehold land) is provided on the straight line basis, over the useful lives of assets (after retaining the residual value of up to 5%). The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act except in case of following assets which are depreciated over their useful life as determined by a Chartered Engineer and Valuer

| Asset Description | Useful Life (Years) |
|--|------------------------|
| Building | 30 |
| Air-conditioning plant, cooking machinery, security and fire fighting equipments | 15 |
| Furniture & Fixtures including interior design | 8 |

- b) Residual value of building and vehicles is estimated at 5% of the original cost and at nil value for all other assets.
- c) Items of property, plant and equipment costing not more than Rs.5,000 each are depreciated at 100 percent in the year in which they are capitalised.
- d) Expenditure on major repairs and overhauls which qualify for recognition in the item of Property, Plant and Equipment and which result in additional useful life, is depreciated over the extended useful life of the asset as determined by technical evaluation.
- e) Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.
- f) No depreciation is charged on Land taken on lease, since the company has right to renew the lease for indefinite terms.

C Accounting for Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease and whether it is a finance lease or an operating lease. If substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Company as lessee the arrangement is treated as a finance lease otherwise it is considered as an operating lease.

D Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location, including appropriate overheads apportioned on a reasonable and consistent basis and is determined on the following basis:

- a Food and Beverages on weighted average basis.
- b. Stores and other operating supplies on weighted average basis.

Obsolete, slow moving, surplus and defective stocks are identified and where necessary, provision is made for such stocks.

E Revenue Recognition

Sale of goods: Revenue from the sale of goods is recognised when the performance obligation is satisfied by transferring the related goods to the customer. The performance obligation is considered to be satisfied when the customer obtains control of the goods.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to arrangements involving more than one performance obligation), net of returns, taxes or duties collected on behalf of the Government and applicable trade discounts or rebates.

Interest income is recognised using Effective Interest Rate (EIR) method.

Dividend income is recognized when the right to receive payment is established.

F Employee Benefits

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss for the year/period in which the related services are rendered.

The Company's post-employment benefit consists of provident fund and gratuity. The Company also provides for leave encashment which is in the nature of long term benefit.

Company's contributions to provident fund which is a defined benefit plan, are recognised as an expense in the Statement of Profit & Loss for the year/period in which the services are rendered. The Company's contribution to the Provident Fund is remitted to government provident fund authority based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss.

The Company operates defined benefit plan for Gratuity. The cost of providing such defined benefit is determined using the projected unit credit method of actuarial valuation made at the end of the year. The Company has created an Employees Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Met Life Insurance company

Obligations on leave encashment are provided using the projected unit credit method of actuarial valuation made at the end of the year.

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NOTES FORMING PART OF THE BALANCE SHEET

Actuarial gains and losses are recognised in other comprehensive income for gratuity and recognised in the Statement of Profit & Loss for leave encashment.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a The date of the plan amendment or curtailment, and
- b The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- a Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b Net interest expense or income

G Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to the Statement of Profit & Loss.

H Foreign Currency Transactions

Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit & Loss.

Non – Monetary items:

Non-monetary items that are measured in terms of historical cost are recorded at the exchange rates at the dates of the initial transactions

I Provisions, Contingent Liabilities and Contingent assets

- a) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision are recognised in the Statement of Profit & Loss net of any reimbursement.
- b) If the effect of time value of money is material, provisions are shown at present value of expenditure expected to be required to settle the obligation, by discounting using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- c) Contingent liabilities are possible obligations arising from past events and whose existence will only be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- d) Contingent Assets are not recognised but reviewed at each balance sheet date and disclosure is made in the Notes in respect of possible effects that arise from past events and whose existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and where inflow of economic benefit is probable.

J Fair Value measurement

- a) The Company measures financial instruments at fair value at each balance sheet date.
- b) Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.
- c) While measuring the fair value of an asset or liability, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value using observable market data as far as possible and minimising the use of unobservable inputs. Fair values are categorised into 3 levels as follows:

NOTES FORMING PART OF THE BALANCE SHEET

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices for similar item) or indirectly (i.e. derived from prices)

Level 3: inputs that are not based on observable market data (unobservable inputs)

K Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories

Financial Assets at amortised cost

Financial assets at fair value through profit or loss (FVTPL)

Financial Assets at amortised cost

A financial assets is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,
- and
- b) Contractual terms of the asset give rise on specified dates to cash flows, if any, that are solely payments of principal and interest, if applicable (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets which are considered as receivable on demand at any time, are not discounted on initial recognition and on subsequent measurement.

Financial assets at FVTPL

Any financial asset, which does not meet the criteria for categorization as at amortized cost is classified as at FVTPL.

Equity investments in subsidiaries

Investment in subsidiaries are accounted for at cost in standalone financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- a) rights to receive cash flows from the asset have expired, or
- b) The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

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Financial liabilities

Initial recognition and measurement.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

Financial liabilities are measured subsequently at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial liabilities which are considered as repayable on demand at any time, are not discounted on initial recognition and on subsequent measurement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

L Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current if they are expected to be realised / settled within twelve months after the reporting period. All other assets and liabilities are considered as non-current.

M Impairment

Financial Assets

Loss allowance for expected credit losses is recognised for financial assets. The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

Non-financial Assets

At each Balance Sheet date, an assessment is made of whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

N Taxes on Income

Current Tax

Income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Deferred tax

Deferred tax (both assets and liabilities) is calculated using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The amount of deferred tax assets is reviewed at each reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit & Loss, other comprehensive income or directly in equity.

O Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, adjusted for the effect of all dilutive potential equity shares.

P Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheques and draft on hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

Q Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned.

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NOTES FORMING PART OF THE BALANCE SHEET

NOTE '5' - PROPERTY, PLANT AND EQUIPMENT:

(Rs. in lacs)

| DESCRIPTION OF ASSETS | GROSS BLOCK | | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|-----------------------|--------------------------------|-------------------------------|-------------|---------------------------|--------------------------------|---------------------------------------|--------------|--------------------|------------------|------------------|------------------|
| | At fair value as on 01/04/2018 | Additions and other transfers | Adjustments | Sales and other deuctions | At fair value as on 31/03/2019 | Opening Depreciation as on 01/04/2018 | For the year | Dep on sold assets | As at 31/03/2019 | As at 31/03/2019 | As at 31/03/2018 |
| Land | 10,272.33 | 53.50 | — | 59.35 | 10,266.48 | — | — | — | — | 10,266.48 | 10,272.33 |
| Building | 4,661.68 | 209.72 | — | — | 4,871.40 | 339.47 | 203.21 | — | 542.68 | 4,328.72 | 4,322.14 |
| Premises | 43.93 | — | — | — | 43.93 | 43.93 | — | — | 43.93 | — | — |
| Plant and Machinery | 227.39 | 37.37 | — | — | 264.76 | 120.60 | 23.07 | — | 143.67 | 121.09 | 106.91 |
| Furniture & Fixtures | 1,153.81 | 173.69 | — | — | 1,327.50 | 246.39 | 198.88 | — | 445.27 | 882.23 | 907.38 |
| Office Equipments | 379.19 | 30.57 | — | — | 409.76 | 208.61 | 45.98 | — | 254.59 | 155.17 | 165.28 |
| Vehicles | 208.85 | — | — | — | 208.85 | 56.60 | 26.20 | — | 82.80 | 126.05 | 157.54 |
| Computers | 27.56 | 44.49 | — | — | 72.05 | 14.69 | 6.71 | — | 21.40 | 50.65 | 12.87 |
| | 16,974.74 | 549.34 | — | 59.35 | 17,464.73 | 1,030.29 | 504.05 | — | 1,534.34 | 15,930.39 | 15,944.45 |
| Previous year | 16,176.89 | 812.41 | — | 14.56 | 16,974.74 | 470.67 | 573.19 | 13.57 | 1,030.29 | 15,944.45 | |

As at
31/03/2019
(Rs. in lacs)

As at
31/03/2018
(Rs. in lacs)

NOTE '6' – NON CURRENT INVESTMENT:

TRADE INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE):

Unquoted equity instruments:

Investment in subsidiaries

| | | | |
|---------|---|--------|--------|
| 50,000 | of Graviss Hotels and Resorts Limited of Rs. 10 each | 5.00 | 5.00 |
| 76,422 | (out of which 50 jointly held with third parties) of Graviss Catering Private Limited of Rs. 10 each | 12.89 | 12.89 |
| 245,000 | of Hotel Kankeshwar Private Limited of Rs. 10 each | 170.00 | 170.00 |

NON-TRADE INVESTMENTS:

INVESTMENTS AT COST

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 |

INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Quoted:

| | | | |
|-------|---|--------|--------|
| 3,820 | Equity Shares of Edelweiss Capital Limited of Rs.1 each | 7.53 | 9.10 |
| | | 195.48 | 197.06 |
| | Aggregate value of unquoted investments | 187.95 | 187.95 |
| | Aggregate value of quoted investments | 7.53 | 9.10 |
| | Market value of quoted investments | 7.53 | 9.10 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

| | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '7' – LONG-TERM LOANS AND ADVANCES: | | |
| Security Deposits | 1,096.34 | 1,096.92 |
| Loans to Related Parties: | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 7,384.03 | 7,409.11 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Credit Impaired | — | — |
| | 8,480.36 | 8,506.04 |
| NOTE '8' – OTHER NON-CURRENT FINANCIAL ASSETS: | | |
| Margin Money Deposit with Bank | 68.82 | 64.27 |
| | 68.82 | 64.27 |
| NOTE '9' – OTHER NON-CURRENT ASSETS: | | |
| Capital advance | 300.00 | 300.00 |
| | 300.00 | 300.00 |
| NOTE '10' – INVENTORIES (Valued at lower of cost and net realisable value): | | |
| Food and Beverages | 117.38 | 144.26 |
| Stores and Other Operating Supplies | 54.75 | 9.22 |
| | 172.13 | 153.48 |
| NOTE '11' – TRADE RECEIVABLES: | | |
| Non Current: | | |
| (a) Trade receivable from others | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 38.25 | 38.25 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | 38.25 | 38.25 |
| Current: | | |
| (a) Trade receivable from others | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 66.52 | 24.25 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | 66.52 | 24.25 |
| (b) Trade receivable from related parties | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 812.48 | 556.51 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | 812.48 | 556.51 |
| | 917.25 | 619.02 |

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NOTES FORMING PART OF THE BALANCE SHEET

| | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '12' – CASH AND CASH EQUIVALENTS: | | |
| Current accounts | 97.76 | 136.60 |
| Cash on hand | 24.50 | 8.98 |
| | 122.26 | 145.58 |
| NOTE '13' – OTHER BALANCES WITH BANKS: | | |
| Earmarked balances | 0.99 | 1.94 |
| Fixed Deposit with banks maturing within one year | 4.46 | 4.05 |
| | 5.46 | 5.99 |
| NOTE '14' – SHORT-TERM LOANS AND ADVANCES: | | |
| Advances to others: | | |
| Loans to employees: | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 8.54 | 10.40 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Credit Impaired | — | — |
| | 8.54 | 10.40 |
| NOTE '15' – OTHER FINANCIAL ASSETS: | | |
| Other advances | 0.28 | 1.29 |
| | 0.28 | 1.29 |
| NOTE '16' – OTHER CURRENT ASSETS: | | |
| Advance to suppliers | 67.15 | 71.84 |
| Prepaid expenses | 92.16 | 76.45 |
| | 159.31 | 148.29 |
| NOTE '17' – SHARE CAPITAL: | | |
| a Authorised : | | |
| 230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company | 230.00 | 230.00 |
| 113,500,000 Equity shares of Rs. 2 each | 2,270.00 | 2,270.00 |
| | 2,500.00 | 2,500.00 |
| b Issued, Subscribed and fully paid-up : | | |
| 70,519,135 Equity shares of Rs. 2 each for cash | 1,410.39 | 1,410.39 |
| 70,519,135 | 1,410.39 | 1,410.39 |
| (705,19,135) | | |
| c Reconciliation of the number of equity shares at the beginning and end of the year | | |
| Opening | 70,519,135 | 70,519,135 |
| Issued during the year | — | — |
| Closing | 70,519,135 | 70,519,135 |
| d Shares held by each shareholder holding more than 5% shares | | |
| Equity shares of Rs. 2 each fully paid | | |
| Graviss Holdings Private Limited - 30.93% (30.93%) | 21,813,970 | 21,813,970 |
| Satinetta Finlease & Investments Private Limited- 32.57% (32.57%) | 22,967,844 | 22,967,844 |
| Dunearn Investments (Mauritius) Pte Limited- 9.96% (9.96%) | 7,025,708 | 7,025,708 |
| Inter Continental Hotels Corporation, USA- 6.22% (6.22%) | 4,385,235 | 4,385,235 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

| | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '18' – OTHER EQUITY: | | |
| A Reserves and Surplus | | |
| i Capital Reserves: | | |
| Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad - As per last account | 7.78 | 7.78 |
| ii Warrants Forfeited Account: | | |
| As per last account | 850.01 | 850.01 |
| iii Securities Premium Account: | | |
| As per last account | 9,183.07 | 9,183.07 |
| | 9,183.07 | 9,183.07 |
| iv Capital Redemption Reserve Account: | | |
| As per last account | 318.52 | 318.52 |
| | 318.52 | 318.52 |
| v General Reserve: | | |
| As per last account | 11,320.29 | 11,320.29 |
| | 11,320.29 | 11,320.29 |
| vi Retained Earnings: | | |
| Opening balance | (1,511.35) | (1,440.52) |
| Add : Opening balance adjustment due to Ind AS | — | — |
| Add : Net profit after tax transferred from Statement of Profit and Loss | (181.27) | (70.83) |
| Amount available for appropriation | (1,692.61) | (1,511.35) |
| Balance in Profit and Loss account | (1,692.61) | (1,511.35) |
| | 19,987.06 | 20,168.33 |
| B Other Comprehensive Income | | |
| As per last account | 17.05 | 49.50 |
| Addition during the year | 13.58 | (32.45) |
| Closing balance | 30.63 | 17.05 |
| | 20,017.69 | 20,185.38 |

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NOTES FORMING PART OF THE BALANCE SHEET

| | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|---|--------------------------------------|--------------------------------------|
| Non-current Liabilities: | | |
| NOTE '19' – BORROWINGS: | | |
| Term loans from Bank : (Refer Note "23") | | |
| Axis Bank | | |
| — Term Loan (Secured) - II | 84.08 | 165.90 |
| Note: | | |
| Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 60 monthly installments 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 | 42.87 | 58.99 |
| Note: | | |
| Term loan from bank carries interest @ 12% p.a. The loan is repayable in 60 monthly installments 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. | | |
| — Term Loan (Secured) - IV | 161.68 | — |
| Note: | | |
| Term loan from bank carries interest @ 11.15% p.a. The loan is repayable in 60 monthly installments of Rs. 3.33 lacs each along with interest, from April 2019. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company. | | |
| b) Deferred payment liabilities: | 94.86 | 114.58 |
| (carry interest rates ranging from 10% to 12%, repayable in various EMIs and secured by hypothecation of vehicles. Last EMI maturing on March 2022) | | |
| | 383.49 | 339.47 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

NOTE '20' – DEFERRED TAX LIABILITIES (NET):

(Rs. in lacs)

In compliance of Ind AS 12 on "Income Taxes", the item wise details of Deferred Tax Liabilities (Net) are as under:

| Particulars | Opening Balance | Recognised in P&L | Recognised in OCI | Closing Balance |
|---|-----------------|-------------------|-------------------|-----------------|
| For The Year Ended 31st March 2019 | | | | |
| Deferred Tax Liabilities | | | | |
| Difference between accounting and tax | 126.12 | 25.18 | — | 151.30 |
| On revaluation of leasehold land | 2,393.04 | — | — | 2,393.04 |
| Total Deferred Tax Liabilities | 2,519.16 | 25.18 | — | 2,544.34 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 90.30 | 31.23 | (5.23) | 116.30 |
| Unabsorbed Depreciation | 270.53 | 111.58 | — | 382.11 |
| Total Deferred Tax Assets | 360.83 | 142.81 | (5.23) | 498.41 |
| Deferred Tax Liabilities (Net) | 2,158.33 | (117.63) | 5.23 | 2,045.93 |
| For The Year Ended 31st March 2018 | | | | |
| Deferred Tax Liabilities | | | | |
| Difference between accounting and tax | 119.58 | 6.54 | — | 126.12 |
| On revaluation of leasehold land | 2,370.03 | 23.01 | — | 2,393.04 |
| Total Deferred Tax Liabilities | 2,489.61 | 29.55 | — | 2,519.16 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 81.30 | (3.51) | 12.51 | 90.30 |
| Unabsorbed Depreciation | 234.39 | 36.14 | — | 270.53 |
| Total Deferred Tax Assets | 315.69 | 32.63 | 12.51 | 360.83 |
| Deferred Tax Liabilities (Net) | 2,173.92 | (3.08) | (12.51) | 2,158.33 |

Deferred Tax Asset on unabsorbed depreciation, unabsorbed business losses and other temporary differences available as per the Income Tax Act, 1961 has been recognized, since it is probable that taxable profit will be available to adjust them in the future years. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset can be carried forward and set off against the profits for unlimited number of years under the Indian Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set-off in future.

Reconciliation of effective tax rate as a numerical reconciliation between tax expense and the product of account profit multiplied by the applicable tax rate

| Particulars | 2018-19 | 2017-18 |
|--|-----------------|---------------|
| Profit Before Tax | (513.85) | (73.92) |
| Applicable Tax Rate | 27.82% | 27.82% |
| Tax Using the Applicable Tax Rate | (142.95) | (20.56) |
| Tax Effect of: | | |
| Add: Non-Deductible Tax Expenses | — | — |
| Add: Recognition of Tax Effect of Previously Unrecognized Tax Gains / (Losses) | 30.55 | (5.54) |
| Less: Rate Difference | — | 23.01 |
| Less: Investment Allowance Deduction | — | — |
| Tax Expense Recognized in the Statement of Profit & Loss | (112.40) | (3.09) |
| Weighted Average Tax Rate | 21.87% | 4.19% |

The tax rate of 27.82% is applicable to the next financial year as well.

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NOTES FORMING PART OF THE BALANCE SHEET

Tax Expenses recognized in the Statement of Profit & Loss / Other Comprehensive Income (OCI) are as below:

| Particulars | 2018-19 | 2017-18 |
|--|---------------|-------------|
| A. Current Tax Expense | — | — |
| B. Deferred Tax Expense / (Asset) relating to | | |
| — Origination and reversal of temporary differences | 112.40 | 26.10 |
| — Change in tax rates | — | (23.01) |
| — Recognition of previously unrecognized tax losses / (gains) | — | — |
| Total | 112.40 | 3.09 |
| Tax Expenses recognized in the Statement of Profit & Loss | 112.40 | 3.09 |
| Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI | 5.23 | (12.51) |

| | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
|--|--------------------------------------|--------------------------------------|

Current Liabilities:

NOTE '21' – SHORT-TERM BORROWINGS:

Loans repayable on demand from Bank (secured):

| | | |
|-----------|--------|--------|
| Axis Bank | 998.45 | 879.92 |
|-----------|--------|--------|

Note:

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.

| | |
|--------|--------|
| 998.45 | 879.92 |
|--------|--------|

NOTE '22' – TRADE PAYABLES:

Total outstanding dues of Micro and Small Enterprises
Total outstanding dues of creditors other than Micro and Small Enterprises

| | |
|--------|--------|
| — | — |
| 872.40 | 473.97 |
| 872.40 | 473.97 |

NOTE '23' – OTHER CURRENT FINANCIAL LIABILITIES:

| | | |
|--|--------|--------|
| Unpaid Dividends (Not due to be deposited into Investor Education and Protection Fund) | 0.99 | 1.94 |
| Expenses payable | 403.08 | 332.47 |
| Interest free security deposits | 38.92 | 7.87 |
| Gratuity obligation | 150.02 | 134.37 |
| Others (Provident Fund, ESIC etc) | 13.77 | 14.36 |

Current maturities of long term debt: (Refer Note "19")

| | | |
|-----------------------------------|--------|--------|
| Term Loans repayable in 12 months | | |
| — Indian Rupee Loan | 135.96 | 145.02 |
| — Deferred Payment Liability | 19.72 | 18.14 |
| | 762.46 | 654.17 |

NOTE '24' – OTHER CURRENT LIABILITIES:

| | | |
|-------------------------|-------|-------|
| Statutory dues payable* | 64.65 | 93.47 |
| | 64.65 | 93.47 |

*Statutory dues primarily include payables in respect of service tax, VAT, SGST, CGST, tax deducted at source)

NOTE '25' – SHORT-TERM PROVISIONS:

| | | |
|------------------------------|------|-------|
| Provision for leave benefits | 8.63 | 11.30 |
| | 8.63 | 11.30 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

| | For the Year ended 31/03/2019 (Rs. in lacs) | For the Year ended 31/03/2018 (Rs. in lacs) |
|--|--|--|
| NOTE '26' – REVENUE FROM OPERATIONS: | | |
| Sales-Rooms | 1,666.74 | 1,666.93 |
| Sales-Food and Beverages | 2,798.90 | 2,755.54 |
| Sale of services | 206.71 | 297.30 |
| | <u>4,672.35</u> | <u>4,719.77</u> |
| NOTE '27' – OTHER INCOME: | | |
| Interest received on deposits with banks | 54.49 | 11.48 |
| Dividend income | 0.06 | 0.06 |
| Gain/(Loss) on sale of investments | — | 0.06 |
| Gain/(Loss) on sale of assets | 26.18 | 4.01 |
| Mark to Market gain /(loss) on equity shares | (1.58) | 3.08 |
| Unclaimed Credit balances written back | — | 0.42 |
| Foreign Exchange Commission | — | 0.79 |
| Miscellaneous receipts | 3.43 | 3.72 |
| | <u>82.58</u> | <u>23.63</u> |
| NOTE '28' – FOOD AND BEVERAGES CONSUMED: | | |
| Opening stock | 144.26 | 155.54 |
| Add: Purchases | 784.37 | 643.50 |
| | <u>928.63</u> | <u>799.04</u> |
| Less: Closing stock | (117.38) | (144.26) |
| | <u>811.25</u> | <u>654.78</u> |
| NOTE '29' – EMPLOYEE BENEFITS EXPENSE: | | |
| (refer Note "37") | | |
| Salaries and wages (including bonus and gratuity) | 1,108.52 | 1,067.88 |
| Contributions to : | | |
| Provident, Family Pension and other Funds | 72.76 | 68.71 |
| Staff welfare expenses | 34.69 | 46.11 |
| | <u>1,215.97</u> | <u>1,182.70</u> |
| NOTE '30' – FINANCE COSTS: | | |
| Interest expense (Bank loans) | 150.00 | 161.46 |
| | <u>150.00</u> | <u>161.46</u> |
| NOTE '31' – DEPRECIATION AND AMORTISATION EXPENSES: | | |
| Depreciation of tangible assets | 504.05 | 573.19 |
| | <u>504.05</u> | <u>573.19</u> |

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NOTES FORMING PART OF THE BALANCE SHEET

| | For the Year ended 31/03/2019 (Rs. in lacs) | For the Year ended 31/03/2018 (Rs. in lacs) |
|---|--|--|
| NOTE '32' – OTHER EXPENSES: | | |
| Operating Expenses: | | |
| Power, Fuel and Water | 321.76 | 308.17 |
| Repairs and Maintenance: | | |
| Building | 63.03 | 64.27 |
| Machinery | 16.78 | 11.98 |
| Others | 182.45 | 142.55 |
| Stores and Supplies including Linen and Uniforms | 139.17 | 118.21 |
| Washing and Laundry expenses | 89.89 | 63.52 |
| Business Operating expenses | 254.66 | 191.32 |
| Music and other Operating expenses | 83.72 | 87.01 |
| General Expenses: | | |
| Rent | 15.07 | 12.08 |
| Rates and Taxes | 142.21 | 129.39 |
| Insurance | 34.15 | 36.74 |
| Hire charges | 4.67 | 0.89 |
| Advertisement and Sales Promotion | 228.88 | 243.17 |
| Credit Card charges | 56.34 | 58.60 |
| Travelling and Conveyance | 232.18 | 187.96 |
| Printing and Stationery | 22.38 | 22.01 |
| Postage and Telephones | 31.60 | 30.33 |
| Other expenses | 168.44 | 125.69 |
| Payments to Auditors (Note "38") | 8.00 | 11.10 |
| Legal and Professional charges | 335.52 | 266.87 |
| Exchange Rate Difference | 0.24 | 0.06 |
| Franchise and Corporate Service fees | 153.88 | 130.12 |
| Directors Sitting fees | 2.49 | 3.12 |
| | <u>2,587.51</u> | <u>2,245.17</u> |
| NOTE '33' – OTHER COMPREHENSIVE INCOME: | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of Defined Benefit Plans | 18.81 | (44.96) |
| Income tax relating to items that will not be reclassified to profit or loss | (5.23) | 12.51 |
| Remeasurement of Defined Benefit Plans | | |
| NOTE '34' – EARNINGS PER EQUITY SHARE (BASIC AND DILUTED): | | |
| | (167.69) | (103.27) |
| Net profit after Taxation (in Rs.) | 70,519,135 | 70,519,135 |
| Weighted average number of equity shares | (0.24) | (0.15) |
| Earnings per equity shares (in Rs.) | 2.00 | 2.00 |
| Nominal value per share (Rs.) | | |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

NOTE '35' – A. CONTINGENT LIABILITIES:

- i Bank Guarantees given to the extent of Rs. 13.61 lacs (previous year Rs. 13.61 lacs).
- ii In the matter of VAT demand and penalty of Rs. 88 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.

B. Capital and Other Commitments

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

NOTE '36' – RETIREMENT BENEFIT:

Disclosure pursuant to Accounting Standard -19 "Employee Benefits":

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

a Defined Contribution Plans:

The company has recognized contribution to Provident Fund of Rs.62 lacs in the Profit & Loss Account.

b Defined Benefit Plans:

| | Gratuity Funded | |
|--|--------------------------|--------------------------|
| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
| Changes in the Present Value of Obligation | | |
| Present Value of Obligation at beginning of period | 176 | 106 |
| Interest Cost | 13 | 7 |
| Current Service Cost | 24 | 18 |
| Benefits Paid | — | — |
| Actuarial (Gain)/Loss on obligation | (20) | 45 |
| Present Value of Obligation at end of period | 193 | 176 |
| Amount Recognized in the Balance Sheet and statement of profit and loss account | | |
| Present Value of Obligation at end of period | 193 | 176 |
| Fair Value of Plan Assets at end of period | 43 | 42 |
| Funded Status | (150) | (134) |
| Net Asset/ (Liability) recognized in the balance sheet | (150) | (134) |
| Expenses Recognized in the statement of Profit and Loss Account | | |
| Current Service Cost | 24 | 18 |
| Net Interest | 13 | 7 |
| Expenses Recognized in the statement of Profit and Loss Account | 37 | 26 |
| Other Comprehensive Income (OCI) | | |
| Actuarial (Gain)/Loss recognized for the period | (20) | 45 |
| Return on Plan Assets excluding net interest | 1 | 0 |
| Total Actuarial (Gain)/Loss recognized in (OCI) | (19) | 45 |
| Assumptions as at | | |
| Mortality | IALM(2006-08) Ult | |
| Interest / Discount Rate | 8 to 9% | |
| Rate of increase in compensation | 5 to 10% | |
| Employee Attrition Rate (Past Service(PS) | PS:0 to 40:1.30% | |
| Sensitivity Analysis on PVO | | |
| Delta effect of 1% increase in rate of discounting | (9) | (10) |
| Delta effect of 1% decrease in rate of discounting | 10 | 11 |
| Delta effect of 1% increase in rate of rate of salary escalation | 9 | 10 |
| Delta effect of 1% decrease in rate of rate of salary escalation | (9) | (10) |
| Projected benefits payable in future years from the date of reporting | | |
| 1st following year | 15 | 10 |
| Sum of years 2 to 5 | 103 | 96 |
| Sum of years 6 to 10 | 99 | 101 |

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NOTES FORMING PART OF THE BALANCE SHEET

NOTE '37' – EMPLOYEES' REMUNERATION AND BENEFITS INCLUDES REMUNERATION PAID TO THE MANAGING DIRECTOR AND JOINT MANAGING DIRECTOR

| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
|--------------------------------|--------------------------|--------------------------|
| Salary | 54 | 54 |
| Contribution to provident fund | 6 | 6 |
| Other Perquisites | 14 | 14 |
| | <u>75</u> | <u>75</u> |

NOTE '38' – PAYMENTS TO AUDITORS

| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
|-------------------|--------------------------|--------------------------|
| Audit Fee | 7 | 7 |
| Certification fee | 2 | 5 |
| | <u>8</u> | <u>11</u> |

NOTE '39'

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

| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
|---|--------------------------|--------------------------|
| Trade Receivables (Current) | | |
| Graviss Holdings Private Limited | 761 | 494 |
| Ice Hospitality Pvt Ltd | 52 | 63 |
| | <u>812</u> | <u>557</u> |
| Loans and Advances: | | |
| Security Deposits: (Non Current) | | |
| Graviss Holdings Private Limited | 250 | 250 |
| Cross Word Beverages Private Limited | 800 | 800 |
| | <u>1,050</u> | <u>1,050</u> |

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

NOTE '40'

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. Subsidiaries of the Company

Graviss Hotels and Resorts Limited
Graviss Catering Private Limited
Hotel Kankeshwar Private Limited

ii Directors

| | |
|----------------------------------|-----------------|
| Mr Ravi Ghai | Non-Independent |
| Mr Gaurav Ghai | Non-Independent |
| Mr. Harindra Singh | Independent |
| Ms Tina Pardal (from 17-05-2018) | Non-Independent |
| Mr. Gulshan Bijlani | Independent |
| Mr. Mahendra V Doshi | Independent |

iii Other Related parties:

Graviss Holdings Pvt Ltd, Cross Word Beverages Pvt Ltd, Graviss Brands Pvt Ltd, Ice Hospitality Pvt Ltd, Graviss Fast Foods Pvt Ltd
*Satinetta Finlease and Investments Pvt Ltd, Amphitrite Investments Co Pvt Ltd, Rich Graviss Products Pvt Ltd,
*Oregon Realty Pvt Ltd, Perfect Livestock Pvt Ltd, Kwaliti Fantasy Limited, Kwaliti Real Estate Pvt Ltd, West Hills Realty Pvt Ltd
*QSR Concepts Pvt Ltd, ICE Holdings Pvt Ltd, *Famed Properties Ltd
(* no transactions during the year)

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

iv Key Managerial Personnel

| | |
|----------------------------------|-------------------------|
| Mr Ravi Ghai | Managing Director |
| Mr Gaurav Ghai | Joint Managing Director |
| Mr. Amit Jain (upto 23-10 2018) | Chief Financial Officer |
| Mr. F.L. Goyal (from 23-10 2018) | Chief Financial Officer |
| Ms. Kainaaz Bharucha | Company Secretary |

B. Transactions with Related Parties:

| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
|---|--------------------------|--------------------------|
| i Sales | | |
| Graviss Holding Private Limited & Ice Hospitality Pvt Ltd | 1,093 | 948 |
| ii Expenditure and other services fees paid | | |
| Directors (Non-Executives) Sitting Fee | | |
| Mr. Harindra Singh Independent | 1 | — |
| Ms Mala Tadarwal Non-Independent | 0 | 1 |
| Ms Tina Pardal Non-Independent | 1 | — |
| Mr. Gulshan Bijlani Independent | 0 | 1 |
| Mr. Mahendra V Doshi Independent | 1 | 1 |
| Other related parties where the common control exists | 99 | 222 |
| iii Managerial Remuneration | | |
| Managing Director and Joint Managing Director | 75 | 75 |
| Chief Financial Officer | 21 | 43 |
| Company Secretary | 8 | 8 |
| iv Loans /Advances/ Deposits given | | |
| Other related parties where the common control exists | 8,346 | 8,366 |
| v Debtors | | |
| Other related parties where the common control exists | 812 | 557 |
| vi Outstanding payables | | |
| Other related parties where the common control exists | 62 | 30 |

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NOTES FORMING PART OF THE BALANCE SHEET

NOTE '41' – VALUE OF RAW MATERIALS AND STORES CONSUMED:

| | 2018-19 | | 2017-18 | |
|-----------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| | Percentage of total consumption | Amount (Rs. in lacs) | Percentage of total consumption | Amount (Rs. in lacs) |
| Raw Materials: | | | | |
| Imported | — | — | — | — |
| Indigenous | 100 | 811 | 100 | 655 |
| Stores: | | | | |
| Imported | — | — | — | — |
| Indigenous | 100 | 70 | 100 | 70 |

NOTE '42' – EARNINGS IN FOREIGN EXCHANGE:

| | 2018-19 | 2017-18 |
|--|----------|----------|
| a) Sale of Rooms and Food and Beverages Income | 1,592.99 | 1,509.94 |
| b) Encashment of Foreign Exchange | 25.68 | 26.02 |

NOTE '43' – EXPENDITURE IN FOREIGN CURRENCIES:

| | 2018-19 | 2017-18 |
|---------------------------|---------|---------|
| a) Travelling - Directors | 42 | 26 |
| b) Travelling - Others | — | 3 |
| c) Agency Commission | 11 | 18 |
| d) Consultants Fees | 18 | 24 |
| e) Franchise Fees | 100 | 147 |
| f) Others | 0 | 1 |

44. 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.
45. The Company does not have any asset whose useful life is different from the significant part of that asset.
46. (i) Due to losses, no provision for current tax has been made.
(ii) Excess provision for tax of earlier years has been reversed based on the assessment / appellate orders received during the year.
47. Current and non-current classification of assets and liabilities in the balance sheet has been made based on the professional judgement of the management.
48. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Ind AS 108 Operating Segments.
49. 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. 337.31 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.
50. 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. 6,959.49 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.
51. 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.

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

NOTE '52' – FAIR VALUE MEASUREMENTS:

The following disclosures are made as required by Ind AS-113 pertaining to Fair value measurement:

(a) Accounting classification and fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between willing parties, other than in a forced or liquidation sale.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| Financial Liabilities | Carrying amount at Amortised Cost | Fair value | Fair value measurement hierarchy level |
|-----------------------|---|------------|--|
| As on 31 Mar.2019 | | | |
| Fixed Rate Borrowings | — | — | — |
| As on 31 Mar.2018 | | | |
| Fixed Rate Borrowings | — | — | — |

Financial risk management

The Company has exposure to the Credit risk, Liquidity risk and Market risk arising from financial instruments.

Risk Management Framework: The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits to control / monitor risks and adherence to limit. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company. The Audit Committee is assisted by internal audit. Internal audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is approved by the Board of Directors.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Trade receivables: The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

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The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

| | (Rs. in lacs) | | | | |
|----------------------------|-------------------|-----------------------|----------------------|----------------------|-------|
| | Up to 6 months | 6 months to 1 year | 1 year to 3 years | More than 3 years | Total |
| As on 31 March 2019 | | | | | |
| Gross Carrying Amount | — | 67 | — | — | 67 |
| Specific Provision | — | — | — | — | — |
| Carrying Amount | — | 67 | — | — | 67 |
| As on 31 March 2018 | | | | | |
| Gross Carrying Amount | — | 24 | — | — | 24 |
| Specific Provision | — | — | — | — | — |
| Carrying Amount | — | 24 | — | — | 24 |

Cash and cash equivalents:

The Company held cash and cash equivalents of Rs 122.26 lacs as at 31 March 2019 (31 March 2018-Rs. 145.57 lacs). The cash and cash equivalents are held with reputed banks.

Liquidity Risk:

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company. The Audit Committee is assisted by internal audit. Internal audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

| | Contractual cash flows | | | | | Rs in lacs |
|--------------------------------------|------------------------|-----------------|-----------|-----------|-----------------------|------------|
| | Carrying amount | Up to 1 year | 1-2 years | 2-5 years | Less than 5 years* | Total |
| As on 31 Mar. 2019 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Borrowings | 1,538 | 1,154 | 156 | 228 | | 1,538 |
| Interest | — | — | | | | — |
| Trade payables | — | — | | | | — |
| As on 31 Mar. 2018 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Borrowings | 1,383 | 1,043 | 115 | 224 | | 1,383 |
| Interest | — | — | | | | — |
| Trade payables | 474 | 474 | | | | 474 |

Liquidity Risk:

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and commodity price risk.

Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

GRAVISS HOSPITALITY LIMITED

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Exposure to Interest rate risk:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing long term financial instruments is follows:

| Particulars | 31st March 2019 (Rs. in lacs) | 31st March 2018 (Rs. in lacs) |
|--|----------------------------------|----------------------------------|
| Fixed-rate instruments | | |
| Financial liabilities - measured at amortised cost | — | — |
| Variable-rate instruments | | |
| Financial liabilities - measured at amortised cost | 383 | 339 |
| Total | 383 | 339 |

Cash flow sensitivity analysis for variable-rate instruments: A reasonably possible decrease by 100 basis points in interest rates at the reporting date would have positive impact (before tax) by Rs 3.83 lacs and Rs. 3.39 lacs for the outstanding balances as on 31st March 2019 and 31st March 2018. Similarly a reasonable possible increase by 100 basis points in interest would have negative impact (before tax) by same amounts.

Currency risk:

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

To the extent the exposures on purchases and borrowings are not economically headed by the foreign currency denominated receivables, the Company uses derivative instruments, like, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange and principal only swap rates. Company does not use derivative financial instruments for trading or speculative purposes.

The Company evaluates exchanges rate exposure arising from foreign currency transactions and the Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposure.

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31st March 2019 and 31st March 2018 are as below:

| | (Rs. in lacs) | | |
|-------------------------------------|----------------|----------------|----------|
| | Total | INR | USD |
| As on 31 Mar. 2019 | | | |
| Financial assets | | | |
| Trade and other receivables | 917 | 917 | — |
| Loans | 8,480 | 8,480 | — |
| Other Non-current assets | 69 | 69 | — |
| Cash and Cash equivalents | 122 | 122 | — |
| Other Balances with Banks | 5 | 5 | — |
| Exposure for assets (A) | 9,594 | 9,594 | — |
| Financial liabilities | | | |
| Long term borrowings | 383 | 383 | — |
| Short term borrowings | 998 | 998 | — |
| Trade and other payables | — | — | — |
| Other Current financial liabilities | 762 | 762 | — |
| Exposure for liabilities (B) | 2,144 | 2,144 | — |
| Net exposure (B-A) | (7,450) | (7,450) | — |

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NOTES FORMING PART OF THE BALANCE SHEET

| | (Rs. in lacs) | | |
|-------------------------------------|----------------|----------------|----------|
| | Total | INR | USD |
| As on 31 Mar. 2018 | | | |
| Financial assets | | | |
| Trade and other receivables | 619 | 619 | — |
| Loans | 8,506 | 8,506 | — |
| Other Non-current assets | 64 | 64 | — |
| Cash and Cash equivalents | 146 | 146 | — |
| Other Balances with Banks | 6 | 6 | — |
| Exposure for assets (A) | 9,341 | 9,341 | — |
| Financial liabilities | | | |
| Long term borrowings | 339 | 339 | — |
| Short term borrowings | 880 | 880 | — |
| Trade and other payables | 474 | 474 | — |
| Other Current financial liabilities | 654 | 654 | — |
| Exposure for liabilities (B) | 2,348 | 2,348 | — |
| Net exposure (B-A) | (6,993) | (6,993) | — |

Sensitivity analysis:

A reasonably possible strengthening of the Indian Rupees against USD at March, 31 by Rs. NIL would have positive impact (before tax) by Rs NIL and Rs NIL for the net outstanding balance as on 31-03-2019 and 31-03-2018 respectively. Similarly a reasonably possible weakening of the Indian Rupee against USD would have a negative impact (before tax) by same amounts.

Capital Management

For the purpose of the Company's capital management, capital includes issued capital, convertible instruments and reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments, if any, required in the light of the current economic environment and other business requirements.

53. Standards Issued but not yet effective

Ind AS 116- Leases

Ind AS 116 was issued in June 2017 and will supersede the existing Ind AS 17. Under Ind AS 116, lessee is required to recognize the right-of-use asset and liabilities at present value of lease payments payable on that date for all leases with a term of more than 12 months. As a consequence, lessee will recognize depreciation of the right-of-use asset and interest on lease liability and also present the principal and interest portion in financing activity separately in the cash flow statement. All other requirements of Ind AS 16 Property, Plant & Equipment will apply to right-of-use asset recognized as per Ind AS 116. This standard will come in to force from accounting period commencing on or after 1st April 2019. The Company will adopt the new standard on the required effective date.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On 30th March 2019 the Ministry of Corporate Affairs has notified the said Appendix effective from 1st April 2019 by which the companies are required to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments while determining the taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments,. The effect of adoption of this Appendix would be insignificant.

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

Amendment to Ind AS 12- Income Taxes

On 30th March 2019 the Ministry of Corporate Affairs has notified the said Amendment effective from 1st April, 2019. This amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those transactions or events. This amendment will not have any effect on the financial statements.

Amendment to Ind AS 19- Employee Benefits relating to Plan amendment, curtailment or settlement

On 30th March 2019 the Ministry of Corporate Affairs has notified the said Amendment effective from 1st April, 2019. The amendment requires an entity to use updated assumptions to determine current service cost and net interest cost for the remainder of the period after a plan amendment, curtailment or settlement and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even in that surplus was not previously recognized because of the impact of the asset ceiling. This amendment will not have any impact on the financial statements.

54. 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 54

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

V. MOHAN

Partner (Membership No. 17748)

Place: Mumbai

Dated: 10th May, 2019

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

F.L. GOYAL

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary

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Independent Auditors' Report

To the Members of Graviss Hospitality Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Graviss Hospitality Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2019 the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (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 31st March, 2019, of consolidated loss, total comprehensive income, consolidated changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Financial Performance highlights, Board's Report including Annexures to Board's Report, Management Discussions and Analysis, Business Responsibility Report, Report on Corporate Governance, Shareholders Information and other information in Integrated Annual Report but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and identified above when it becomes available, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

GRAVISS HOSPITALITY LIMITED

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 235.33 lacs as at 31st

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March, 2019, total revenues of Rs. 0.93 lacs and net cash flows amounting to Rs. -4.30 lacs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS 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 Ind AS 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, based on our audit 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 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 (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company incorporated in India and the reports of the statutory auditors of a subsidiary incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure 1".
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its managing director during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the report of the other auditors on the financial statements of a subsidiary company as noted in other matter paragraph:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 37.A to the consolidated Ind AS financial statements.
 - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Group.

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

Place: Mumbai
Dated: 10th May, 2019

V. MOHAN
Partner
Membership No. 17748

GRAVISS HOSPITALITY LIMITED

ANNEXURE 1

To the Independent Auditor's Report of even date on the Consolidated Ind As 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Graviss Hospitality Limited ("the Parent") 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 Parent, 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 Parent, 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, 2019, 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 report of the auditor of such company incorporated in India.

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm Registration No. 109208W
V. MOHAN
Partner
Membership No. 17748

Place: Mumbai
Dated: 10th May, 2019

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Consolidated Balance Sheet as at 31st March, 2019

| Particulars | Note No. | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|--|----------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, plant and equipment | 6 | 17,030.32 | 17,050.96 |
| Capital Work-in-Progress | 6 | 1,282.64 | 1,202.33 |
| Financial Assets | | | |
| Investments | 7 | 7.59 | 9.17 |
| Trade receivables | 12 | 38.25 | 38.25 |
| Loans | 8 | 1,102.08 | 1,153.16 |
| Others | 9 | 177.83 | 171.15 |
| Income Tax assets (Net) | | 66.93 | 26.30 |
| Other Non-current assets | 10 | 300.00 | 300.00 |
| Total Non-current assets | | 20,005.64 | 19,951.32 |
| Current assets | | | |
| Inventories | 11 | 4,407.46 | 4,383.79 |
| Financial Assets | | | |
| Trade receivables | 12 | 899.11 | 585.87 |
| Cash and cash equivalents | 13 | 132.61 | 154.26 |
| Other Balances with Banks | 14 | 5.45 | 5.99 |
| Loans | 15 | 8.54 | 29.40 |
| Other Financial Assets | 16 | 0.28 | 1.29 |
| Income Tax assets (Net) | | 30.52 | 27.88 |
| Other current assets | 17 | 168.10 | 157.24 |
| Total current assets | | 5,652.07 | 5,345.72 |
| Total Assets | | 25,657.71 | 25,297.04 |
| EQUITY AND LIABILITIES | | | |
| Equity: | | | |
| Equity Share capital | 18 | 1,410.39 | 1,410.39 |
| Other Equity | 19 | 18,937.91 | 19,112.98 |
| Total Equity | | 20,348.30 | 20,523.37 |
| Liabilities: | | | |
| Non-current Liabilities: | | | |
| Financial Liabilities: | | | |
| Borrowings | 20 | 492.15 | 454.10 |
| Other non-current liabilities | 21 | 18.06 | 18.06 |
| Deferred tax liabilities (Net) | 22 | 2,045.93 | 2,158.33 |
| Total Non-current liabilities | | 2,556.14 | 2,630.49 |
| Current Liabilities: | | | |
| Financial Liabilities: | | | |
| Borrowings | 23 | 998.45 | 879.92 |
| Trade payables | 24 | — | — |
| Total outstanding dues of Micro and Small Enterprises | | 886.77 | 476.63 |
| Total outstanding dues of creditors other than Micro and Small Enterprises | | 794.21 | 681.61 |
| Other Financial Liabilities | 25 | 65.21 | 93.72 |
| Other Current liabilities | 26 | 8.63 | 11.30 |
| Provisions | 27 | — | — |
| Total current liabilities | | 2,753.27 | 2,143.18 |
| Total Liabilities | | 5,309.41 | 4,773.67 |
| Total Equity and Liabilities | | 25,657.71 | 25,297.04 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
OTHER NOTES TO THE FINANCIAL STATEMENTS

1 TO 58

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

V. MOHAN

Partner (Membership No. 17748)

Place: Mumbai

Dated: 10th May, 2019

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

F.L. GOYAL

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary

GRAVISS HOSPITALITY LIMITED

Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2019

| Particulars | | For the Year ended 31/03/2019 (Rs. in lacs) | For the Year ended 31/03/2018 (Rs. in lacs) |
|---|-----------------|--|--|
| INCOME | Note No. | | |
| Revenue from operations | 28 | 4,752.00 | 4,850.69 |
| Other Income | 29 | 96.52 | 26.42 |
| TOTAL INCOME | | 4,848.52 | 4,877.11 |
| EXPENSES | | | |
| Food and Beverages consumed | 30 | 835.06 | 654.78 |
| Employee benefits expense | 31 | 1,215.97 | 1,187.28 |
| Finance costs | 32 | 150.80 | 162.88 |
| Depreciation and amortisation expenses | 33 | 510.67 | 580.27 |
| Other expenses | 34 | 2,655.67 | 2,388.31 |
| TOTAL EXPENSES | | 5,368.17 | 4,973.52 |
| PROFIT/(LOSS) BEFORE TAX | | (519.65) | (96.41) |
| Tax expense: | | | |
| Current tax | | (1.60) | (0.70) |
| Deferred tax (Net) (Refer Note "22") | | 117.63 | 3.09 |
| Excess Provision for Tax of earlier years reversed | | 214.95 | — |
| Total tax expenses | | 330.98 | 2.39 |
| PROFIT /(LOSS) AFTER TAX | | (188.67) | (94.02) |
| Other comprehensive income: | 35 | | |
| (i) Items that will not be reclassified to profit or loss | | 18.81 | (44.96) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (5.23) | 12.51 |
| (iii) Items that will be reclassified to profit or loss | | — | — |
| (iv) Income tax relating to items that will be reclassified to profit or loss | | — | — |
| Other comprehensive income for the year | | 13.58 | (32.45) |
| Total comprehensive income for the year | | (175.09) | (126.47) |
| Earning per equity share- Rs. | 36 | | |
| (a) Basic | | (0.25) | (0.18) |
| (b) Diluted | | (0.25) | (0.18) |
| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS | 1 TO 58 | | |

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

V. MOHAN

Partner (Membership No. 17748)

Place: Mumbai

Dated: 10th May, 2019

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

F.L. GOYAL

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary

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Consolidated Cash Flow Statement for the Year Ended 31st March, 2019

| Particulars | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) | |
|--|--------------------------------------|--------------------------------------|------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit before taxation, and extraordinary item | (519.65) | (96.41) | |
| Less: Remeasurement of Employees Benefits Adjusted in OCI | 18.81 | (44.96) | |
| Net profit before Tax After Adjustment in OCI | (500.84) | (141.37) | |
| Adjustments for: | | | |
| Non Cash Items | | | |
| Depreciation and Amortisation Expenses | 510.67 | 580.27 | |
| Finance Cost | 150.80 | 162.88 | |
| Interest Income | (57.35) | (14.28) | |
| Dividend Income | (0.06) | (0.06) | |
| (Profit) / loss on sale of fixed assets | (33.68) | (4.01) | |
| (Profit) / loss on sale of investments | - | (0.06) | |
| Income Recognized Against Capital Grant | 570.38 | 724.75 | |
| Operating profit before working capital changes | 69.54 | 583.38 | |
| Adjustments for: | | | |
| Trade and other receivables | (313.24) | (174.65) | |
| Inventories | (23.66) | (14.99) | |
| Loans | 51.09 | 524.77 | |
| Other current assets | 4.87 | (9.72) | |
| Other Financial Liabilities | 112.60 | 83.40 | |
| Other Current Liabilities | (28.51) | 25.90 | |
| Trade and other payables | 407.48 | 60.39 | |
| Cash generations from operations | 280.16 | 1,078.49 | |
| Direct taxes paid | 170.08 | 23.16 | |
| Net cash flow from Operating Activities | 450.25 | 1,101.65 | |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (631.19) | (858.14) | |
| Sale of Fixed Assets | 94.53 | 5.00 | |
| (Purchase)/Sales of Investments | 1.58 | (2.29) | |
| Interest Income | 57.35 | 14.28 | |
| Dividend Income | 0.06 | 0.06 | |
| Net cash used in Investing Activities | (477.68) | (841.09) | |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from Long-term borrowings | (127.05) | 191.26 | |
| Repayment of Long-term borrowings | 165.10 | (195.00) | |
| Short Term borrowings (Net) | 118.53 | (13.59) | |
| Finance Cost | (150.80) | (162.88) | |
| Net cash used in financing activities (C) | 5.78 | (180.20) | |
| Net Increase / (Decrease) in Cash and cash equivalents (A+B+C) | (21.65) | 80.35 | |
| Opening Cash and Cash Equivalents | 154.26 | 73.91 | |
| Closing Cash and Cash Equivalents | 132.61 | 154.26 | |
| | 21.65 | (80.35) | |
| Breakup of Opening Cash and Cash Equivalents | | | |
| Balances with Banks | | | |
| In Current Accounts | 139.37 | 52.63 | |
| Cash on Hand | 14.89 | 21.28 | |
| Cash and Cash Equivalents | 154.26 | 73.91 | |
| Breakup of Closing Cash and Cash Equivalents | | | |
| Balances with Banks | | | |
| In Current Accounts | 107.76 | 139.37 | |
| Cash on Hand | 24.85 | 14.89 | |
| Cash and Cash Equivalents | 132.61 | 154.26 | |
| Disclosure as per Ind AS -7 as below: | | | |
| Particulars | 01/04/2018 | Cash Flows | 31/03/2019 |
| Long Term Borrowings | 454.10 | 38.05 | 492.15 |
| Short Term Borrowings | 879.92 | 118.53 | 998.45 |
| Total Liabilities from financing activities | 1,334.02 | 156.58 | 1,490.60 |

As per our separate report of even date

For **V. SANKAR AIYAR & CO.**
Chartered Accountants
Firm Registration No. 109208W
V. MOHAN
Partner (Membership No. 17748)

GAURAV GHAI
Joint Managing Director
(DIN:00074857)
F.L. GOYAL
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M.V. DOSHI
Director
(DIN:00123243)
KAINAAZ BHARUCHA
Company Secretary

Place: Mumbai
Dated: 10th May, 2019

GRAVISS HOSPITALITY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

A. Equity Share Capital

(Rs. in lacs)

| | Opening balance | Changes during the year | Closing balance |
|-----------------------|-----------------|-------------------------|-----------------|
| As at 31st March 2019 | 1,410.39 | — | 1,410.39 |
| As at 31st March 2018 | 1,410.39 | — | 1,410.39 |

B. Other Equity

(Rs. in lacs)

| | Reserves and Surplus | | | | | | Goodwill on consolidation | Other Comprehensive Income | Total |
|---|----------------------|-----------------|--------------------|----------------------------|-----------------|----------------------------|---------------------------|----------------------------|-----------|
| | Retained Earnings | General Reserve | Warrants Forfeited | Securities Premium Reserve | Capital Reserve | Capital Redemption Reserve | | | |
| Balance as at 01st April 2018 | (2,471.32) | 11,320.29 | 850.01 | 9,183.07 | 7.78 | 318.52 | (112.44) | 17.05 | 19,112.98 |
| Additions during the year | — | — | — | — | — | — | — | — | — |
| Surplus in the Statement of profit and loss | (188.67) | — | — | — | — | — | — | 13.58 | (175.09) |
| Balance as at 31 March 2018 | (2,659.99) | 11,320.29 | 850.01 | 9,183.07 | 7.78 | 318.52 | (112.44) | 30.63 | 18,937.91 |

C. Nature of reserves

Securities Premium collected on issue of securities are accumulated as part of securities premium.

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Company Overview:

The consolidated financial statements relate to Graviss Hospitality Limited and its subsidiary companies (referred collectively as the "Group") as at 31st March, 2019. Graviss Hospitality Limited was incorporated in 1959. The Registered Office of the Company is located at Pune. Its shares are listed in Bombay Stock Exchange (BSE). The company and its subsidiaries are engaged in the hospitality business.

2. Basis for preparation, Principles of Consolidation:

The consolidated financial statements of Graviss Hospitality Limited and its subsidiary companies (referred collectively as the "Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (Act) read with Rule 4A of Companies (Accounts) Second Amendment Rules, 2015, Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder. The consolidated financial statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities which have been measured at fair value.

The Financial Statements of the Group 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. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements. The Financial Statements of the Subsidiary Companies used in the consolidation are drawn up to the same reporting date as that of the Company, i.e 31st March, 2018.

The Group's presentation and functional currency is Indian Rupees (₹) and all values are rounded off to the nearest lacs (INR 00,000), except when otherwise indicated.

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on 10-05-2019.

3. Companies included in Consolidation:

| <u>Subsidiaries</u> | <u>Country of incorporation</u> | <u>% Holding</u> |
|----------------------------------|---------------------------------|------------------|
| Graviss Catering Private Limited | India | 100 |
| Graviss Hotels & Resorts Limited | India | 99.98 |
| Hotel Kankeshwar Private Limited | India | 100 |

4. Use of Judgement, Assumptions and Estimates:

The preparation of the Group's financial statements requires management to make informed judgements, reasonable assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected.

In the assessment of the Group, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements relate to the following areas:

- Financial instruments;
- Useful lives of property, plant & equipment
- Valuation of inventories
- Measurement of recoverable amounts of assets / cash-generating units;
- Assets and obligations relating to employee benefits
- Evaluation of recoverability of deferred tax assets; and
- Provisions and Contingencies.

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

5. SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant & equipment

- a) The cost of an item of property, plant and equipment is recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.
- b) Property, plant and equipment are stated at cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment loss, if any.
- c) The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation (if any) and the applicable borrowing cost till the asset is ready for its intended use.
- d) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.
- e) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds if any and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- f) Direct expenses incurred during construction period on capital projects are capitalised.
- g) The group has leasehold land which is a finance lease. The carrying amount representing the fair value (revalued before the date of transition to Ind AS) of the leased land, is recognized under Property, Plant and Equipment and is treated as deemed cost on adoption of Ind AS.

B Depreciation

- a) Depreciation on property, plant and equipment (except leasehold land) is provided on the straight line basis, over the useful lives of assets (after retaining the residual value of up to 5%). The useful lives determined are in line with the useful lives as prescribed in the Schedule II of the Act except in case of following assets which are depreciated over their useful life as determined by a Chartered Engineer and Valuer

| <u>Asset Description</u> | <u>Useful Life (Years)</u> |
|--|--------------------------------|
| Building | 30 |
| Air-conditioning plant, cooking machinery, security and fire fighting equipments | 15 |
| Furniture & Fixtures including interior design | 8 |

- b) Residual value of building and vehicles is estimated at 5% of the original cost and at nil value for all other assets.
- c) Items of property, plant and equipment costing not more than Rs.5,000 each are depreciated at 100 percent in the year in which they are capitalised.
- d) Expenditure on major repairs and overhauls which qualify for recognition in the item of Property, Plant and Equipment and which result in additional useful life, is depreciated over the extended useful life of the asset as determined by technical evaluation.
- e) Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.
- f) No depreciation is charged on Land taken on lease, since the group has right to renew the lease for indefinite terms.

C Accounting for Leases

At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease and whether it is a finance lease or an operating lease. If substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Group as lessee the arrangement is treated as a finance lease otherwise it is considered as an operating lease.

D Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location, including appropriate overheads apportioned on a reasonable and consistent basis and is determined on the following basis:

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- a Food and Beverages on weighted average basis.
- b. Stores and other operating supplies on weighted average basis.

Obsolete, slow moving, surplus and defective stocks are identified and where necessary, provision is made for such stocks.

E Revenue Recognition

Sale of goods: Revenue from the sale of goods is recognised when the performance obligation is satisfied by transferring the related goods to the customer. The performance obligation is considered to be satisfied when the customer obtains control of the goods.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to arrangements involving more than one performance obligation), net of returns, taxes or duties collected on behalf of the Government and applicable trade discounts or rebates.

Interest income is recognised using Effective Interest Rate (EIR) method.

Dividend income is recognized when the right to receive payment is established.

F Employee Benefits

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss for the year/period in which the related services are rendered.

The Group's post-employment benefit consists of provident fund and gratuity. The Group also provides for leave encashment which is in the nature of long term benefit.

Group's contributions to provident fund which is a defined benefit plan, are recognised as an expense in the Statement of Profit & Loss for the year/period in which the services are rendered. The Group's contribution to the Provident Fund is remitted to government provident fund authority based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss.

The Group operates defined benefit plan for Gratuity. The cost of providing such defined benefit is determined using the projected unit credit method of actuarial valuation made at the end of the year. The Group has created an Employees Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Met Life Insurance company

Obligations on leave encashment are provided using the projected unit credit method of actuarial valuation made at the end of the year.

Actuarial gains and losses are recognised in other comprehensive income for gratuity and recognised in the Statement of Profit & Loss for leave encashment.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- a Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b Net interest expense or income

G Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets till the month in which the asset is ready for use. All other borrowing costs are charged to the Statement of Profit & Loss.

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

H Foreign Currency Transactions

Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit & Loss.

Non – Monetary items:

Non-monetary items that are measured in terms of historical cost are recorded at the exchange rates at the dates of the initial transactions

I Provisions, Contingent Liabilities and Contingent assets

- a) Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision are recognised in the Statement of Profit & Loss net of any reimbursement.
- b) If the effect of time value of money is material, provisions are shown at present value of expenditure expected to be required to settle the obligation, by discounting using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- c) Contingent liabilities are possible obligations arising from past events and whose existence will only be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.
- d) Contingent Assets are not recognised but reviewed at each balance sheet date and disclosure is made in the Notes in respect of possible effects that arise from past events and whose existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and where inflow of economic benefit is probable.

J Fair Value measurement

- a) The Group measures financial instruments at fair value at each balance sheet date.
- b) Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.
- c) While measuring the fair value of an asset or liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value using observable market data as far as possible and minimising the use of unobservable inputs. Fair values are categorised into 3 levels as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices for similar item) or indirectly (i.e. derived from prices)

Level 3: inputs that are not based on observable market data (unobservable inputs)

K Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories

Financial Assets at amortised cost

Financial assets at fair value through profit or loss (FVTPL)

Financial Assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows, if any, that are solely payments of principal and interest, if applicable (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Financial assets which are considered as receivable on demand at any time, are not discounted on initial recognition and on subsequent measurement.

Financial assets at FVTPL

Any financial asset, which does not meet the criteria for categorization as at amortized cost is classified as at FVTPL.

Equity investments in subsidiaries

Investment in subsidiaries are accounted for at cost in standalone financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- a) Rights to receive cash flows from the asset have expired, or
- b) The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Financial liabilities

Initial recognition and measurement.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Subsequent measurement

Financial liabilities are measured subsequently at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial liabilities which are considered as repayable on demand at any time, are not discounted on initial recognition and on subsequent measurement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

L Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current if they are expected to be realised / settled within twelve months after the reporting period. All other assets and liabilities are considered as non-current.

M Impairment

Financial Assets

Loss allowance for expected credit losses is recognised for financial assets. The Group recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

Non-financial Assets

At each Balance Sheet date, an assessment is made of whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

N Taxes on Income

Current Tax

Income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax

Deferred tax (both assets and liabilities) is calculated using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The amount of deferred tax assets is reviewed at each reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current tax and Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit & Loss, other comprehensive income or directly in equity.

O Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period, adjusted for the effect of all dilutive potential equity shares.

P Cash and Cash equivalents

Cash and cash equivalents include cash at bank, cash, cheques and draft on hand. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

Q Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned.

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE '6' - PROPERTY, PLANT AND EQUIPMENT:

(Rs. in lacs)

| DESCRIPTION OF ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | | |
|-----------------------|--------------------------------|-------------------------------|----------------------------|--------------------------------|---------------------------------------|--------------|--------------------|------------------|------------------|------------------|
| | At fair value as on 01/04/2018 | Additions and other transfers | Sales and other deductions | At fair value as on 31/03/2019 | Opening Depreciation as on 01/04/2018 | For the year | Dep on sold assets | As at 31/03/2019 | As at 31/03/2019 | As at 31/03/2018 |
| Land | 11,225.46 | 53.50 | 59.35 | 11,219.61 | — | — | — | — | 11,219.61 | 11,225.46 |
| Building | 4,806.63 | 211.05 | — | 5,017.68 | 344.72 | 208.08 | — | 552.80 | 4,464.88 | 4,461.83 |
| Premises | 43.93 | — | — | 43.93 | 43.93 | — | — | 43.93 | — | — |
| Plant and Machinery | 227.39 | 37.37 | — | 264.76 | 120.60 | 23.07 | — | 143.67 | 121.09 | 106.91 |
| Furniture & Fixtures | 1,165.70 | 173.90 | — | 1,339.60 | 248.10 | 200.39 | — | 448.49 | 891.11 | 917.56 |
| Office Equipments | 380.37 | 30.57 | — | 410.94 | 208.65 | 46.22 | — | 254.87 | 156.07 | 166.42 |
| Vehicles | 218.60 | — | 8.88 | 209.72 | 63.98 | 26.20 | 7.38 | 82.80 | 126.92 | 159.92 |
| Computers | 28.89 | 44.49 | — | 73.38 | 16.03 | 6.71 | — | 22.74 | 50.64 | 12.86 |
| | 18,096.97 | 550.87 | 68.23 | 18,579.62 | 1,046.01 | 510.67 | 7.38 | 1,549.30 | 17,030.32 | 17,050.96 |
| Previous year | 17,283.28 | 828.25 | 14.56 | 18,096.97 | 479.31 | 580.27 | 13.57 | 1,046.01 | 17,050.96 | |

**As at
31/03/2019
(Rs. in lacs)**

**As at
31/03/2018
(Rs. in lacs)**

NOTE '7' – NON CURRENT INVESTMENTS:

NON-TRADE INVESTMENTS:

INVESTMENTS AT COST:

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 |

INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS:

Quoted:

| | | |
|--|------|------|
| 3,820 Equity Shares of Edelweiss Capital Limited of Rs. 1 each | 7.53 | 9.10 |
| | 7.59 | 9.17 |
| Aggregate value of unquoted investments | 0.06 | 0.06 |
| Aggregate value of quoted investments | 7.53 | 9.10 |
| Market value of quoted investments | 7.53 | 9.10 |

NOTE '8' – LONG-TERM LOANS AND ADVANCES

| | | |
|--|----------|----------|
| Security Deposits | 1,102.08 | 1,153.15 |
| Loans to Related Parties | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | — | — |
| iii Which have significant increase in Credit Risk | — | — |
| iv Credit Impaired | — | — |
| | 1,102.08 | 1,153.16 |

NOTE '9' – OTHER NON-CURRENT FINANCIAL ASSETS:

| | | |
|--|--------|--------|
| Margin Money Deposit with Bank | 102.67 | 95.98 |
| Other receivables from related parties | 75.16 | 75.16 |
| | 177.83 | 171.15 |

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '10' – OTHER NON-CURRENT ASSETS: | | |
| Capital advance | 300.00 | 300.00 |
| NOTE '11' – INVENTORIES (Valued at lower of cost and net realisable value): | | |
| Food and Beverages | 117.38 | 144.26 |
| Stores and Other Operating Supplies | 54.75 | 9.22 |
| Stock in trade | 4,235.33 | 4,230.31 |
| | 4,407.46 | 4,383.79 |
| NOTE '12' – TRADE RECEIVABLES: | | |
| Non Current: | | |
| (a) Trade receivable from others | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 38.25 | 38.25 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | 38.25 | 38.25 |
| Current: | | |
| (b) Trade receivable from others | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 86.63 | 29.36 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | 86.63 | 29.36 |
| (c) Trade receivable from related parties | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 812.48 | 556.51 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | 812.48 | 556.51 |
| | 899.11 | 585.87 |
| NOTE '13' – CASH AND CASH EQUIVALENTS: | | |
| Current accounts | 107.76 | 139.37 |
| Cash on hand | 24.85 | 14.89 |
| | 132.61 | 154.26 |
| NOTE '14' – OTHER BALANCES WITH BANKS: | | |
| Earmarked balances | 0.99 | 1.94 |
| Fixed Deposit with banks maturing within one year | 4.46 | 4.05 |
| | 5.45 | 5.99 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '15' – SHORT-TERM LOANS AND ADVANCES: | | |
| Loans to employees: | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 8.54 | 29.40 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Credit Impaired | — | — |
| | <u>8.54</u> | <u>29.40</u> |
| NOTE '16' – OTHER FINANCIAL ASSETS: | | |
| Other advances | 0.28 | 1.29 |
| | <u>0.28</u> | <u>1.29</u> |
| NOTE '17' – OTHER CURRENT ASSETS: | | |
| Advance to suppliers | 75.23 | 80.79 |
| Prepaid expenses | 92.16 | 76.45 |
| Balances with statutory/government authorities | 0.71 | — |
| | <u>168.10</u> | <u>157.24</u> |
| NOTE '18' – SHARE CAPITAL: | | |
| a Authorised : | | |
| 230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company | 230.00 | 230.00 |
| 113,500,000 Equity shares of Rs. 2 each | 2,270.00 | 2,270.00 |
| | <u>2,500.00</u> | <u>2,500.00</u> |
| b Issued, Subscribed and fully paid-up : | | |
| 70,519,135 Equity shares of Rs. 2 each for cash | 1,410.39 | 1,410.39 |
| 70,519,135 | 1,410.39 | 1,410.39 |
| (70,519,135) | | |
| c Reconciliation of the number of equity shares at the beginning and end of the year | | |
| Opening | 70,519,135 | 70,519,135 |
| Issued during the year | — | — |
| Closing | <u>70,519,135</u> | <u>70,519,135</u> |
| d Shares held by each shareholder holding more than 5% shares | | |
| Equity shares of Rs. 2 each fully paid | | |
| Graviss Holdings Private Limited - 30.93% (30.93%) | 21,813,970 | 21,813,970 |
| Satinetta Finlease & Investments Private Limited- 32.57% (32.57%) | 22,967,844 | 22,967,844 |
| Duneam Investments (Mauritius) Pte Limited- 9.96% (9.96%) | 7,025,708 | 7,025,708 |
| Inter Continental Hotels Corporation, USA- 6.22% (6.22%) | 4,385,235 | 4,385,235 |

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '19' – OTHER EQUITY: | | |
| A Reserves and Surplus | | |
| i Capital Reserves: | | |
| Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad - As per last account | 7.78 | 7.78 |
| ii Warrants Forfeited Account: | | |
| As per last account | 850.01 | 850.01 |
| iii Securities Premium Account: | | |
| As per last account | 9,183.07 | 9,183.07 |
| | 9,183.07 | 9,183.07 |
| iv Capital Redemption Reserve Account: | | |
| As per last account | 318.52 | 318.52 |
| | 318.52 | 318.52 |
| v General Reserve: | | |
| As per last account | 11,320.29 | 11,320.29 |
| | 11,320.29 | 11,320.29 |
| vi Retained Earnings: | | |
| Opening balance | (2,471.31) | (2,377.30) |
| Add : Opening balance adjustment due to Ind AS | — | — |
| Add : Net profit after tax transferred from Statement of Profit and Loss | (188.64) | (94.01) |
| Amount available for appropriation | (2,659.95) | (2,471.31) |
| Balance in Profit and Loss account | (2,659.95) | (2,471.31) |
| Goodwill on consolidation | (112.44) | (112.44) |
| | 18,907.28 | 19,095.93 |
| B Other Comprehensive Income | | |
| As per last account | 17.05 | 49.50 |
| Addition during the year | 13.58 | (32.45) |
| Closing balance | 30.63 | 17.05 |
| | 18,937.91 | 19,112.98 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31/03/2019 (Rs. in lacs) | As at 31/03/2018 (Rs. in lacs) |
|---|--------------------------------------|--------------------------------------|
| Non-current Liabilities: | | |
| NOTE '20' – BORROWINGS: | | |
| Term loans from Bank : (Refer Note "25") | | |
| Axis Bank | | |
| — Term Loan (Secured) - II | 84.08 | 165.90 |
| Note: | | |
| Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 60 monthly installments 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 | 42.87 | 58.99 |
| Note: | | |
| Term loan from bank carries interest @ 12% p.a. The loan is repayable in 60 monthly installments 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. | | |
| — Term Loan (Secured) - IV | 161.68 | — |
| Note: | | |
| Term loan from bank carries interest @ 11.15% p.a. The loan is repayable in 60 monthly installments of Rs. 3.33 lacs each along with interest, from April 2019. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company. | | |
| b) Deferred payment liabilities: | 94.86 | 120.55 |
| (carry interest rates ranging from 10% to 12%, repayable in various EMI and secured by hypothecation of vehicles. Last EMI maturing on March 2022) | | |
| c) Other non-current liabilities: | | |
| Loan from Famed Properties Pvt Ltd | 33.50 | — |
| Other payables | 75.16 | 75.16 |
| | 492.15 | 454.10 |
| NOTE '21' – OTHER NON-CURRENT LIABILITIES: | | |
| Deferred Income | 18.06 | 18.06 |

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NOTE '22' – DEFERRED TAX LIABILITIES (NET):

(Rs. in lacs)

In compliance of Ind AS 12 on "Income Taxes", the item wise details of Deferred Tax Liabilities (Net) are as under:

| Particulars | Opening Balance | Recognised in P&L | Recognised in OCI | Closing Balance |
|---|-----------------|-------------------|-------------------|-----------------|
| For The Year Ended 31st March 2019 | | | | |
| Deferred Tax Liabilities | | | | |
| Difference between accounting and tax | 126.12 | 25.18 | — | 151.30 |
| On revaluation of leasehold land | 2,393.04 | — | — | 2,393.04 |
| Actuarial val of emp benefits | — | — | — | — |
| Total Deferred Tax Liabilities | 2,519.16 | 25.18 | — | 2,544.34 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 90.30 | 31.23 | (5.23) | 116.30 |
| Unabsorbed Depreciation | 270.53 | 111.58 | — | 382.11 |
| Total Deferred Tax Assets | 360.83 | 142.81 | (5.23) | 498.41 |
| Deferred Tax Liabilities (Net) | 2,158.33 | (117.63) | 5.23 | 2,045.93 |
| For The Year Ended 31st March 2018 | | | | |
| Deferred Tax Liabilities | | | | |
| Difference between accounting and tax | 119.58 | 6.54 | — | 126.12 |
| On revaluation of leasehold land | 2,370.03 | 23.01 | — | 2,393.04 |
| Total Deferred Tax Liabilities | 2,489.61 | 29.55 | — | 2,519.16 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 81.30 | (3.51) | 12.51 | 90.30 |
| Unabsorbed Depreciation | 234.39 | 36.14 | — | 270.53 |
| Total Deferred Tax Assets | 315.69 | 32.63 | 12.51 | 360.83 |
| Deferred Tax Liabilities (Net) | 2,173.92 | (3.08) | (12.51) | 2,158.33 |

Deferred Tax Asset on unabsorbed depreciation, unabsorbed business losses and other temporary differences available as per the Income Tax Act, 1961 has been recognized, since it is probable that taxable profit will be available to adjust them in the future years. Unabsorbed depreciation which forms major portion of the Deferred Tax Asset can be carried forward and set off against the profits for unlimited number of years under the Indian Income Tax Act, 1961 and profitability projections based on current margins show sufficient profits for set-off in future.

Reconciliation of effective tax rate as a numerical reconciliation between tax expense and the product of account profit multiplied by the applicable tax rate

| Particulars | 2018-19 | 2017-18 |
|--|-----------------|---------------|
| Profit Before Tax | (519.65) | (96.41) |
| Applicable Tax Rate | 27.82% | 27.82% |
| Tax Using the Applicable Tax Rate | (144.57) | (26.82) |
| Tax Effect of: | | |
| Add: Non-Deductible Tax Expenses | — | — |
| Add: Recognition of Tax Effect of Previously Unrecognized Tax Gains / (Losses) | 31.53 | 0.72 |
| Less: Rate difference | — | 23.01 |
| Tax Expense Recognized in the Statement of Profit & Loss | (113.04) | (3.09) |
| Weighted Average Tax Rate | 21.75% | 3.21% |

The tax rate of 27.82% is applicable to the next financial year as well.

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Tax Expenses recognized in the Statement of Profit & Loss / Other Comprehensive Income (OCI) are as below:

| Particulars | 2018-19 | 2017-18 |
|--|---------------|-------------|
| A. Current Tax Expense | — | — |
| B. Deferred Tax Expense / (Asset) relating to | | |
| — Origination and reversal of temporary differences | 112.40 | 26.10 |
| — Change in tax rates | — | (23.01) |
| — Recognition of previously unrecognized tax losses / (gains) | — | — |
| Total | 112.40 | 3.09 |
| Tax Expenses recognized in the Statement of Profit & Loss | 112.40 | 3.09 |
| Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI | 5.23 | (12.51) |

As at
31/03/2019
(Rs. in lacs)

As at
31/03/2018
(Rs. in lacs)

Current Liabilities:

NOTE '23' – SHORT-TERM BORROWINGS:

Loans repayable on demand from Bank (secured):

| | | |
|------------------|---------------|---------------|
| Axis Bank | 998.45 | 879.92 |
|------------------|---------------|---------------|

Note:

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.

| | |
|---------------|---------------|
| 998.45 | 879.92 |
|---------------|---------------|

NOTE '24' – TRADE PAYABLES

Total outstanding dues of Micro and Small Enterprises

Total outstanding dues of creditors other than Micro and Small Enterprises

| | |
|---------------|---------------|
| — | — |
| 886.77 | 476.63 |
| 886.77 | 476.63 |

NOTE '25' – OTHER CURRENT FINANCIAL LIABILITIES:

Unpaid Dividends (Not due to be deposited into Investor Education and Protection Fund)

Expenses payable

Other payables

Interest free security deposits

Gratuity obligation

Others (Provident Fund, ESIC etc)

Liability for capital expenditure

Current maturities of long term debt: (Refer Note "20")

Term Loans repayable in 12 months

— Indian Rupee Loan

— Deferred Payment Liability

| | |
|---------------|---------------|
| 0.99 | 1.94 |
| 406.79 | 332.92 |
| 43.92 | 12.87 |
| 150.02 | 134.37 |
| 13.77 | 14.36 |
| 23.04 | 17.80 |
| 135.96 | 145.02 |
| 19.72 | 22.32 |
| 794.21 | 681.61 |

NOTE '26' – OTHER CURRENT LIABILITIES:

Interest accrued and due on borrowings

Statutory dues payable*

| | |
|--------------|--------------|
| 65.21 | 93.72 |
| 65.21 | 93.72 |

*Statutory dues primarily include payables in respect of service tax, VAT, SGST, CGST, tax deducted at source)

NOTE '27' – SHORT-TERM PROVISIONS:

Provision for leave benefits

| | |
|-------------|--------------|
| 8.63 | 11.30 |
| 8.63 | 11.30 |

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | For the year ended 31/03/2019 (Rs. in lacs) | For the year ended 31/03/2018 (Rs. in lacs) |
|--|--|--|
| NOTE '28' – REVENUE FROM OPERATIONS: | | |
| Sales-Rooms | 1,666.74 | 1,666.93 |
| Sales-Food and Beverages | 2,877.63 | 2,755.54 |
| Sale of services | 207.63 | 428.22 |
| | <u>4,752.00</u> | <u>4,850.69</u> |
| NOTE '29' – OTHER INCOME: | | |
| Interest received on deposits with banks | 57.35 | 14.28 |
| Dividend income | 0.06 | 0.06 |
| Gain/(Loss) on sale of investments | — | 0.06 |
| Gain/(Loss) on sale of assets | 33.68 | 4.01 |
| Mark to Market gain on equity shares | (1.58) | 3.08 |
| Unclaimed Credit balances written back | — | 0.42 |
| Exchange Rate Difference (net) | — | — |
| Foreign Exchange Commission | — | 0.79 |
| Miscellaneous receipts | 7.01 | 3.72 |
| | <u>96.52</u> | <u>26.42</u> |
| NOTE '30' – FOOD AND BEVERAGES CONSUMED: | | |
| Opening stock | 144.26 | 155.54 |
| Add: Purchases | 808.18 | 643.50 |
| | <u>952.44</u> | <u>799.04</u> |
| Less: Closing stock | (117.38) | (144.26) |
| | <u>835.06</u> | <u>654.78</u> |
| NOTE '31' – EMPLOYEE BENEFITS EXPENSE: | | |
| (refer Note "39") | | |
| Salaries and wages (including bonus and gratuity) | 1,108.52 | 1,072.46 |
| Contributions to : | | |
| Provident, Family Pension and other Funds | 72.76 | 68.71 |
| Staff welfare expenses | 34.69 | 46.11 |
| | <u>1,215.97</u> | <u>1,187.28</u> |
| NOTE '32' – FINANCE COSTS: | | |
| Interest expense | 150.80 | 162.88 |
| Other borrowing costs | — | — |
| Bank Charges | — | — |
| Net loss on foreign currency transactions | — | — |
| | <u>150.80</u> | <u>162.88</u> |
| NOTE '33' – DEPRECIATION AND AMORTISATION EXPENSES: | | |
| Depreciation of tangible assets | 510.67 | 580.27 |
| Amortisation of intangible assets | — | — |
| Amortisation of Amalgamation expenses | — | — |
| | <u>510.67</u> | <u>580.27</u> |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | For the year ended 31/03/2019 (Rs. in lacs) | For the year ended 31/03/2018 (Rs. in lacs) |
|---|--|--|
| NOTE '34' – OTHER EXPENSES: | | |
| Operating Expenses: | | |
| Power, Fuel and Water | 321.76 | 308.17 |
| Repairs and Maintenance: | | |
| Building | 63.03 | 64.27 |
| Machinery | 16.78 | 11.98 |
| Others | 184.51 | 144.65 |
| Stores and Supplies including Linen and Uniforms | 139.17 | 118.21 |
| Washing and Laundry expenses | 89.89 | 63.52 |
| Business Operating expenses | 265.41 | 193.93 |
| Hall Decoration | — | 61.74 |
| Music and other Operating expenses | 83.72 | 87.01 |
| General Expenses: | | |
| Rent | 15.07 | 12.23 |
| Rates and Taxes | 142.69 | 129.39 |
| Insurance | 34.86 | 38.30 |
| Hire charges | 7.70 | 18.26 |
| Advertisement and Sales Promotion | 228.88 | 243.17 |
| Credit Card charges | 56.34 | 58.60 |
| Travelling and Conveyance | 241.88 | 199.51 |
| Printing and Stationery | 23.92 | 23.79 |
| Postage and Telephones | 32.03 | 30.44 |
| Other expenses | 199.55 | 132.17 |
| Payments to Auditors (Note "40") | 9.15 | 12.25 |
| Legal and Professional charges | 342.72 | 283.43 |
| Exchange Rate Difference | 0.24 | 0.06 |
| Franchise and Corporate Service fees | 153.88 | 130.12 |
| Directors Sitting fees | 2.49 | 3.12 |
| Loss on sale of Assets | — | — |
| Security deposit written off | — | 20.00 |
| | 2,655.67 | 2,388.31 |
| NOTE '35' – OTHER COMPREHENSIVE INCOME: | | |
| Items that will not be reclassified to profit or loss | — | — |
| Remeasurement of Defined Benefit Plans | 18.81 | (44.96) |
| Income tax relating to items that will not be reclassified to profit or loss | — | — |
| Remeasurement of Defined Benefit Plans | (5.23) | 12.51 |
| | 13.58 | (32.45) |
| NOTE '36' – EARNINGS PER EQUITY SHARE (BASIC AND DILUTED): | | |
| Net profit after Taxation (in Rs.) | (175.09) | (126.47) |
| Weighted average number of equity shares | 70,519,135 | 70,519,135 |
| Earnings per equity shares (in Rs.) | (0.25) | (0.18) |
| Nominal value per share (Rs.) | 2.00 | 2.00 |

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NOTE '37' – A. CONTINGENT LIABILITIES:

- i Bank Guarantees given to the extent of Rs. 33.49 lacs (previous year Rs. 33.49 lacs).
- ii In the matter of VAT demand and penalty of Rs. 88 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.

B. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is approximately -NIL (previous year NIL). The Company has an export obligation to the extent of Rs 18.06 lacs on account of concessional rate of duty availed under EPCG License Scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

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.

NOTE '38' – RETIREMENT BENEFIT:

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

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

Defined Contribution Plans:

The company has recognised contribution to Provident Fund of Rs.62 lacs in the Profit & Loss Account.

Defined Benefit Plans:

| | Gratuity Funded | |
|--|--------------------------|--------------------------|
| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
| Changes in the Present Value of Obligation | | |
| Present Value of Obligation at beginning of period | 176 | 106 |
| Interest Cost | 13 | 7 |
| Current Service Cost | 24 | 18 |
| Benefits Paid | — | — |
| Actuarial (Gain)/Loss on obligation | (20) | 45 |
| Present Value of Obligation at end of period | 193 | 176 |
| Amount Recognized in the Balance Sheet and statement of profit and loss account | | |
| Present Value of Obligation at end of period | 193 | 176 |
| Fair Value of Plan Assets at end of period | 43 | 42 |
| Funded Status | (150) | (134) |
| Net Asset/ (Liability) recognized in the balance sheet | (150) | (134) |
| Expenses Recognized in the statement of Profit and Loss Account | | |
| Current Service Cost | 24 | 18 |
| Net Interest | 13 | 7 |
| Expenses Recognized in the statement of Profit and Loss Account | 37 | 26 |
| Other Comprehensive Income (OCI) | | |
| Actuarial (Gain)/Loss recognized for the period | (20) | 45 |
| Return on Plan Assets excluding net interest | 1 | 0 |
| Total Actuarial (Gain)/Loss recognized in (OCI) | (19) | 45 |
| Assumptions as at | | |
| Mortality | | IALM(2006-08) Ult |
| Interest / Discount Rate | | 8 to 9% |
| Rate of increase in compensation | | 5 to 10% |
| Employee Attrition Rate (Past Service(PS) | | PS:0 to 40:1.30% |
| Sensitivity Analysis on PVO | | |
| Delta effect of 1% increase in rate of discounting | (9) | (10) |
| Delta effect of 1% decrease in rate of discounting | 10 | 11 |
| Delta effect of 1% increase in rate of rate of salary escalation | 9 | 10 |
| Delta effect of 1% decrease in rate of rate of salary escalation | (9) | (10) |
| Projected benefits payable in future years from the date of reporting | | |
| 1st following year | 15 | 10 |
| Sum of years 2 to 5 | 103 | 96 |
| Sum of years 6 to 10 | 99 | 101 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE '39' – EMPLOYEES' REMUNERATION AND BENEFITS INCLUDES REMUNERATION PAID TO THE MANAGING DIRECTOR AND JOINT MANAGING DIRECTOR:

| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
|--------------------------------|--------------------------|--------------------------|
| Salary | 54 | 54 |
| Contribution to provident fund | 6 | 6 |
| Other Perquisites | 14 | 14 |
| | <u>75</u> | <u>75</u> |

NOTE '40' – PAYMENTS TO AUDITORS

| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
|-------------------------------|--------------------------|--------------------------|
| Audit Fee | 8 | 8 |
| Certification charges and fee | 2 | 5 |
| Other service | — | — |
| | <u>9</u> | <u>12</u> |

NOTE '41'

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

| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
|---|--------------------------|--------------------------|
| Trade Receivables (Current) | | |
| Graviss Holdings Private Limited | 761 | 494 |
| Rich Graviss Products Private Limited | — | — |
| Graviss Foods Private Limited | — | — |
| Ice Hospitality Pvt Ltd | 52 | 63 |
| | <u>812</u> | <u>557</u> |
| Loans and Advances: | | |
| Security Deposits: (Non Current) | | |
| Graviss Holdings Private Limited | 250 | 250 |
| Cross Word Beverages Private Limited | 800 | 800 |
| | <u>1,050</u> | <u>1,050</u> |

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

NOTE '42'

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. Holding Company

Graviss Hospitality Limited

ii Directors

| | |
|----------------------|-----------------|
| Mr Ravi Ghai | Non-Independent |
| Mr Gaurav Ghai | Non-Independent |
| Mr. Harindra Singh | Independent |
| Ms Tina Pardal | Non-Independent |
| Mr. Gulshan Bijlani | Independent |
| Mr. Mahendra V Doshi | Independent |

iii Other Related parties:

Graviss Holdings Pvt Ltd, Cross Word Beverages Pvt Ltd, Graviss Brands Pvt Ltd, Ice Hospitality Pvt Ltd, *Satinetta Finlease and Investments Pvt Ltd, *Amphitrite Investments Co Pvt Ltd, Rich Graviss Products Pvt Ltd, *Oregon Realty Pvt Ltd, *Perfect Livestock Pvt Ltd, *Kwality Fantasy Limited, *Kwality Real Estate Pvt Ltd, *QSR Concepts Pvt Ltd, *ICE Holdings Pvt Ltd, Graviss Fast Foods Pvt Ltd, *West Hills Realty Pvt Ltd, Famed Properties Pvt Ltd
(* no transactions during the year)

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iv Key Managerial Personnel

Mr. Ravi Ghai
Mr. Gaurav Ghai
Mr. Amit Jain (upto 23-10-2018)
Mr. F.L. Goyal (from 23-10-2018)
Ms. Kainaaz Bharucha

Managing Director
Joint Managing Director
Chief Financial Officer
Chief Financial Officer
Company Secretary

B. Transactions with Related Parties:

| | 2018-19 (Rs. in lacs) | 2017-18 (Rs. in lacs) |
|---|--------------------------|--------------------------|
| i Sales | | |
| Graviss Holdings Private Limited | 1,093.03 | 948.17 |
| ii Expenditure and other services fees paid | | |
| Shareholders/Directors/Managing Director | | |
| Mr. Harindra Singh Independent | 0.80 | — |
| Ms Mala Todarwal Non-Independent | — | 1.00 |
| Mr. Gulshan Bijlani Independent | 0.20 | 0.80 |
| Mr. Mahendra V Doshi Independent | 0.80 | 1.20 |
| Ms Tina Pardal Non-Independent | 0.60 | — |
| Other related parties where the common control exists | 99 | 222 |
| iii Managerial Remuneration | | |
| Managing Director and Joint Managing Director | 75 | 75 |
| Chief Financial Officer | 21 | 43 |
| Company Secretary | 8 | 8 |
| iv Purchase of Assets (slump sale) | | |
| Ice Hospitality Private Limited | — | — |
| v Loans /Advances/ Deposits given | | |
| Other related parties where the common control exists | — | — |
| vi Debtors | | |
| Other related parties where the common control exists | 812 | 557 |
| vii Loans /Advances/ Deposits received | | |
| Other related parties where the common control exists | — | — |
| viii Outstanding payables | | |
| Other related parties where the common control exists | 62 | 30 |

NOTE '43' – VALUE OF RAW MATERIALS AND STORES CONSUMED:

| | 2018-19 | | 2017-18 | |
|-----------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
| | Percentage of total consumption | Amount (Rs. in lacs) | Percentage of total consumption | Amount (Rs. in lacs) |
| Raw Materials: | | | | |
| Imported | — | — | — | — |
| Indigenous | 100 | 811 | 100 | 655 |
| Stores: | | | | |
| Imported | — | — | — | — |
| Indigenous | 100 | 70 | 100 | 70 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE '44' – EARNINGS IN FOREIGN EXCHANGE:

| | 2018-19 | 2017-18 |
|--|---------|---------|
| a) Sale of Rooms and Food and Beverages Income | 1,593 | 1,510 |
| b) Encashment of Foreign Exchange | 26 | 26 |

NOTE '45' – EXPENDITURE IN FOREIGN CURRENCIES:

| | | |
|---------------------------|-----|-----|
| a) Travelling - Directors | 42 | 26 |
| b) Travelling - Others | — | 3 |
| c) Agency Commission | 11 | 18 |
| d) Consultants Fees | 18 | 24 |
| e) Franchise Fees | 100 | 147 |
| f) Others | 0 | 1 |

46. (i) Provision for current tax during the year has been made on regular basis.
(ii) Excess provision for tax of earlier years has been reversed based on the assessment / appellate orders received during the year.
47. 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.
48. The Company does not have any asset whose useful life is different from the significant part of that asset.
49. Current and non-current classification of assets and liabilities in the balance sheet has been made based on the professional judgement of the management.
50. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Ind AS 108 Operating Segments.
51. 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.
52. 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.
53. "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.
54. 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.

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NOTE '55' – DISCLOSURE OF NET ASSETS AND SHARE IN PROFIT OR LOSS:

| Sr. No. | Name of the Entity | Net Assets Total Assets minus Total Liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---------|--|--|----------------------------|--|----------------------------|--|----------------------------|--|----------------------------|
| | | As % of consoli- dated net assets | Amount (Rs. in lacs) | As % of consoli- dated profit or (loss) | Amount (Rs. in lacs) | As % of consoli- dated profit or (loss) | Amount (Rs. in lacs) | As % of consoli- dated profit or (loss) | Amount (Rs. in lacs) |
| 1 | Graviss Hospitality Limited - Parent | 105% | 21,291.87 | 96.09% | (181.27) | 100% | 13.58 | 100% | (167.69) |
| 2 | Graviss Catering Private Limited – Subsidiary | -2% | (322.51) | -1.19% | 2.24 | 0% | - | 0% | 2.24 |
| 3 | Graviss Hotels & Resorts Limited – Subsidiary | -3% | (619.91) | -1% | 1.47 | 0% | - | 0% | 1.47 |
| 4 | Hotel Kankeshwar Private Limited – Subsidiary | 0.0% | (1.17) | 5.88% | (11.09) | 0% | - | 0% | (11.09) |
| | | 100% | 20,348.28 | 100% | (188.65) | 100% | 13.58 | 100% | (175.07) |

NOTE '56' – FAIR VALUE MEASUREMENTS:

The following disclosures are made as required by Ind AS-113 pertaining to Fair value measurement:

(a) Accounting classification and fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in current transaction between willing parties, other than in a forced or liquidation sale.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| Financial Liabilities | Carrying amount at Amortised | | Fair value | Fair value measurement hierarchy level |
|-----------------------|---------------------------------|---|------------|---|
| | Cost | | | |
| As on 31 Mar.2019 | | | | |
| Fixed Rate Borrowings | — | — | | Level 2 |
| As on 31 Mar.2018 | | | | |
| Fixed Rate Borrowings | — | — | | Level 2 |

(b) Measurement of fair values:

The following tables shows the valuation techniques used in measuring Level 2 fair values.

| Type | Valuation technique |
|-----------------------|--|
| Fixed Rate Borrowings | Discounted cash flows: The valuation model considers the present value of expected payment discounted using appropriate discounting rates. |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Financial risk management

The Company has exposure to the Credit risk, Liquidity risk and Market risk arising from financial instruments.

Risk Management Framework: The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC), which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits to control / monitor risks and adherence to limit. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company. The Audit Committee is assisted by internal audit. Internal audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is approved by the Board of Directors.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables.

Trade receivables: The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

| | (Rs. in lacs) | | | | |
|----------------------------|-------------------|-----------------------|----------------------|----------------------|-------|
| | Up to 6 months | 6 months to 1 year | 1 year to 3 years | More than 3 years | Total |
| As on 31 March 2019 | | | | | |
| Gross Carrying Amount | — | 87 | — | — | 87 |
| Specific Provision | — | — | — | — | — |
| Carrying Amount | — | 87 | — | — | 87 |
| As on 31 March 2018 | | | | | |
| Gross Carrying Amount | — | 29 | — | — | 29 |
| Specific Provision | — | — | — | — | — |
| Carrying Amount | — | 29 | — | — | 29 |

Cash and cash equivalents:

The Company held cash and cash equivalents of Rs 132.62 lacs as at 31 March 2019 (31 March 2018-Rs. 154.25). The cash and cash equivalents are held with reputed banks.

Liquidity Risk:

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company. The Audit Committee is assisted by internal audit. Internal audit undertakes reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Rs in lacs

| | Contractual cash flows | | | | | Total |
|--------------------------------------|------------------------|--------------|-----------|-----------|--------------------|-------|
| | Carrying amount | Up to 1 year | 1-2 years | 2-5 years | Less than 5 years* | |
| As on 31 Mar. 2019 | | | | | | |
| Non-derivative financial liabilities | — | — | — | — | — | — |
| Borrowings | 1,491 | 1,143 | 135 | 213 | — | 1,491 |
| Interest | — | — | — | — | — | — |
| Trade payables | 887 | 887 | — | — | — | 887 |
| As on 31 Mar. 2018 | | | | | | |
| Non-derivative financial liabilities | — | — | — | — | — | — |
| Borrowings | 1,426 | 1,047 | 141 | 238 | — | 1,426 |
| Interest | — | — | — | — | — | — |
| Trade payables | 477 | 477 | — | — | — | 477 |

Liquidity Risk:

Market risk is the risk that changes in market price such as foreign exchange rates, interest rates and commodity prices, will affect the Company's income or value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables, long term debt and commodity prices. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and commodity price risk.

Interest rate risk:

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest rate risk:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing long term financial instruments is as follows:

| Particulars | 31st March 2019 (Rs. in lacs) | 31st March 2018 (Rs. in lacs) |
|--|----------------------------------|----------------------------------|
| Fixed-rate instruments | | |
| Financial liabilities - measured at amortised cost | — | — |
| Variable-rate instruments | | |
| Financial liabilities - measured at amortised cost | 383 | 339 |
| Total | 383 | 339 |

Cash flow sensitivity analysis for variable-rate instruments: A reasonably possible decrease by 100 basis points in interest rates at the reporting date would have positive impact (before tax) by Rs 3.83 lacs and Rs. 3.39 lacs for the outstanding balances as on 31st March 2019 and 31st March 2018. Similarly a reasonable possible increase by 100 basis points in interest would have negative impact (before tax) by same amounts.

Currency risk:

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

To the extent the exposures on purchases and borrowings are not economically hedged by the foreign currency denominated receivables, the Company uses derivative instruments, like, foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange and principal only swap rates. Company does not use derivative financial instruments for trading or speculative purposes.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies including the use of derivatives like foreign exchange forward contracts to hedge exposure.

GRAVISS HOSPITALITY LIMITED

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Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31st March 2019 and 31st March 2018 are as below:

| | (Rs. in lacs) | | |
|-------------------------------------|---------------|--------------|-----|
| | Total | INR | USD |
| As on 31 Mar. 2019 | | | |
| Financial assets | | | |
| Trade receivables | 937 | 937 | — |
| Cash and Cash Equivalents | 133 | 133 | — |
| Other Balances with Banks | 5 | 5 | — |
| Loans | 1,111 | 1,111 | — |
| Other Current / Non Current Assets | 646 | 646 | — |
| Exposure for assets (A) | 2,832 | 2,832 | — |
| Financial liabilities | | | |
| Long term borrowings | 492 | 492 | — |
| Short term borrowings | 998 | 998 | — |
| Trade and other payables | — | — | — |
| Other Current financial liabilities | 886 | 886 | — |
| Exposure for liabilities (B) | 2,377 | 2,377 | — |
| Net exposure (B-A) | (456) | (456) | — |

| | (Rs. in lacs) | | |
|-------------------------------------|---------------|--------------|-----|
| | Total | INR | USD |
| As on 31 Mar. 2018 | | | |
| Financial assets | | | |
| Trade receivables | 624 | 624 | — |
| Cash and Cash Equivalents | 154 | 154 | — |
| Other Balances with Banks | 6 | 6 | — |
| Loans | 1,183 | 1,183 | — |
| Other Current / Non Current Assets | 630 | 630 | — |
| Exposure for assets (A) | 2,597 | 2,597 | — |
| Financial liabilities | | | |
| Long term borrowings | 454 | 454 | — |
| Short term borrowings | 880 | 880 | — |
| Trade and other payables | — | — | — |
| Other Current financial liabilities | 805 | 805 | — |
| Exposure for liabilities (B) | 2,139 | 2,139 | — |
| Net exposure (B-A) | (458) | (458) | — |

Sensitivity analysis:

A reasonably possible strengthening of the Indian Rupees against USD at March, 31 by NIL would have positive impact (before tax) by Rs NIL and Rs NIL for the net outstanding balance as on 31-03-2019 and 31-03-2018 respectively. Similarly a reasonably possible weakening of the Indian Rupee against USD would have a negative impact (before tax) by same amounts.

Capital Management

For the purpose of the Company's capital management, capital includes issued capital, convertible instruments and reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments, if any, required in the light of the current economic environment and other business requirements.

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

57. Standards Issued but not yet effective

Ind AS 116- Leases

Ind AS 116 was issued in June 2017 and will supersede the existing Ind AS 17. Under Ind AS 116, lessee is required to recognize the right-of-use asset and liabilities at present value of lease payments payable on that date for all leases with a term of more than 12 months. As a consequence, lessee will recognize depreciation of the right-of-use asset and interest on lease liability and also present the principal and interest portion in financing activity separately in the cash flow statement. All other requirements of Ind AS 16 Property, Plant & Equipment will apply to right-of-use asset recognized as per Ind AS 116. This standard will come in to force from accounting period commencing on or after 1st April 2019. The Company will adopt the new standard on the required effective date.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On 30th March 2019 the Ministry of Corporate Affairs has notified the said Appendix effective from 1st April 2019 by which the companies are required to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments while determining the taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments. The effect of adoption of this Appendix would be insignificant.

Amendment to Ind AS 12- Income Taxes

On 30th March 2019 the Ministry of Corporate Affairs has notified the said Amendment effective from 1st April, 2019. This amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those transactions or events. This amendment will not have any effect on the financial statements.

Amendment to Ind AS 19- Employee Benefits relating to Plan amendment, curtailment or settlement

On 30th March 2019 the Ministry of Corporate Affairs has notified the said Amendment effective from 1st April, 2019. The amendment require an entity to use updated assumptions to determine current service cost and net interest cost for the remainder of the period after a plan amendment, curtailment or settlement and to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even in that surplus was not previously recognized because of the impact of the asset ceiling. This amendment will not have any impact on the financial statements.

58. 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 58

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

V. MOHAN

Partner (Membership No. 17748)

Place: Mumbai

Dated: 10th May, 2019

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

F.L. GOYAL

Chief Financial Officer

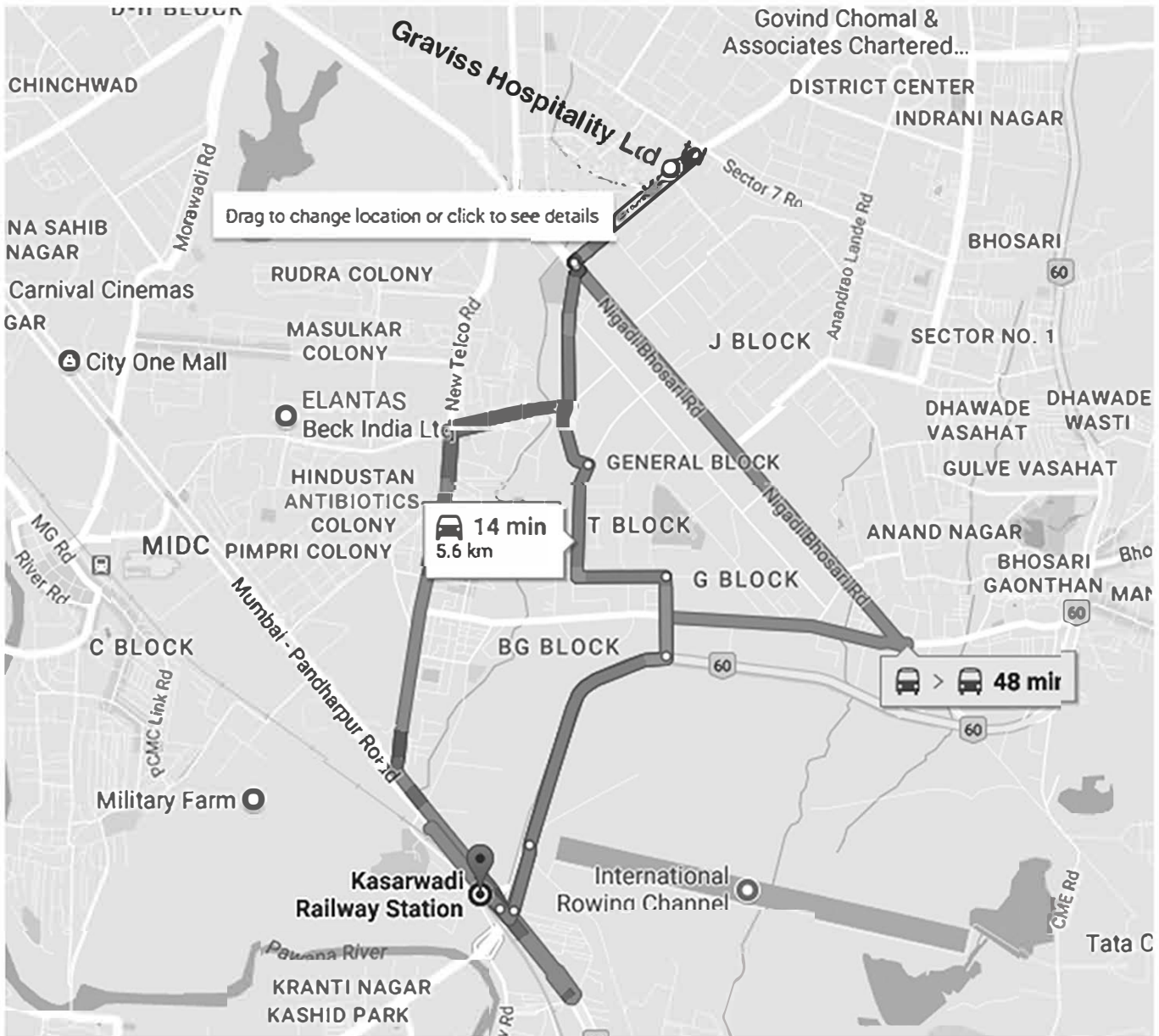
M.V. DOSHI

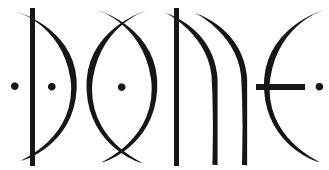
Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary





HOTEL INTERCONTINENTAL, MARINE DRIVE



GRAVISS

HOSPITALITY

QUALITY • PASSION • INNOVATION

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