

## AUDITOR'S REPORT TO THE MEMBERS OF GRAVISS HOSPITALITY LIMITED

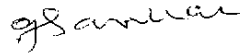
1. We have audited the attached Balance Sheet of GRAVISS HOSPITALITY LIMITED as at 31st March, 2012 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and read together with the Companies (Auditor's Report) Amendment Order, 2004 (hereinafter referred to as the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
  - (v) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a



Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
  - (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date, and
  - (c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For **V. Sankar Aiyar & Co.**,  
**Chartered Accountants.**  
**Firm Registration No. 109208W**



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

Place: Mumbai  
Dated: 27<sup>th</sup> April, 2012

**AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF GRAVISS HOSPITALITY LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GRAVISS HOSPITALITY LIMITED AND ITS SUBSIDIARIES**

1. We have audited the attached Consolidated Balance Sheet of **GRAVISS HOSPITALITY LIMITED** (the Company) and its Subsidiaries (the Group) as at 31<sup>st</sup> March, 2012, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statement and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of a subsidiary company whose financial statement reflects total assets of Rs.146.35 lacs as at 31<sup>st</sup> March, 2012, the total revenue of Rs. (0.06) lacs and cash flows amounting to Rs. Nil for the year ended on that date. These financial statements have been audited by the other auditors whose reports have been furnished to us and our opinion is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" issued under Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and to the best of our information and according to the explanation given to us, we are of the opinion that the attached consolidation financial statements read with the Significant Accounting Policies and other notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
- (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **V. Sankar Aiyar & Co.,**  
**Chartered Accountants.**  
**Firm Registration No. 109208W**

*G. Sankar*

Place: Mumbai  
Dated: 27<sup>th</sup> April, 2012

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

**GRAVISS HOSPITALITY LIMITED**

Rupees in lakh

Sl. No.	Particulars	STATEMENT OF AUDITED RESULTS FOR THE QUARTER AND 12 MONTHS ENDED 31 MARCH 2012						STANDALONE						CONSOLIDATED					
		Quarter ended		Year to date		Quarter ended		Year to date		Quarter ended		Year to date		Quarter ended		Year to date			
		3/31/2012	12/31/2011	3/31/2012	3/31/2011	3/31/2012	12/31/2011	3/31/2012	3/31/2011	3/31/2012	12/31/2011	3/31/2012	3/31/2011	3/31/2012	12/31/2011	3/31/2012	3/31/2011		
1	Income from operations																		
	(a) Net Sales and Services from operations	1,717	1,775	1,877	5,907	6,925	1,900	1,845	1,903	6,233	7,208								
	(b) Other Operating Income	114	11	37	150	59	114	11	37	150	59								
	Total Income from operations (net)	1,831	1,786	1,914	6,057	6,984	2,014	1,857	1,997	6,403	7,278								
2	Expenses																		
	(a) Purchase of stock-in-trade	274	344	167	1,028	1,155	297	344	167	1,051	1,155								
	(b) Changes in Stock-in-Trade	8	(39)	2	(35)	(10)	8	(38)	2	(35)	(10)								
	(c) Employee benefits expenses	312	323	265	1,176	1,098	317	327	265	1,192	1,112								
	(d) Depreciation and Amortization Expenses	123	126	142	502	529	128	128	146	513	540								
	(e) Power, Fuel and Water	74	76	54	289	340	75	76	64	291	341								
	(f) Other expenses	733	655	866	2,311	2,479	866	714	927	2,577	2,683								
	Total expenses	1,524	1,485	1,507	5,270	5,591	1,690	1,551	1,576	5,589	5,825								
3	Profit from Operations before other income, finance costs and Exceptional items (1-2)	307	300	407	767	4,403	323	306	421	814	1,451								
4	Other Income	56	35	86	153	168	56	35	86	153	168								
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	362	335	493	940	1,571	379	341	507	967	1,619								
6	Finance costs	11	18	32	89	160	15	22	37	104	184								
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	351	316	461	851	1,411	364	319	471	863	1,435								
8	Exceptional items	30	-	(9)	30	(267)	30	-	(9)	30	(267)								
9	Profit from ordinary activities before tax (7+8)	382	318	452	881	1,144	395	319	461	893	1,169								
10	Tax expenses	95	94	185	245	375	104	94	180	254	370								
	Current Tax	125	105	72	290	220	125	105	72	290	220								
	Reversal of Minimum Alternate Tax (MAT)	-	-	138	-	255	-	-	138	255	255								
	Deferred Tax Expenses / (Credit)	(30)	(12)	(25)	(45)	(100)	(21)	(12)	(30)	(36)	(105)								
	Short Provision of Tax of earlier years	-	-	-	-	-	-	-	-	-	0								
11	Net Profit from Ordinary Activities after tax (9-10)	287	224	267	636	759	291	225	282	639	799								
12	Extraordinary items (net of tax expenses)	-	-	-	-	-	-	-	-	-	-								
13	Net Profit for the period	287	224	267	636	759	291	225	282	639	799								
14	Paid up Equity Share Capital (Rs 2/- each)	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729	1,729								
15	Reserves and Surplus	-	-	-	27,163	26,768	-	-	-	26,665	26,267								
16	Earning Per Share (EPS) before Extraordinary Items (Rs.)																		
	(i) Basic	0.33	0.26	0.31	0.74	0.85	0.34	0.26	0.33	0.74	0.92								
	(ii) Diluted	0.33	0.26	0.31	0.74	0.89	0.34	0.26	0.33	0.74	0.92								
17	Earning Per Share (EPS) after Extraordinary Items																		
	(i) Basic	0.33	0.26	0.31	0.74	0.89	0.34	0.26	0.33	0.74	0.92								
	(ii) Diluted	0.33	0.26	0.31	0.74	0.89	0.34	0.26	0.33	0.74	0.92								

**PART II**

**Select Information for the Quarter and 12 Months Ended 31 March 2012**

Sl No	Particulars	STANDALONE				CONSOLIDATED				
		Quarter ended		Year to date		Quarter ended		Year to date		
		3/31/2012	12/31/2011	3/31/2011	3/31/2012	3/31/2012	12/31/2011	3/31/2011	3/31/2012	
		Audited	Unaudited	Audited	Audited	Audited	Unaudited	Audited	Audited	
<b>A PARTICULARS OF SHAREHOLDING</b>										
<b>1 Public shareholding</b>										
	Number of Shares	34,400,906	34,400,906	34,400,906	34,400,906	34,400,906	34,400,996	34,400,996	34,400,996	
	Percentage of shareholding	39.80	39.80	39.80	39.80	39.80	39.62	39.62	39.62	
<b>2 Promoters and Promoters' Group Shareholding</b>										
<b>(a) Pledged / encumbered shares</b>										
	Number of shares	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	Percentage of shares (as % of the total shareholding of Promoter & Promoter Group)									
	Percentage of shares (as % of the total share capital of the Company)									
<b>(b) Non encumbered shares</b>										
	Number of shares	52,044,154	52,044,154	52,044,154	52,044,154	52,044,154	52,415,576	52,415,576	52,415,576	
	Percentage of shares (as % of the total shareholding of Promoter & Promoter Group)	100	100	100	100	100	100	100.00	100.00	
	Percentage of shares (as % of the total share capital of the Company)	60.20	60.20	60.20	60.20	60.20	60.38	60.38	60.38	

<b>B INVESTOR COMPLAINTS</b>		Quarter ended
		3/31/2012
Pending at the beginning of the quarter		0
Received during the quarter		7
Disposed of during the quarter		7
Remaining unresolved at the end of the quarter		0

**NOTES:**

- The above audited results have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on 27th April 2012.
- Hospitality business is the Company's only reportable business segment.
- The Company has three subsidiary companies i.e 1) Graviss Catering Private Limited (GCPL), 2) Graviss Hotels & Resorts Limited (GHRL) and 3) Hotel Kankeshwar Private Limited (HKPL). The Company has presented the unaudited consolidated results for the period with the figures of GCPL only as GHRL and HKPL have not yet commenced any commercial activity.
- The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with paras 46 and 46A Companies (Accounting Standards) Amendment Rules 2009/2011 on Accounting Standard (AS)11 notified by Government of India on March 31, 2009 and on 29th December, 2011 respectively. Accordingly an amount of Rs. 53 lacs (loss) has been charged to Profit & Loss Account.
- Consolidated Reserves and Surplus is net of goodwill on consolidation of Rs. (112 lacs)
- Exceptional items represent profit on sale of assets of Rs. 30 lacs for the year ended 31-03-2012.(Loss on discontinued operations of Rs. 267 lacs for the year ended 31-03-2011).
- Statement of Assets and Liabilities

Particulars	(Rupees in lakh)			
	STANDALONE		CONSOLIDATED	
	3/31/2012 Audited	3/31/2011 Audited	3/31/2012 Audited	3/31/2011 Audited
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share capital	1,729	1,729	1,729	1,729
Reserves and surplus	27,163	26,768	26,655	26,267
	<b>28,892</b>	<b>28,497</b>	<b>28,394</b>	<b>27,996</b>
<b>Non-current Liabilities</b>				
Long-term borrowings	148	350	322	524
Deferred tax liabilities (Net)	252	297	182	217
	<b>400</b>	<b>647</b>	<b>504</b>	<b>741</b>
<b>Current Liabilities</b>				
Trade payables	385	380	409	385
Other current liabilities	622	689	755	774
Short-term provisions	22	72	21	72
	<b>1,029</b>	<b>1,141</b>	<b>1,185</b>	<b>1,231</b>
	<b>30,321</b>	<b>30,284</b>	<b>30,083</b>	<b>29,968</b>
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Fixed Assets :				
Tangible assets	14,365	14,689	17,947	18,277
In-tangible assets	2	6	2	6
Capital work-in-progress	56	42	6,873	5,434
	<b>14,423</b>	<b>14,737</b>	<b>24,822</b>	<b>23,717</b>
Non-current Investments	22	22	4	4
Long-term loans and advances	12,336	10,953	1,418	1,399
Other non-current assets	263	151	308	193
	<b>27,044</b>	<b>25,863</b>	<b>26,552</b>	<b>25,313</b>
<b>Current Assets</b>				
Current Investments	1,191	2,677	1,191	2,677
Inventories	209	206	209	206
Trade receivables	534	461	555	470
Cash and Bank Balances	1,235	917	1,268	1,006
Short-term loans and advances	108	161	308	296
	<b>3,277</b>	<b>4,422</b>	<b>3,531</b>	<b>4,655</b>
	<b>30,321</b>	<b>30,285</b>	<b>30,083</b>	<b>29,968</b>

- The figures for the quarter ended 31st March 2012 are balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year.
- Figures for the previous periods have been regrouped/rearranged as necessary to conform to the current period's classification.

Place: Mumbai  
Date: 27th April 2012.

For Graviss Hospitality Limited

Ravi Ghai