



GRAVISS HOSPITALITY LIMITED

Registered Office: "Dairy Tops" Plot No. J-177, MIDC, Bhosari, Pune - 411 026, Maharashtra
Tel. Nos.: 020 - 3068 1102, Fax No.: 020-30681139

POSTAL BALLOT NOTICE TO THE SHAREHOLDERS

(Notice issued to shareholders pursuant to section 192A of the Companies Act, 1956)

Dear Member(s),

The Board of Directors of the Company at its meeting held on January 5, 2013 ('Board Meeting') approved the proposal to amend the Articles of Association of the Company so as to enable the Company to buy back its shares; and also approved the proposal for buy back of equity shares of the Company.

Notice is hereby given, pursuant to Section 192A of the Companies Act, 1956 ("Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that the following resolutions are proposed to be passed by way of Postal Ballot:

1. Special Resolution under section 31 of the Act, seeking shareholders consent to amend the Articles of Association of the Company so as to enable the Company to buy back its shares; and
2. Special Resolution under section 77A of the Act, seeking shareholders consent for buy back of a maximum of 159,25,925 equity shares of the Company from the shareholders on a proportionate basis through the Tender offer route, provided 15% of the number of shares which the Company proposes to buy back or number of equity shares entitled as per the shareholding of small shareholders at Record Date whichever is higher, shall be reserved for the small shareholders as defined and as prescribed by the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 at a price of Rs. 27 per equity share aggregating Rs. 43 crores.

The Company is desirous of seeking your consent for the aforesaid proposals as contained in the resolutions appended below. An Explanatory Statement pertaining to the said resolutions setting out the material facts and the reasons therefor is also appended. The said Resolutions and Explanatory Statement are being sent to you along with a Postal Ballot Form for your consideration and to enable you to vote on each of the above said two Special Resolutions. The Company has appointed Mr. Vijay B. Kondalkar, a practicing Company Secretary to act as a scrutinizer ('Scrutinizer') for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours at 5.00 P.M. on Saturday, February 9, 2013.

The Scrutinizer will submit his report to the Chairman of the Company or in his absence to any other Director authorised by him, on Monday, February 11, 2013 after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Monday, February 11, 2013 at 4.00 P.M. at the Registered Office of the Company at "Dairy Tops" Plot No. J-177, MIDC, Bhosari, Pune - 411 026, Maharashtra. The results of the Postal Ballot will also be communicated to the BSE Limited. The date of the declaration of the results of the postal ballot shall be the date on which the resolutions would be deemed to have been passed, if approved by requisite majority.

Special Business:

Item 1

Amendment in the Articles of Association of the Company for adding Article relating to Buy-Back of shares.

SPECIAL RESOLUTION

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

"RESOLVED THAT pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Members of the Company be and is hereby accorded to amend the Articles of the Association of the Company, in the following manner.

After Article No.3, the following Article be inserted as Article No.3A.

Article 3A

Buy-back of Securities

The Company shall have power, subject to and in accordance with Sections 77A, 77B and other applicable provisions of the Act or the corresponding provisions, rules, regulations and guidelines prescribed by the Government of India, the Securities and Exchange Board of India or any other authority, to purchase and cancel any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities, provided that, no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other securities or from such other sources as may be permitted by Law on such terms, conditions and in such manner as may be prescribed by the Law from time to time in respect of such purchase.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution any Director of the Company, be and is hereby authorized to take such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

For GRAVISS HOSPITALITY


Company Secretary

CERTIFIED TRUE COPY

Item 2

Buy Back of Equity Shares

SPECIAL RESOLUTION

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

"RESOLVED that pursuant to the provisions of the Articles of Association of the Company and Sections 77A, 77AA, 77B and all other applicable provisions of the Companies Act, 1956 ('Act') and in compliance of the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998, including any statutory modifications or re-enactments thereof ('Regulations') and subject to such other approvals, permissions and sanctions as may be necessary, the consent of the Members be and is hereby accorded to the Board of Directors (which expression shall include a Committee of Directors of the Company constituted for this purpose) for the buy back upto 159,25,925 fully paid-up equity shares each of a face value of Rs. 2 ('Equity Share') being less than 25% of the Company's paid up Equity Share Capital, at a price of Rs. 27 per Equity Share ('Buy Back Price') payable in cash through the tender offer route and the aggregate amount to be utilized by the Company for the buy back being upto Rs. 43 crores (Rupees 43,00,00,000) which is less than 25% of the aggregate of Share Capital and Free Reserves of the Company as per the audited Accounts of the Company for the year ended on March 31, 2012 ('Buy Back').

RESOLVED FURTHER that such Buy Back may be made from the Company's free reserves and/ or such other sources as may be permitted by law as the Board may in its absolute discretion deem fit.

RESOLVED FURTHER that as required under Regulation 6 of the Regulations, 15% of the number of Equity Shares which the Company proposes to buy back or number of Equity Shares entitled as per the shareholding of small shareholders at Record Date, whichever is higher, shall be reserved for the small shareholders, as defined in the Regulations.

RESOLVED FURTHER that the Board of Directors (which expression shall also include a Committee of Directors of the Company constituted for this purpose) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, to be in the best interest of the shareholders, including but not limited to appointment of merchant banker(s), banker(s), solicitor(s), depository participant(s) and other intermediaries/agencies for the implementation of the Buy Back, carry out incidental documentation, as also to make applications to the appropriate authorities for their requisite approvals, as also to initiate all necessary actions for preparation and issue of various documents, including public announcement, letter of offer, declaration of solvency, extinguishment of share certificates and 'Certificates of Extinguishment' required to be filed in connection with the Buy Back on behalf of the Board of Directors, opening escrow bank account(s), escrow demat account(s) and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buy Back, to the Securities and Exchange Board of India ('SEBI'), BSE Limited, Registrar of Companies, Depositories and/or other authorities."

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

Sd/-

**Lajja Shah
Company Secretary**

Place: Mumbai

Date: Saturday, January 5, 2013

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

1. ITEM 1

Amendment in the Articles of Association of the Company by adding Article relating to Buy-Back of shares.

The Companies (Amendment) Act, 1999, has allowed the companies to buy back its own shares and securities. These shares can be purchased only if the Company is authorized by Articles of Association. Alteration in the Articles of Association is therefore proposed to enable the company to buy its own shares as per the provisions of Sections 77A and 77B of the companies Act, 1956.

In terms of the above requirement, it is proposed to insert a new Article 3A in the Articles of Association of the Company as set out in detail in Item 1 above of this Postal Ballot Notice and obtain the approval of members for the same by a Special Resolution passed through postal ballot process.

None of the Directors are concerned or interested in this Resolution, except to the extent of their shareholding in the Company. The Board of Directors commends the proposal for approval by the Members.

2. ITEM 2

Buy Back of Equity Shares

1. During the current financial year, the Company's subsidiary, Graviss Hotels & Resorts Limited, has partially repaid the unsecured loan owed by it to the Company by utilizing the funds which the subsidiary has received upon the sale of the identified properties. The Company therefore has substantial cash surplus leading to a favourable liquidity position. Simultaneously, it is observed that there has been an unwarranted deep fall in the market capitalization of the Company. These facts when reviewed against the management's overall objective of maximization of shareholders wealth, has lead the management to consider buy back of the Equity Shares of the Company as an effective way of utilizing the surplus cash which is more than what is needed for regular business operations.
2. As per the requirements of Sections 173(2) read with Section 77A and other applicable provisions of the Companies Act, 1956, as amended ('Act') and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, as amended ('Regulations') and Listing Agreement entered with BSE Limited, as applicable, the Explanatory Statement contains relevant and material information to enable the shareholders to consider and approve the Special Resolution on buy back of equity shares of the Company.

3. The Company intends to buy back equity shares each of face value of Rs. 2 each ('Equity Shares') at a price of Rs. 27 per Equity Share ('Buy Back Price') with the total aggregate amount to be utilized being upto Rs. 43 crores, which is approximately 23.10% (which is within 25%) of the Company's Share Capital and Free Reserves as per the audited Accounts of the Company for the year ended on March 31, 2012. Accordingly, the maximum number of Equity Shares that is proposed to be bought back is 1,59,25,925 Equity Shares representing 18.42% of the total paid up Equity Share Capital of the Company.
4. The Board of Directors of the Company at its meeting held on January 5, 2013 ('Board Meeting') approved the proposal for the Buy Back subject to the provisions of Sections 77A, 77AA, and other applicable provisions of the Act, the Regulations and Listing Agreement entered with the BSE.
5. The Buy Back is proposed to be implemented by the Company through Tender Offer route from the shareholders on a proportionate basis, provided 15% of the number of Equity Shares which the Company proposes to buy back or number of Equity Shares entitled as per the shareholding of small shareholders at record date, whichever is higher, shall be reserved for small shareholders, which term is defined in the Regulations to mean a shareholder of a listed company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such security, as on record date is not more than two lakh rupees.
6. The Buy Back is proposed out of the Company's accumulated free reserves due to the satisfactory liquidity position of the Company. The Buy Back is expected to:
 - reduce outstanding number of Equity Shares and consequently increase Earnings Per Share over a period of time;
 - effectively utilize surplus cash; and
 - make the Balance Sheet leaner and more efficient to improve key return ratios like Return on Net Worth, Return on Assets etc.
7. The Buy Back Price i.e. Rs. 27 per Equity Share has been arrived at after taking into account the trends in the market price of the Equity Shares during the last six months prior to the Board Meeting.
8.
 - a. The aggregate shareholding of Promoter and Promoter's Group ('Promoters') and of the directors of the Company, where the Promoter is a company and of the person who are in control of the Company as on the date of this Notice is 5,20,44,154 Equity Shares constituting about 60.20% of the Equity Share Capital of the Company.
 - b. No Equity Shares were either purchased or sold by the Promoters and by the directors of the Promoters, where the Promoter is a company and of the person who are in control of the Company during the period of last six months preceding the date of the Board Meeting.
 - c. The Promoters and any persons who are in Control of the Company do not intend to tender any Equity Shares in the Buy Back.
 - d. Pursuant to the proposed Buy Back of Equity Shares and depending on the response to the Buy Back offer, the voting rights of the Promoters in the Company may increase from 60.20% of the total voting rights of the Company to a maximum of 73.80 % (assuming that the entire size of the Buy Back Offer is accepted). The Promoters of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoters will not result in any change in control over the Company. Further, the Promoters shall not vote in favour of this Special Resolution authorizing the Buy Back under section 77A of the Act by way of postal ballot. Therefore, in terms of regulation 10(4)(c) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, despite the increase in voting rights of the Promoters from 60.20 % to 73.80 %, the Promoters are exempt from an obligation to make an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Further the Promoters who are Directors of the Company, in their capacity as Directors, have abstained from voting on the resolution at the Board of Directors meeting held on January 5, 2013 where the proposal for Buy Back was passed.
 Moreover, such increase in Promoters holding will be consequential and indirect in nature and the resultant holding of the Promoters after the Buy Back offer shall be within the maximum limit of 75% for non public shareholding in the Company as prescribed under the Listing Agreement entered with the BSE Limited read with the Securities Contracts (Regulations) Rules, 1957.
9. As required under the Act, the ratio of the debt owed by the Company would not be more than twice the Share Capital and Free Reserves after the Buy Back.
10. As required under the Act, all the Equity Shares are fully paid-up.
11. As per the provisions of the Act, the Special Resolution passed by the shareholders approving the Buy Back will be valid for a maximum period of twelve months from the date of passing of the said Special Resolution. The time frame for the Buy Back will be determined by the Board of Directors within this validity period, subject to applicable provisions of Act and Regulations.
12. As per the provisions of the Act, the Company will not be allowed to issue fresh Equity Shares within a period of six months after the completion of the Buy Back except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares, if any.
13. The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.
14. The Board of Directors hereby confirms that it has made a full inquiry into the affairs and prospects of the Company and has formed the opinion, that:
 - a. immediately following the date on which the meeting of the shareholders is convened, there will be no grounds on which the Company could be found unable to pay its debts;

- b. as regards its prospects for the year immediately following the date on which the results of the postal ballot are declared, having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the view of the Board of Directors, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the aforesaid date; and
- c. in forming its opinion for the above purposes, the Board of Directors has taken into account the liabilities including prospective and contingent liabilities as if the Company were being wound up under the provisions of the Act.
15. The Company shall transfer from its Free Reserves a sum equal to the nominal value of the Equity Shares bought back through the Buy Back to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet.
16. The contents of the Report dated 5 January, 2013 received from M/s. V. Sankar Aiyar & Co., the Statutory Auditors of the Company addressed to the Board of Directors is reproduced below:

"The Board of Directors

Graviss Hospitality Limited

"Dairy Tops" Plot No. J-177, MIDC, Bhosari,

Pune - 411 026

Maharashtra

Dear Sirs,

Sub: Proposed Buy Back of Equity Shares of Graviss Hospitality Ltd. ("Company")

We have been informed that the Board of Directors in their meeting held on January 5, 2013 have decided to buy back Company's shares as allowed under Section 77A of the Companies Act, 1956 at a price of Rs. 27 per share. In terms of the requirements of Clause (xi) of Schedule II, Part A of the Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998, we confirm as under:

1. We have enquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2012, as approved by the Board of Directors.
2. The amount of permissible capital payment towards buy-back of Equity Shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 77 A(2)(c) of the Companies Act, 1956:

Particulars	Amount (Rs. in Lac)
Paid Up Equity Share Capital as on March 31, 2012	1,728.90
Free Reserves as on March 31, 2012	16,883.07
Total	18,611.97
Maximum amount permitted for Buy back (i.e. 25% of the Total Paid up Capital and Free Reserves)	4,652.99

Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration as approved by the Board of Directors in their meeting held on January 5, 2013 is unreasonable in the circumstances in the present context.

Yours faithfully,

For M/s. V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

Sd/-

G. Sankar
Partner

Membership No. 46050"

Place: Mumbai

Date: January 5, 2013

17. None of the Directors are concerned or interested in this Resolution, except to the extent of their shareholding in the Company, as detailed above. The Board of Directors commends the proposal for approval by the Members.

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

Sd/-

Lajja Shah
Company Secretary

Place: Mumbai

Date: Saturday, January 5, 2013

Notes:

1. All the material documents referred to in the Explanatory Statement such as Memorandum and Articles of Association of the Company, Board Resolution for buy back of Equity Shares and Auditor's Report will be made available for inspection by the Members, at the Registered Office of the Company, between 11.00 am and 1.00 pm on any working day from January 9, 2013 to February 9, 2013.
2. The Scrutinizer will submit his report to the Chairman of the Company or in his absence to any other Director authorised by him, on Monday, February 11, 2013 after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Monday, February 11, 2013 at 4.00 P.M. at the Registered Office of the Company at "Dairy Tops" Plot No. J-177, MIDC, Bhosari, Pune - 411 026, Maharashtra.



GRAVISS HOSPITALITY LIMITED

Registered Office: "Dairy Tops" Plot No. J-177, MIDC, Bhosari, Pune - 411 026, Maharashtra

POSTAL BALLOT VOTING FORM

Sr. No.

1. Name(s) of Shareholder(s) :
(in block letters)
(including joint holders, if any)

2. Registered Address of the Sole / :
First named Shareholder

3. Registered Folio No. * :
(*Applicable to member(s)
holding shares in physical form)
DP ID No. & Client ID No. **
(**Applicable to member(s) holding
shares in dematerialized form)

4. Number of Shares held :

5. I/We hereby exercise my/our vote in respect of the Resolutions to be passed through postal ballot for the businesses stated in the Notice of the Company by sending my/our assent or dissent to the said resolutions by placing tick (✓) mark at the appropriate box below:

Item No.	Description	No. of Shares*	I/We assent to the resolutions (For)	I/We dissent to the resolutions (Against)
1.	Special Resolution under section 31 of the Companies Act, 1956 seeking shareholders consent to insert Article 3A so as to amend the Articles of Association of the Company so as to enable the Company to buy back its shares			
2.	Special Resolution under section 77A, 77AA, 77B of the Companies Act, 1956 seeking shareholders consent for buy back of a maximum of 159,25,925 equity shares of the Company from the shareholders.			

* As per Section 183 of the Companies Act, 1956, a member need not use all his votes in the same way.

Place :

Date :

Signature(s) of the Shareholder(s)

NOTE: PLEASE READ CAREFULLY THE INSTRUCTIONS PRINTED OVERLEAF BEFORE EXERCISING THE VOTE.

INSTRUCTIONS

1. A shareholder desiring to exercise vote by Postal Ballot should complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots deposited in person or sent by courier at the expense of the Shareholder will also be accepted.
2. The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company, marked 'Scrutinizer to the Postal Ballot'.
3. This form should be completed and signed by the Shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
4. The consent must be accorded by recording the assent in the column "FOR" and dissent in the column "AGAINST" by placing a **tick mark (✓)** in the appropriate column.
5. Unsigned, incomplete or incorrectly ticked Postal Ballot Forms will be rejected.
6. The Scrutinizer's decision on the validity of the Postal Ballot will be final.
7. The Postal Ballot shall not be exercised by a Proxy.
8. Duly completed Postal Ballot Forms should reach the Scrutinizer on or before the close of working hours at 5.00 P.M on Saturday 9th February, 2013. All Postal Ballot Forms received after this date will be treated as if reply from such shareholder has not been received.
9. A shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly filled in duplicate Postal Ballot Forms should reach the Scrutinizer not later than the date specified at Item 8 above.
10. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a Certified True Copy of the Board Resolution / Authorization / Power of Attorney together with the specimen signature(s) of the duly authorized signatories.
11. Shareholders are requested **NOT** to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not be able to act on the same.
12. Shareholders need not use all his/her votes nor does he/she need to cast his/her votes in the same way.
13. Voting Rights shall be reckoned on the paid-up value of the shares registered in the name of the Shareholders on the date of dispatch of the Notice.
14. There will be one Postal Ballot form for every Folio / Client ID, irrespective of the number of joint holders.