

July 30, 2018

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

Scrip Code: 509546

Dear Sir/Madam,

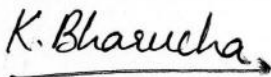
Sub.: Submissions pertaining to the 57th Annual General Meeting of the Company held on Friday, July 27, 2018.

This is to inform that the 57th Annual General Meeting (AGM) of the Company was held on Friday, 27th July, 2018 and the items of business stated in the Notice convening the said AGM dated 17th May, 2018 were transacted. In this regard, please find enclosed the following:

1. Voting Results, as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as **ANNEXURE I**.
2. Consolidated Report dated July 27, 2018 from M/s. Martinho Ferrao & Associates, Scrutinizer appointed for the purpose of remote e-voting and for conducting the physical ballot voting at the AGM in a fair and transparent manner, pursuant to Sections 108 and 109 of the Companies Act, 2013 and Rules 20 (4) (xi) and 21 (2) of the Companies (Management and Administration) Rules, 2014 as **ANNEXURE II**.
3. Summary of proceedings of the AGM, as required under Regulation 30, Part A of Schedule III to the SEBI Listing Regulations as **ANNEXURE III**.
4. Annual Report for the Financial Year 2017-18, as required under Regulation 34 of the SEBI Listing Regulations, duly approved and adopted by the Members in accordance with applicable provisions of the Companies Act, 2013.

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

Thanking you.
Yours sincerely,
For Graviss Hospitality Limited





Kainaaz Bharucha
Company Secretary & Compliance Officer

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

VOTING RESULTS

Date of the AGM	27 th July, 2018
Total number of shareholders on record date	1383
No. of shareholders present in the meeting either in person or through proxy:	
Promoters and Promoter Group:	7
Public:	9
No. of Shareholders attended the meeting through Video Conferencing:	
Promoters and Promoter Group:	NOT APPLICABLE
Public:	NOT APPLICABLE



Resolution no.	1							
Resolution required: (Ordinary / Special)	Ordinary							
Whether promoter/promoter group are interested in the agenda / resolution?	No							
Description of resolution considered	To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31 st March 2018 together with the Reports of the Board of Directors and Auditors thereon.							
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)] * 100	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	(1)	(2)	(3)=[(2)/(1)] * 100	(4)	(5)	(6)=[(4)/(2)] * 100	(7)=[(5)/(2)] * 100
	Poll		5,27,36,710	100	5,27,36,710	0	100	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
Public – Institutions	Total		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	E-Voting		5,27,36,710	100	5,27,36,710	0	100	0
	Poll	0	0	0	0	0	0	0
Public – Non Institutions	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		0	0	0	0	0	0
	E-Voting		78,43,470	44.11	78,43,470	0	100	0
Total	Poll	1,77,82,425	94,735	0.53	94,735	0	100	0
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		79,38,205	44.64	79,38,205	0	100	0
		7,05,19,135	6,06,74,915	86.04	6,06,74,915	100	100	0



Resolution no.	2							
Resolution required: (Ordinary / Special)	Ordinary							
Whether promoter/promoter group are interested in the agenda / resolution?	No							
Description of resolution considered	To receive, consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended 31 st March, 2018 together with the Report of the Auditors thereon.							
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)] * 100	No. of votes - in favour	No. of votes - against	% of votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	(1)	(2)	(3)=[(2)/(1)] * 100	(4)	(5)	(6)=[(4)/(2)] * 100	(7)=[(5)/(2)] * 100
	Poll		5,27,36,710	100	5,27,36,710	0	100	0
	Postal Ballot (if applicable)	5,27,36,710	0	0	0	0	0	0
Public - Institutions	Total		5,27,36,710	100	5,27,36,710	0	100	0
	E-Voting		0	0	0	0	0	0
	Poll	0	0	0	0	0	0	0
Public - Non Institutions	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		0	0	0	0	0	0
	E-Voting		78,43,470	44.11	78,43,470	0	100	0
Public - Non Institutions	Poll	1,77,82,425	94,735	0.53	94,735	0	100	0
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		79,38,205	44.64	79,38,205	0	100	0
Total		7,05,19,135	6,06,74,915	86.04	6,06,74,915	100	100	0



Resolution no.	3							
Resolution required: (Ordinary / Special)	Ordinary							
Whether promoter/promoter group are interested in the agenda / resolution?	No							
Description of resolution considered	To appoint a Director in place of Mr. Ravi Ghai, Chairman & Managing Director (DIN: 00074612) who retires by rotation and being eligible, offers himself for re-appointment.							
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)] * 100	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100
Promoter and Promoter Group	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
	E-Voting	5,27,36,710	5,27,36,710	100	5,27,36,710	0	100	0
	Poll	0	0	0	0	0	0	0
	Postal Ballot (if applicable)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total		5,27,36,710	5,27,36,710	100	5,27,36,710	0	100	0
Public – Institutions	E-Voting	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		0	0	0	0	0	0
Public – Non Institutions	E-Voting	78,43,470	78,43,470	44.11	78,43,470	0	100	0
	Poll	94,735	94,735	0.53	94,735	0	100	0
	Postal Ballot (if applicable)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		79,38,205	79,38,205	44.64	79,38,205	0	100
Total		7,05,19,135	6,06,74,915	86.04	6,06,74,915	100	100	0



Resolution no.	4									
Resolution required: (Ordinary / Special)	Ordinary									
Whether promoter/promoter group are interested in the agenda / resolution?	No									
Description of resolution considered	To ratify the appointment of M/s V. Sankar Aiyar & Co. as Statutory Auditors and fix their remuneration.									
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)] * 100	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100		
Promoter and Promoter Group	E-Voting	(1)	(2)	(3)=[(2)/(1)] * 100	(4)	(5)	(6)=[(4)/(2)] * 100	(7)=[(5)/(2)] * 100		
	Poll									
	Postal Ballot (if applicable)	5,27,36,710	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
Public – Institutions	Total		5,27,36,710	100	5,27,36,710	0	100	0		
	E-Voting			0	0	0	0	0		
	Poll	0		0	0	0	0	0		
Public – Non Institutions	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
	Total		0	0	0	0	0	0		
	E-Voting		78,43,470	44.11	78,43,470	0	100	0		
Public – Non Institutions	Poll	1,77,82,425	94,735	0.53	94,735	0	100	0		
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
	Total		79,38,205	44.64	79,38,205	0	100	0		
Total		7,05,19,135	6,06,74,915	86.04	6,06,74,915	100	100	0		



Resolution no.	5							
Resolution required: (Ordinary / Special)	Ordinary							
Whether promoter/promoter group are interested in the agenda / resolution?	No							
Description of resolution considered	To appoint Mrs. Tina Parda (DIN: 07148874) as a Non-Executive Non-Independent Director of the Company.							
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)] * 100	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	(1)	(2)	(3)=[(2)/(1)] * 100	(4)	(5)	(6)=[(4)/(2)] * 100	(7)=[(5)/(2)] * 100
	Poll		5,27,36,710	100	5,27,36,710	0	100	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Public – Institutions	E-Voting		5,27,36,710	100	5,27,36,710	0	100	0
	Poll	0	0	0	0	0	0	0
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Public – Non Institutions	E-Voting		78,43,470	44.11	78,43,470	0	100	0
	Poll	1,77,82,425	94,735	0.53	94,735	0	100	0
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		79,38,205	44.64	79,38,205	0	100	100
Total		7,05,19,135	6,06,74,915	86.04	6,06,74,915	100	100	0



Resolution no.	6							
Resolution required: (Ordinary / Special)	Special							
Whether promoter/promoter group are interested in the agenda / resolution?	Mr. Gaurav Ghai, Mr. Ravi Ghai and Graviss Holdings Private Limited are interested.							
Description of resolution considered	To approve related party transactions of the Company with Graviss Holdings Private Limited.							
Invalid Votes	Since Mr. Ravi Ghai, Mr. Gaurav Ghai and Graviss Holdings Private Limited are interested in this Resolution, their votes shall be treated as invalid for the purpose of this Resolution.							
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)] * 100	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	(1)	(2)	(4)	(5)	(6)	(7)	
	Poll		2,46,68,684	46.78	0	0	0	
	Postal Ballot (if applicable)	5,27,36,710	0	0	0	0	0	
Public – Institutions	Total		2,46,68,684	46.78	2,46,68,684	0	100	
	E-Voting		0	0	0	0	0	
	Postal Ballot (if applicable)	0	0	0	0	0	0	
Public – Non Institutions	Total		N.A.	N.A.	N.A.	N.A.	N.A.	
	E-Voting		0	0	0	0	0	
	Postal Ballot (if applicable)	1,77,82,425	76,79,367	43.19	76,79,367	0	100	
Total	Total		76,79,442	43.19	76,79,442	0	100	
	E-Voting		3,23,48,126	89.97	3,23,48,126	100	100	
	Postal Ballot (if applicable)							



Resolution no.	7							
Resolution required: (Ordinary / Special)	Special							
Whether promoter/promoter group are interested in the agenda / resolution?	No							
Description of resolution considered	To re-appoint Mr. Mahendra V. Doshi as an Independent Non-Executive Director of the Company.							
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)] * 100	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	(1)	(2)	(3)=[(2)/(1)] * 100	(4)	(5)	(6)=[(4)/(2)] * 100	(7)=[(5)/(2)] * 100
	Poll		5,27,36,710	100	5,27,36,710	0	100	0
	Postal Ballot (if applicable)		5,27,36,710	0	0	0	0	0
Public- Institutions	Total		5,27,36,710	100	5,27,36,710	0	100	0
	E-Voting		0	0	0	0	0	0
	Poll		0	0	0	0	0	0
Public- Non Institutions	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		0	0	0	0	0	0
	E-Voting		78,43,470	44.11	78,43,470	0	100	0
Public- Non Institutions	Poll		94,735	0.53	94,735	0	100	0
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		79,38,205	44.64	79,38,205	0	100	0
Total		7,05,19,135	6,06,74,915	86.04	6,06,74,915	100	100	0



Resolution no.	8							
Resolution required: (Ordinary / Special)	Special							
Whether promoter/promoter group are interested in the agenda / resolution?	No							
Description of resolution considered	To re-appoint Mr. Gulshan Bijlani as an Independent Non-Executive Director of the Company.							
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)] * 100	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100
Promoter and Promoter Group	E-Voting	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Poll		5,27,36,710	100	5,27,36,710	0	100	0
	Postal Ballot (if applicable)	5,27,36,710	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Public- Institutions	Total		5,27,36,710	100	5,27,36,710	0	100	0
	E-Voting	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
Public- Non Institutions	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total		0	0	0	0	0	0
	E-Voting		78,43,470	44.11	78,43,470	0	100	0
Total	Poll	1,77,82,425	94,735	0.53	94,735	0	100	0
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Total	7,05,19,135	79,38,205	44.64	79,38,205	0	100	0
			6,06,74,915	86.04	6,06,74,915	100	100	0



Resolution no.	9									
Resolution required: (Ordinary / Special)	Special									
Whether promoter/promoter group are interested in the agenda / resolution?	No									
Description of resolution considered	To re-appoint Mr. Harindra Pal Singh as an Independent Non-Executive Director of the Company.									
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares (3)=[(2)/(1)] * 100	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled (6)=[(4)/(2)] * 100	% of Votes against on votes polled (7)=[(5)/(2)] * 100		
Promoter and Promoter Group	E-Voting	(1)	(2)	(3)=[(2)/(1)] * 100	(4)	(5)	(6)=[(4)/(2)] * 100	(7)=[(5)/(2)] * 100		
	Poll									
	Postal Ballot (if applicable)	5,27,36,710	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
Public- Institutions	Total		5,27,36,710	100	5,27,36,710	0	100	0		
	E-Voting			0	0	0	0	0		
	Poll		0	0	0	0	0	0		
Public- Non Institutions	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
	Total		0	0	0	0	0	0		
	E-Voting		78,43,470	44.11	78,43,470	0	100	0		
Public- Non Institutions	Poll		94,735	0.53	94,735	0	100	0		
	Postal Ballot (if applicable)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
	Total		79,38,205	44.64	79,38,205	0	100	0		
Total		7,05,19,135	6,06,74,915	86.04	6,06,74,915	100	100	0		



MARTINHO FERRAO & ASSOCIATES*Company Secretaries*

Level 3, Office # 301, Dhun Building, 23/25 Janmabhoomi Marg, Fort, Mumbai - 400 001

Tel: +91 22 2202 4366 Email: mferraocs@yahoo.com Website : www.csmartinhoandassociates.com

CONSOLIDATED SCRUTINIZER'S REPORT

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

To,
The Chairman,
57th Annual General Meeting
GRAVISS HOSPITALITY LIMITED
held at Dairy Tops, Plot No. J-177, M.I.D.C., Bhosari,
Pune-411 026, Maharashtra.

Sub: Passing of Resolution through Electronic Voting and Voting conducted at the 56th Annual General Meeting of Graviss Hospitality Limited (the Company) held on Friday, 27th July, 2018 at the Registered Office of the Company situated at Dairy Tops, Plot No. J-177, MIDC Bhosari, Pune-26, Maharashtra, India.

Dear Sir,

The Company had appointed me as Scrutinizer to scrutinize the E-voting process and also for the voting by shareholders at 57th Annual General Meeting of the Company held on July 27, 2018.

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MARTINHO FERRAO & ASSOCIATES
Company Secretaries

The Company had appointed Central Depository Securities Limited (CDSL) as the Service Provider for extending the facility of electronic voting to the shareholders of the Company from Tuesday, 24th July, 2018 at 9:00 a.m. to Thursday, 26th July, 2018 at 5:00 p.m. Link Intime India Private Limited are the Registrar and Share Transfer Agents of the Company.

At the 57th AGM of the Company held on July 27, 2018, the Chairman of the Company had called for a voting to facilitate the members present in the meeting who could not participate in the e-voting to record their votes through the poll process.

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

Item No. 1 - Ordinary Resolution

To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March 2018 together with the Reports of the Board of Directors and Auditors' thereon.

Method of Voting	Votes in Favour of the resolution		Votes Against the resolution		Invalid Votes/ Abstained
	Nos.	%	Nos.	%	Nos.
E-voting	60580180	100	0	0	0
Poll	94735	100	0	0	0
TOTAL	60674915	100	0	0	0



Item No. 2 - Ordinary Resolution

To receive, consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2018 together with the Report of the Auditors thereon.

Method of Voting	Votes in Favour of the resolution		Votes Against the resolution		Invalid Votes/ Abstained
	Nos.	%	Nos.	%	Nos.
E-voting	60580180	100	0	0	0
Poll	94735	100	0	0	0
TOTAL	60674915	100	0	0	0

Item No. 3 - Ordinary Resolution

To appoint a Director in place of Mr. Ravi Ghai (DIN 00074612) who retires by rotation and being eligible, offers himself for re-appointment.

Method of Voting	Votes in Favour of the resolution		Votes Against the resolution		Invalid Votes/ Abstained
	Nos.	%	Nos.	%	Nos.
E-voting	60580180	100	0	0	0
Poll	94735	100	0	0	0
TOTAL	60674915	100	0	0	0



Item No. 4 - Ordinary Resolution

To ratify appointment and fixing of remuneration of Auditors.

Method of Voting	Votes in Favour of the resolution		Votes Against the resolution		Invalid Votes/ Abstained
	Nos.	%	Nos.	%	Nos.
E-voting	60580180	100	0	0	0
Poll	94735	100	0	0	0
TOTAL	60674915	100	0	0	0

Item No. 5 - Ordinary Resolution

Appointment of Ms. Tina Pardal (DIN: 07148874) as a Non-Executive Non-Independent Director.

Method of Voting	Votes in Favour of the resolution		Votes Against the resolution		Invalid Votes/ Abstained
	Nos.	%	Nos.	%	Nos.
E-voting	60580180	100	0	0	0
Poll	94735	100	0	0	0
TOTAL	60674915	100	0	0	0



Item No. 6 - Special Resolution

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

Method of Voting	Votes in Favour of the resolution		Votes Against the resolution		Invalid Votes/ Abstained
	Nos.	%	Nos.	%	
E-voting	32348051	100	0	0	28232129
Poll	75	100	0	0	94660
TOTAL	32348126	100	0	0	28326789

Item No. 7 - Special Resolution

Re-appointment of Mr. Mahendra V Doshi (DIN: 00123243) as an Independent Non-Executive Director

Method of Voting	Votes in Favour of the resolution		Votes Against the resolution		Invalid Votes/ Abstained
	Nos.	%	Nos.	%	
E-voting	60580180	100	0	0	0
Poll	94735	100	0	0	0
TOTAL	60674915	100	0	0	0



Item No. 8 - Special Resolution

Re-appointment of Mr. Gulshan M. Bijlani (DIN: 01987683) as an Independent Non-Executive Director

Method of Voting	Votes in Favour of the resolution		Votes Against the resolution		Invalid Votes/ Abstained
	Nos.	%	Nos.	%	
E-voting	60580180	100	0	0	0
Poll	94735	100	0	0	0
TOTAL	60674915	100	0	0	0

Item No. 9 - Special Resolution

Re-appointment of Mr. Harindra Pal Singh (DIN: 00032181) as an Independent Non-Executive Director

Method of Voting	Votes in Favour of the resolution		Votes Against the resolution		Invalid Votes/ Abstained
	Nos.	%	Nos.	%	
E-voting	60580180	100	0	0	0
Poll	94735	100	0	0	0
TOTAL	60674915	100	0	0	0

All resolutions stand passed unanimously under e-voting and poll.



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

Thanking you,



MARTINHO FERRAO
Scrutinizer
Practicing Company Secretary

Date: 27th July, 2018

Place: Mumbai



SUMMARY OF PROCEEDINGS OF THE 57TH ANNUAL GENERAL MEETING OF THE GRAVISS HOSPITALITY LIMITED HELD ON FRIDAY, JULY 27, 2018 AT 12:30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT "DAIRY TOPS", J-177, M.I.D.C., BHOSARI, PUNE – 411 026.

The 57th Annual General Meeting (AGM) of the Members of the Company was held on Friday, July, 27, 2018 at 12:30 p.m. at the Registered Office of the Company at "Dairy Tops", J-177, M.I.D.C., Bhosari, Pune – 411 026.

Mr. Gaurav Ghai, Joint Managing Director, chaired the Meeting and started the formal proceedings.

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

As per the records of attendance, 15 members were present. The Chairman informed that the statutory registers under the Companies Act, 2013 and other documents as referred to in the AGM Notice were available for inspection by the members at the meeting. It was further informed that there were no qualifications in the Auditor's Report on the Standalone and Consolidated Financial Statements and the Report of the Secretarial Auditors of the Company. The Notice convening the AGM and the Auditor's Report on Standalone and Consolidated Financial Statements were taken as read, with the permission of the members present.

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

The Chairman informed that the Company had provided the Members the facility to cast their vote electronically, on all resolutions set forth in the Notice. The e-voting period commenced on Tuesday, July 24, 2018 (9:00 a.m. IST) and ended on Thursday, July 26, 2018 (5:00 p.m. IST). Members who were present at the AGM and had not cast their votes electronically through remote e-voting, were provided an opportunity to cast their votes, through physical ballot paper at the Meeting, under the supervision and guidance of Mr. Martinho Ferrao, scrutinizer appointed for the fair and transparent conduct of the Ballot Process.

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



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

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

ORDINARY BUSINESS:	
1.	To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31 st March 2018 together with the Reports of the Board of Directors and Auditors thereon. (Ordinary Resolution)
2.	To receive, consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended 31 st March, 2018 together with the Report of the Auditors thereon. (Ordinary Resolution)
3.	To appoint a Director in place of Mr. Ravi Ghai, Chairman & Managing Director (DIN: 00074612) who retires by rotation. (Ordinary Resolution)
4.	To ratify the appointment of M/s V. Sankar Aiyar & Co. as Statutory Auditors and fix their remuneration. (Ordinary Resolution)
SPECIAL BUSINESS:	
5.	To appoint Mrs. Tina Pardal (DIN: 07148874) as a Non-Executive Non-Independent Director of the Company. (Ordinary Resolution)
6.	Approval of related party transactions of the Company with Graviss Holdings Private Limited. (Special Resolution)
7.	To re-appoint Mr. Mahendra V. Doshi as an Independent Non-Executive Director of the Company. (Special Resolution)
8.	To re-appoint Mr. Gulshan M. Bijlani as an Independent Non-Executive Director of the Company. (Special Resolution)
9.	To re-appoint Mr. Harindra Pal Singh as an Independent Non-Executive Director of the Company. (Special Resolution)

The Chairman extended his heartiest thanks to the Members for their association with the Company and requested the members to continue voting. The Meeting concluded at 1:20 p.m.

The Scrutinizer's Report was received on July 27, 2018 and as set out therein, all the above resolutions were declared passed with the requisite majority.

This is for your information and record.

For Graviss Hospitality Limited

K. Bharucha

Kainaaz Bharucha
Company Secretary and Compliance Officer



GRAVISS HOSPITALITY LIMITED

2017-2018



GRAVISS

HOSPITALITY

QUALITY • PASSION • INNOVATION

GRAVISS HOSPITALITY LIMITED

(CIN: L55101PN1959PLC012761)

BOARD OF DIRECTORS

Ravi Ghai	:	<i>Chairman & Managing Director</i>
Gaurav Ghai	:	<i>Joint Managing Director</i>
Mr. Mahendra Doshi	:	<i>Director</i>
Mr. Harindra Pal Singh	:	<i>Director</i>
Mr. Gulshan Bijlani	:	<i>Director</i>
Ms. Tina Pardal	:	<i>Director – Appointed w.e.f. 17/05/2018</i>
Ms. Mala Todarwal	:	<i>Director – Resigned w.e.f. 28/03/2018</i>
Mr. Dalip Sehgal	:	<i>Director – Resigned w.e.f. 02/05/2017</i>

CHIEF FINANCIAL OFFICER

Mr. Amit Jain

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 57th Annual General Meeting of the members of GRAVISS HOSPITALITY LIMITED will be held on Friday, 27th July 2018 at 12:30 p.m. at the Registered Office of the Company at Dairy Tops, Plot No. J-177, M.I.D.C., Bhosari, Pune - 411 026, Maharashtra, India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2018 together with the Report of the Auditors thereon.
3. To appoint a Director in place of Mr. Ravi Ghai (DIN 00074612) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Section 139, 142, 177 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 (‘Rules’), including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment (s) thereof for the time being in force and pursuant to the Resolution passed by the members at the Annual General Meeting held on Wednesday, 25th June, 2014, the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration No. 109208W), as the Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined in consultation with the Statutory Auditors.

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

SPECIAL BUSINESS:

5. **Appointment of Mrs. Tina Pardal (DIN: 07148874) as a Non-Executive Non-Independent Director:**

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

“RESOLVED THAT Mrs. Tina Pardal (DIN: 07148874), who was appointed by the Board of Directors as an Additional Director with effect from 17th May, 2017 under Article 91 of the Articles of Association of the Company and who by virtue of the provisions of Section 161 of the Companies Act, 2013, holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of a Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

6. **Approval for transaction with Related Party.**

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

“RESOLVED THAT pursuant to the provisions of Clause 23 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter referred to as “Listing Regulations” (including any statutory modifications or amendments or re-enactments thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded to the Board of Directors (including its Committee thereof), to enter into material contracts / arrangements / transactions in the normal course of business with Graviss Holdings Private Limited (GHPL) a ‘Related Party’ as defined under Section 2(76) of the Companies Act, 2013 and Clause 23(4) of the Listing Regulations, as set out under the Statement setting out the material facts annexed to this Notice dated 17th May 2018, on such terms and conditions as may be mutually agreed upon between the Company and GHPL.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things, and to finalize the terms and conditions as may be considered necessary, expedient or desirable, in order to give effect to this Resolution.”

7. **Re-appointment of Mr. Mahendra V. Doshi as an Independent Non-Executive Director.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mahendra V. Doshi (DIN: 00123243), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

8. **Re-appointment of Mr. Gulshan M. Bijlani as an Independent Non-Executive Director.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Gulshan M. Bijlani (DIN: 01987683), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

9. **Re-appointment of Mr. Harindra Pal Singh as an Independent Non-Executive Director.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Harindra Pal Singh (DIN: 00032181), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Gaurav Ghai

Joint Managing Director

(DIN: 00074857)

Place: Mumbai,
Dated: May 17, 2018

Registered Office:

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

Notes:

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

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

- (b) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses forms a part of this Notice. The relevant details in respect of Item nos. 5 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 19th July, 2018 to 27th July, 2018, (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 2017-18 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 2017-18 are being sent in the permitted mode.

Members may also note that the Notice of the 57th Annual General Meeting and the Annual Report 2018 will also be available on the Company's website www.gravisshospitality.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 57th 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	<p>For Members holding shares in Demat Form:</p> <p>(a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID</p> <p>(b) For CDSL :- 16 digits beneficiary ID</p> <p>For Members holding shares in Physical Form:</p> <ul style="list-style-type: none"> ● 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.

57TH ANNUAL REPORT

- xv. Corporate/Institutional Members (corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to helpdesk.evoting@cdslindia.com and the Scrutinizer's 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 24th July 2018 (9.00 a.m.) and ends on 26th July 2018 (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 20th July, 2018 ('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. 20th July, 2018. 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.gravishospitality.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 17, 2018

Registered Office:

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

Explanatory Statement in Respect of Items of Special Business

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

ITEM NO. 5:

Mrs. Tina Pardal (DIN: 07148874) was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 17th May, 2018. Mrs. Pardal holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing along with requisite deposit under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director.

Mrs. Tina Pardal has done her Bachelor of Arts and has over two decades of experience as a Designer and Executor of wedding décor and as an event planner.

Mrs. Tina Pardal shall be entitled to sitting fees for attending Meetings of Board of Directors or committees thereof. She does not hold any shares in the Company. She is not disqualified from being appointed as a Director in terms of Section 164 of Companies Act, 2014. Pursuant to Section 152 and Rule 8 of Companies (Appointment & Qualification) Rules, 2014, she has given her consent to act as a Non-Executive Non-Independent Director of the Company.

Brief resume of Mrs. Tina Pardal and such other information as required under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard- 2 General Meetings, issued by Institute of Company Secretaries of India

has been furnished as an Annexure to this Notice.

She is not related to any of the Directors of the Company.

The Board recommends the Ordinary Resolution as set out at item No. 5 of the accompanying Notice for approval by the members. Except Mrs. Tina Pardal, being an appointee, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5.

ITEM NO. 6:

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013 and the Rules made there under, and based on the previous years' trend, the transactions as described hereunder are likely to exceed 10% of the annual turnover of the Company as per the last audited financial statements of the Company and may exceed the materiality threshold as prescribed under Regulation 23 of the said Regulations. Thus, in terms these transactions would require the approval of the Members by way of a Special Resolution.

Particulars	Information
Name of Related Party	Graviss Holdings Private Limited
Name of Director(s) or Key Managerial Personnel who is related, if any	Mr. Ravi Ghai and Mr. Gaurav Ghai are common Directors
Nature of relationship	Enterprise having substantial interest in the Company.
Material terms of the contracts/ arrangements/transactions	<p>(a) Catering Services:</p> <p>GHPL may appoint the Company as the caterer to provide catering services at the venue of GHPL situated 254-C, Dr. Annie Besant Road, Worli, Mumbai - 400 030 for the functions organized by the clients (Customers) of GHPL at the said venue for a consideration mutually agreed to between the Company and GHPL.</p> <p>(b) Management and Technical Support Services Arrangement:</p> <p>The Management and Technical Support Services provided by Graviss Holdings Private Limited (GHPL) to the Company include all matter relating to consultancy in relation to financial management, Company law affairs and secretarial matters, legal counsel & advisory services and providing of management support services from time to time as and when required for conducting the smooth corporate administration requirement of the Company.</p> <p>Further, GHPL shall also provide Technical Assistance in relation to areas of manufacturing of the Company's products and more specifically in the areas of Quality Control and Product Development.</p> <p>GHPL shall offer the aforesaid Services to the Company as per its requirement from time to time. Any travel, lodging and other expenses borne by GHPL for providing such services shall be reimbursed by the Company.</p>
Monetary Value	Up to ₹ 13 crores during 2018-2019
Whether the transactions have been approved by the Audit Committee	Yes

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

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

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

ITEM NO. 7:

Mr. Mahendra V. Doshi was appointed as an Independent Non-Executive Director of the Company by the members at the 53rd AGM of the Company held on 25th June, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Mahendra Doshi, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

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The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Mahendra Doshi fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Doshi as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Except Mr. Mahendra Doshi, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the AGM. Mr. Doshi is not related to any Director of the Company.

ITEM NO. 8:

Mr. Gulshan M. Bijlani was appointed as an Independent Non-Executive Director of the Company by the members at the 53rd AGM of the Company held on 25th June, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Gulshan Bijlani, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Gulshan Bijlani fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Gulshan Bijlani as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Except Mr. Gulshan Bijlani, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the accompanying Notice of the AGM. Mr. Bijlani is not related to any Director of the Company.

ITEM NO. 9:

Mr. Harindra Pal Singh was appointed as an Independent Non-Executive Director of the Company by the members at the 53rd AGM of the Company held on 25th June, 2014 for a period of five consecutive years commencing from 1st April, 2014 upto 31st March, 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Singh, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Singh fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Harindra Pal Singh as an Independent Director for another term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024, for the approval by the shareholders of the Company.

Except Mr. Harindra Pal Singh, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice of the AGM. Mr. Harindra Pal Singh is not related to any Director of the Company.

Annexure to Notice

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

1.	Name of the Director DIN	Ravi Ghai 00074612	Tina Parda 07148874	Mahendra Doshi 00123243	Gulshan Bijani 01987683	Harindra Pal Singh 00032181
2.	Date of Birth	24/04/1943	16/01/1959	29/11/1949	14/09/1951	23/11/1960
3.	Age	75 years	59 years	69 years	67 years	58 years
4.	Qualification	Graduate from the School of Hotel Administration, Cornell University, U.S.A.	Bachelor of Arts	M.B.A. from Fort Lauderdale University (U.S.A.)	Bachelor of Commerce	Bachelors' Degree in Science, Diploma in Hotel Management and Advertising & Public Relations
5.	Experience & Expertise	With over four decades of experience, Mr. Ravi Ghai is a known figure in the Indian hospitality industry and serves on the board of various corporate entities and professional bodies. other food products.	Mrs. Tina Parda has over two decades of experience as a Designer and Executor of wedding décor and an event planner.	Mr. Doshi started the LKP group. He has over 40 years' vast experience in the field of Finance, Capital Market and Business Administration. Mr. Doshi serves on the Board of various listed Companies as Independent Director.	Mr. Bijani has over 30 years of management experience and has background of production of motion pictures and is associated with film production industry.	Mr. Harindra Pal Singh is the Chairman & Managing Director of Percept Limited, a leading entertainment, media and communications conglomerate. He is regarded as one of the thought leaders in the field of entertainment, media & marketing communications.
6.	The last drawn remuneration	Rs. 45,45,000/-	Nil	Rs.1,20,000/- as sitting fee	Rs.80,000/- as sitting fee	Rs.20,000/- as sitting fee
7.	Date of first appointment on the Board	04/11/1977	17/05/2018	22/09/2006	27/04/2007	30/07/2007
8.	Shareholding of the Director in the Company	33,24,791	Nil	Nil	17,350	Nil
9.	Relationships with other Directors, Manager and other Key Managerial Personnel of the Company	Father of Mr. Gaurav Ghai, Joint Managing Director	She is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.
10.	Number of Board Meetings attended during the year	4/5	Nil	5/5	4/5	1/5
11.	Other Directorships	Graviss Holdings Private Limited	Nil	1. Nilkamal Ltd. 2. LKP Finance Ltd. 3. MKM Share & Stock Brokers Ltd. 4. Bhavana Holdings Pvt. Ltd. 5. Sea Glimpse Investments Pvt. Ltd. 6. LKP Wealth Advisory Pvt. Ltd. 7. Peak Plastonics Pvt. Ltd. 8. Solarex PV Solutions Pvt. Ltd. 9. J. K. Helene Curtis Ltd.	Nil	1. Percept Finserve Pvt. Ltd. 2. Tiger Sports Marketing Pvt. Ltd. 3. Infinity Communications Private Ltd. 4. Percept Advertising Ltd. 5. Percept Integrated Marketing Services Pvt. Ltd. 6. Percept Live Pvt. Ltd. 7. Percept Holdings Pvt. Ltd. 8. Percept Ltd.
12.	Committee Chairmanships / Memberships	Nil	Nil	Graviss Hospitality Limited i. Audit Committee – Chairman ii. Stakeholders' Relationship Committee – Member LKP Finance Ltd. i. Share Transfer Committee – Chairman ii. CSR Committee – Chairman iii. Audit Committee – Member Nilkamal Ltd. i. Audit Committee – Member ii. Nomination & Remuneration Committee – Member	Nil	Member of Audit Committee, Stakeholders' Relationship Committee and Nomination & Remuneration Committee of Graviss Hospitality Limited

Management Discussion and Analysis Industry Structure and Developments

Overview:

As one of the world's largest economic sectors, Travel & Tourism creates jobs, drives exports, and generates prosperity across the world. The international travel and tourism industry continues to be one of the largest global industries and a major engine of economic growth. The total contribution of Travel & Tourism to GDP was INR15,239.6bn (USD234.0bn), 9.4% of GDP in 2017, and is forecast to rise by 7.5% in 2018, and to rise by 6.9% p.a. to INR32,053.3bn (USD492.2bn), 9.9% of GDP in 2028. This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. The WTTC Report 2018 said India will add nearly 10 million jobs in the tourism sector by 2028 and that the total number of jobs dependent directly or indirectly on the travel and tourism industry will increase from 42.9 million in 2018 to 52.3 million in 2028. The Report has ranked India the seventh largest travel and tourism economy in the world.

As one of the world's largest economic sectors, Travel & Tourism creates jobs, drives exports, and generates prosperity across the world. In the annual analysis of the global economic impact of Travel & Tourism, the sector is shown to account for 10.4% of global GDP and 313 million jobs, or 9.9% of total employment, in 2017. The future of travel and tourism sector has huge potential to capitalise on the desires of the developing middle classes to see the world. The UN World Tourism Organization (UNWTO) suggests that international travellers will increase from a current 1.3 billion per year to 1.8 billion in the next 12 years and the latest forecasts from IATA show a doubling of air passengers from 4 billion to 7.8 billion by 2036.

Opportunities:

Foreign Tourist Arrivals (FTAs) during 2017 were 10.18 million with a growth of 15.6% over same period of the previous year. In the year 2016, there were 5.77 million arrivals of NRIs in India, with a growth rate of 9.7% over 2015. ITAs include both FTAs and Arrivals of Non Resident Indians (NRIs). In the year 2016, there were 14.57 million International Tourist Arrivals (ITAs) in India, with a growth rate of 9.7% over 2015 (source: Ministry of Tourism). Facilitative visa regime is a pre requisite for increasing inbound tourism. As on December, 2017, e-Visa facility had been extended to the nationals of 163 countries under 3 sub – categories i.e. 'e- Tourist Visa', 'e – Business Visa' and 'e – Medical Visa'. For creation of tourism infrastructure, the Ministry of Tourism has two major schemes viz. Swadesh Darshan - Integrated Development of Theme Based Tourist Circuits and PRASHAD Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive for development of tourism infrastructure in the country including historical places and heritage cities. The "Incredible India 2.0" Campaign of the Ministry was launched by the Hon'ble President of India on 27th September 2017, during the National Tourism Awards function. The 2.0 Campaign marks a shift from the generic promotions being undertaken across the world to market specific promotional plans and content creation. The Tourism Ministry is developing a new Incredible India website, leveraging the latest trends in technology for promotion and marketing of our country, to provide enhanced visitor experience with personalization and to realise the objectives of the Incredible India 2.0 campaign.

Threats:

There are concerns over the three-level implementation of GST in the hospitality sector and the government must bring in tax reforms to make India's tourism sector more competitive with other countries in the region. Economic risks, high capital costs, competition in the industry, poor infrastructure facilities and scarcity of land are the major barriers of entry in India for hotels. Competition is intense in metros, slowly picking up in tier-2 and tier-3 cities. Competition has picked up due to the entry of foreign hotel chains. Also, there is an increasing competition from the start-ups/online industry due to increasing penetration of the internet. However, the industry per se is highly sensitive to global crises, domestic government policies, acts of aggression with neighbouring countries, threats of terrorism.

Outlook:

It should be noted that that the base for tourism in India is still very low. The spurt in demand for hotel accommodation over the last few years has inflated hotel rooms in the country. However, a number of international brands across all hotel segments are planning to or have recently entered the Indian market. Furthermore, domestic hotel chains, too, are embarking on strong expansion and development plans across all hotel segments.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Fifty Seventh Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2018.

1. FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2018 is summarized below:

(Rs. in Lacs)

Particulars (Standalone basis)	2017-2018	2016-2017
Gross Income	4,743	4,226
Profit Before Interest & Depreciation	661	4
Finance Charges	162	164
Gross Profit	499	(160)
Provision for Depreciation	573	473
Net Loss Before Tax	(74)	(633)
Provision for Tax	3	196
Net Loss After Tax	(71)	(437)
Balance of Profit brought forward	(1,441)	(1,004)
Balance available for appropriation	0	0
Proposed Dividend on Equity Shares	0	0
Tax on proposed Dividend	0	0
Balance carried forward	(1,512)	(1,441)

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

During the financial year, the total revenue was Rs. 4,743 Lacs as compared to Rs. 4,226 Lacs in the last year. The Net Loss after tax stood at Rs. 71 Lacs as against loss of Rs. 437 Lacs in the previous year.

3. DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2018.

4. TRANSFER TO RESERVES

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

5. MANAGEMENT DISCUSSION AND ANALYSIS

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

6. NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2017-18 are given in the Corporate Governance Report which forms a part of this Report.

7. 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, Mr. Ravi Ghai, Managing Director, retires by rotation and being eligible offers himself for re-appointment to the Board.

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

(b) REGULARIZATION OF ADDITIONAL DIRECTOR

Mrs. Tina Pardal has been appointed as an Additional Director (Non-Independent Non-Executive) on the Board of your Company with effect from 17th May, 2018.

Members are requested to refer to Item No. 5 of the Notice of the Annual General Meeting (AGM) and the Explanatory Statement for details of her qualifications and experience.

(c) REAPPOINTMENT OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 ("the Act") and Clause 49 of the erstwhile Listing Agreement, Mr. Mahendra Doshi, Mr. Gulshan Bijlani and Mr. Harindra Pal Singh were appointed as Independent Non-Executive Directors to hold office for five consecutive years for a term up to 31st March, 2019 by the Members of the Company in the 53rd Annual

General Meeting held on 25th June, 2014. They are eligible for reappointment as Independent Directors for another term of five consecutive years.

Pursuant to the provisions of the Act, based on the recommendation of the Nomination and Remuneration Committee, the Board recommends for the approval of the Members through Special Resolution at the ensuing Annual General Meeting, reappointment of Mr Mahendra Doshi, Mr. Gulshan Bijlani and Mr. Harindra Pal Singh as Independent Directors for another five consecutive years from 1st April, 2019 up to 31st March, 2024.

Profile and other information of the aforesaid Directors, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 forms part of the notice convening the ensuing Annual General Meeting. The above proposal for re-appointment forms part of the Notice of the 57th Annual General Meeting and the relevant Resolutions are recommended for your approval therein.

(d) RESIGNATIONS

Ms. Mala Tadarwal, a Non-Executive Non-Independent Director resigned from the Board of your Company with effect from 28th March, 2018.

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

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

(E) KEY MANAGERIAL PERSONNEL

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

There has been no change in the Key Managerial Personnel of your Company during the financial year 2017-18..

(e) DECLARATION OF INDEPENDENCE

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

(f) FAMILIARISATION PROGRAMME

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

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

(g) BOARD EVALUATION

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

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

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this Report. The Managing Director & CEO of your Company 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.

8. 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.

9. 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 HOSPITALITY LIMITED

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

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

(Rs. in Lacs)

Sr. No.	Name of the Subsidiary Company	Turnover		Profit / (Loss) Before Tax		Profit / (Loss) After Tax	
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
1.	Graviss Hotels and Resorts Limited	0	0	0.88	1.59	0.18	0.84
2.	Graviss Catering Private Limited	127.75	175.87	(10.75)	(0.87)	(10.75)	(0.87)
3.	Hotel Kanakeshwar Private Limited	3.17	0.27	(12.62)	(0.76)	(12.62)	(0.76)

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

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

10. EXTRACT OF ANNUAL RETURN

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

11. CORPORATE GOVERNANCE

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

12. LISTING OF SHARES

The Company's equity shares are listed on BSE Limited (BSE). Further, the applicable listing fees for the financial year 2018-19 have been paid to the BSE Limited.

13. AUDITORS AND THEIR REPORT

(a) STATUTORY AUDITORS

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

A Resolution for ratification of appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No: 109208W), as Statutory Auditors of the Company for the Financial Year 2018-19 is being placed for the approval of members at the ensuing Annual General Meeting. They have confirmed their eligibility to the effect that their appointment, if ratified and confirmed, would be within the prescribed limits under the Companies Act, 2013 and Rules made there under and that they are not disqualified to be Statutory Auditors of your Company.

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

The Auditor's Report for the financial year ended 31st March, 2018 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 2017-18.

(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 2017-18.

At the Meeting of the Board of Directors of the Company held on 17th May, 2018, M/s. Pipalia Singhal & Associates, Chartered Accountants, Mumbai have been re-appointed as Internal Auditors for the financial year 2018-19.

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 17th May, 2018 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 2018-19. 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, 2019. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed as **Annexure D**.

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

14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

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

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

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

The Company has not received any complaint of sexual harassment during the financial year 2017-18.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

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

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

Foreign Exchange earned during the Financial Year 2017-2018 in terms of actual inflows: Nil

Foreign Exchange outgo during the Financial Year 2017-2018 in terms of actual outflows: Rs. 219 lacs

18. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, interim dividend pertaining to the financial year 2010-2011 amounting to Rs. 69,195/- which remained unpaid or unclaimed for a period of 7 years was transferred by the Company to the Investor Education and Protection Fund.

Further, Final Dividend which was declared at the Annual General Meeting of the Company held on 30th June, 2011, which remains unpaid or unclaimed for a period of 7 years, are due to be transferred to the Investor Education and Protection Fund on 29th July, 2018. Members who have not encashed their dividend warrants for the year 2010-2011 or thereafter are requested to write to the Company's Registrar and Share Transfer Agents.

19. PUBLIC DEPOSITS

During the financial year 2017-18, your Company has not accepted any deposit within the meaning of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

20. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2018, 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.

21. RELATED PARTY TRANSACTIONS

All Related Party Transactions which were entered during the financial year 2017-18 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.

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

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

The details of the related party transactions of the Company as required under Accounting Standard – 18 are set out in Note 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.

22. INTERNAL FINANCIAL CONTROLS

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

23. RISK MANAGEMENT

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

24. SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant/material orders passed by any of the Regulators or Courts or Tribunals impacting the going concern status of your Company or its operations in future during the financial year 2017-18.

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

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

26. CHANGE IN NATURE OF BUSINESS

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

27. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts for the financial year ended 31st March, 2018, 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, 2018 and of the loss of the Company for the financial year ended 31st March, 2018;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively and;
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

28. ACKNOWLEDGEMENTS

our 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**

Gaurav Ghai

Joint Managing Director

(DIN: 00074857)

Mumbai,

Dated: May 17, 2018

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

A. the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-2018

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

Notes:

- Median Remuneration for the F. Y. 2017-18 is ₹ 2,80,244/-
- In the aforesaid calculation, remuneration is not considered of those permanent employees who worked for less than 12 months during the financial year 2017-18
- The remuneration of Directors excludes sitting fees paid to them for the F. Y. 2017-18

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 2017-18

Name	Remuneration (in ₹)		Increase / (Decrease) (in %)
	2017-18	2016-17	
Mr. Ravi Ghai – Chairman & Managing Director	45,45,000	45,45,000	0
Mr. Gaurav Ghai – Joint Managing Director	29,13,000	29,13,000	0
Mr. Amit Jain – Chief Financial Officer	42,87,418	58,40,387	-19%
Mrs. Kainaaz Bharucha – Company Secretary	7,52,928	5,50,391	37%

C. The percentage increase in the median remuneration of employees in the financial year 2017-18: 6%

D. The number of permanent employees on the rolls of company: 353

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2017-18 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	(621.37)	(324.75)	24.58
5.	Total assets	6,345.09	97.81	169.59
6.	Total Liabilities	6,961.46	414.91	120.51
7.	Investments	0	0	0
8.	Turnover	0	127.75	3.17
9.	Profit before taxation	0.88	(10.75)	(12.62)
10.	Provision for taxation	(0.70)	0	0
11.	Profit after taxation	0.18	(10.75)	(12.62)
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 17, 2018

Gaurav Ghai
Joint Managing Director
(DIN: 00074857)

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L55101PN1959PLC012761
2.	Registration Date	5 th August, 1959
3.	Name of the Company	Graviss Hospitality Limited
4.	Category/Sub-Category of the Company	Company Limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Dairy Tops, Plot No. J-177, MIDC, Bhosari, Pune - 411 026, Maharashtra. Telephone Number : 020-30681102 Fax Number : 020-30681139 Email : investors.relations@gravissgroup.com
6.	Whether shares listed on recognized Stock Exchange(s)	Yes BSE Limited (Scrip Code: 509546)
7.	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	35.32
2	Restaurants and mobile food service activities	561	64.68

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)

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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	29,29,265	0	29,29,265	4.15	29,29,265	0	29,29,265	4.15	0
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt.	0	0	0	0	0	0	0	0	0
(d) Bodies Corporates	4,64,82,654	0	4,64,82,654	65.92	4,64,82,654	0	4,64,82,654	65.92	
(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	4,94,11,919	70.07	4,94,11,919	0	4,94,11,919	70.07	0
(2) Foreign									
(a) NRI-Individuals	33,24,791	0	33,24,791	4.71	33,24,791	0	33,24,791	4.71	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks/FI	0	0	0	0	0	0	0	0	0
(e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	33,24,791	0	33,24,791	4.71	33,24,791	0	33,24,791	4.71	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	5,27,36,710	0	5,27,36,710	74.78	5,27,36,710	0	5,27,36,710	74.78	0
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	10,19,885	500	10,20,385	1.45	8,19,309	500	8,19,809	1.16	-0.28
(ii) Overseas	1,06,42,640	43,85,235	1,50,27,875	21.31	1,06,42,640	43,85,235	1,50,27,875	21.31	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	8,03,551	6,58,895	14,62,446	2.07	6,81,394	6,51,495	13,32,889	1.89	-0.18
(ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	64,976	0	64,976	0.09	64,976	3,48,137	4,13,113	0.56	0.49
(c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Hindu Undivided Family	16,688	0	16,688	0.0237	33,122	0	33,122	0.05	0.02
Non Resident Indians (Non Repat)	9,153	0	9,153	0.01	3,600	0	3,600	0.00	0.00
Non Resident Indians (Repat)	1,000	0	1,000	0.0014	0	0	0	0	0.00
Other Directors	57,350	0	57,350	0.0813	57,350	0	57,350	0.0813	0.00
Clearing Members	27,892	0	27,892	0.04	7	0	7	0.00	0.00
Trusts	94,660	0	94,660	0.1342	94,660	0	94,660	0.1342	0.00
SUB TOTAL (B) (2)	1,27,37,795	50,44,630	1,77,82,425	25.22	1,27,36,535	50,44,640	1,77,81,175	25.22	0.05
Total Public Shareholding (B) = (B) (1) + (B) (2)	1,27,37,795	50,44,630	1,77,82,425	25.22	1,27,37,785	50,44,640	1,77,82,425	25.22	0.05
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6,54,74,505	50,44,630	7,05,19,135	100	6,54,74,495	50,44,640	7,05,19,135	100	

(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 (01.04.2017 to 31.03.2018)	
		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. 2017-18.									

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 (01.04.2017 to 31.03.2018)	
		No. of shares (At the beginning of the year)	% of total shares of the company		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	Dunearn Investments (Mauritius) Pte. Ltd.	70,25,708	9.96	—	—	—	N.A.	70,25,708	9.96
2.	Inter-Continental Hotels Corporation	43,85,235	6.22	—	—	—	N.A.	43,85,235	6.22
3.	Tresad Limited	36,16,932	5.13	—	—	—	N.A.	36,16,932	5.13
4.	Food Toppers Private Limited	9,62,537	1.36	—	—	—	N.A.	9,62,537	1.36
				07.04.17	(550)	0	Transfer	9,61,987	1.36
				14.04.17	(650)	0	Transfer	9,61,337	1.36
				21.04.17	(12,700)	(0.02)	Transfer	9,48,637	1.35
				28.04.17	(62,000)	(0.09)	Transfer	8,86,637	1.26
				05.05.17	(80,000)	(0.11)	Transfer	8,06,637	1.14
				12.05.17	(51,560)	(0.07)	Transfer	7,55,077	1.07
				19.05.17	(91,650)	(0.13)	Transfer	6,63,427	0.94
				16.06.17	(5,000)	0	Transfer	6,58,427	0.93
				23.06.17	(5)	0	Transfer	6,58,422	0.93
				07.07.17	(5,000)	0	Transfer	6,53,422	0.93
				14.07.17	(17,113)	(0.02)	Transfer	6,36,309	0.90
5.	Swavin Business Consultants Private Limited	27,503	0.04	21.04.17	8,987		Transfer	36,490	0.05
				28.04.17	9,746		Transfer	46,236	0.06
				15.09.17	1,07,958		Transfer	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 01.04.2017)		Date	Increase / (Decrease) in Promoters Shareholding		Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		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.	Mr. Amit Jain	0	0	—	—	—	—	0	0
7.	Mrs. Kainaaz Bharucha	0	0	—	—	—	—	0	0

(vi) Indebtedness

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

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	371.90	0	0	371.90
(ii) Interest due but not paid	—	—	—	—
(iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	371.90	0	0	371.90
Change in Indebtedness during the financial year				
— Addition	114.58	0	0	114.58
— Reduction (repayment)	(147.02)	0	0	(147.02)
Net Change	(32.44)	0	0	(32.44)
Indebtedness at the end 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

GRAVISS HOSPITALITY LIMITED

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	

B. Remuneration to other directors:

1. Independent Directors

(Figures in Rs.)

Name of the Director	Fee for attending Board meetings	Commission	Others	Total
Mr. Mahendra V. Doshi	1,20,000	—	—	1,20,000
Mr. Gulshan M. Bijlani	80,000	—	—	80,000
Mr. Harindra Pal Singh	20,000	—	—	20,000
Total (1)	2,20,000	—	—	2,20,000

2. Non-Executive / Promoter Directors

(Figures in Rs.)

Name of the Director	Fee for attending Board meetings	Commission	Others	Total
Mr. Dalip Sehgal#	20,000	—	—	20,000
Ms. Mala Tadarwal\$	1,00,000	—	—	1,00,000
Total (2)	1,20,000	—	—	1,20,000
Total (1 + 2)	3,40,000	—	—	3,40,000
Overall Ceiling as per Act	1% of Net Profits			

Resigned w.e.f. 2nd May, 2017

\$ Resigned w.e.f. 28th March, 2018

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

(Figures in Rs.)

Sr. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total Amount
		Mr. Amit Jain	Mrs. Kainaaz Bharucha	
1.	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,87,418	7,52,928	50,40,346
	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	42,87,418	8,00,000	50,87,418

(vii) Penalties / Punishment / Compounding of Offences:

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013 during the financial year 2017-18.

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

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2018

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

To,
The Members,
Graviss Hospitality Limited

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

Based on our verification of the **Graviss Hospitality Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014;
 - (e) The SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; – **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review and**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; – **Not applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) We have also examined the compliances of the provisions of the following other laws applicable specifically to the company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:
 - (a) Prevention of Food Adulteration Act, 1954
 - (b) Standard Weights and Measures Act, 1976
 - (c) Food Safety and Standards Act, 2006
 - (d) The Legal Metrology Act, 2009

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

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

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

57TH ANNUAL REPORT

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 56th Annual General Meeting of the Company held on 28th July, 2017:

- (a) To appoint a Director in place of Ms. Mala Tadarwal (DIN: 06933515) who retires by rotation and being eligible, offers herself for re-appointment.
- (b) Re-appointment of Mr. Gaurav Ghai (DIN: 00074857) as Joint Managing Director for a term of five years.
- (c) Approval of related party transactions of the Company with Graviss Holdings Private Limited (GHPL).

For **Martinho Ferrao & Associates**
Company secretaries

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

Place: Mumbai
Dated: 26th June, 2018

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

'Annexure A'

To,
The Members,
Graviss Hospitality Limited

Our report is to be read along with this letter.

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

For **Martinho Ferrao & Associates**
Company secretaries

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

Place: Mumbai
Dated: 26th June, 2018

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)
Nature of contracts / arrangements / transactions	Catering Agreement
Duration of the contracts / arrangements / transactions	3 years (from 1st November, 2017 to 31st October, 2020)
Salient terms of the contracts or arrangements or transactions including the value, if any:	<p>Graviss Hospitality Limited (GHL) shall provide 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). GHL will perform its duties to the best of its abilities and in accordance with the guidelines given from time to time by GHPL.</p> <p>GHL will provide and pay for all food, beverages, refreshments and ingredients used in the preparation of meals for service to the clients of GHPL at Mayfair Rooms, Worli.</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>
Date(s) of approval by the Board, if any:	30th November, 2017
Amount paid as advances, if any:	Nil

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

Place: Mumbai
Dated: May 17, 2018

Gaurav Ghai
Joint Managing Director
(DIN: 00074857)

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, 2018 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.

For and on behalf of
Martinho Ferrao & Associates
Company Secretaries

MARTINHO FERRAO
Proprietor

Membership No. 6221
Certificate of Practice No. 5676

Place: Mumbai
Dated: 26th June, 2018

Report on Corporate Governance

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

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

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

2. Board of Directors:

Composition of the Board of Directors, Number of Shares held in the Company, Attendance Details and Other Directorship/Committee Details held as on 31st March, 2018

Sl. No.	Names of Directors	Category	Number of Shares and Convertible Instruments held	Attendance at the Board Meetings held during the F.Y. 2017-2018	Attendance at the last AGM held on July, 28, 2017	No. of Directorships in listed entities including your Company	Number of memberships in Audit / Stakeholder Committee(s)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities
1.	Mr. Ravi Iqbal Krishan Ghai	Promoter / Executive Chairman	33,24,791	4/5	No	1	0	0
2.	Mr. Gaurav Ravi Ghai	Promoter / Executive Director	23,09,141	2/5	Yes	1	0	0
3.	Ms. Mala Arun Todarwal*	Non-Executive Non-Independent Director	0	5/5	No	4	5	4
4.	Mr. Mahendra Vasantrai Doshi	Non-Executive Independent Director	0	5/5	Yes	4	1	2
5.	Mr. Gulshan Mohan Bijlani	Non-Executive Independent Director	17,350	4/5	No	1	1	1
6.	Mr. Harindra Pal Singh	Non-Executive Independent Director	0	1/5	No	1	2	0
7.	Mrs. Tina Sunil Pardal [§]	Non-Executive Non-Independent Director	0	0	0	0	0	0

* Ms. Mala Todarwal resigned with effect from 28th March, 2018.

§ Ms. Tina Pardal has been appointed as Additional Director (Non-Executive Non-Independent) with effect from 17th May, 2018.

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Number of Meetings of the Board of Directors held and dates on which held during the Financial Year ended 31st March, 2018:

Sl. No.	Dates
1.	Tuesday, 2nd May, 2017
2.	Friday, 7th July, 2017
3.	Friday, 8th September, 2017
4.	Thursday, 30th November, 2017
5.	Friday, 2nd February, 2018

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

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

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

http://www.gravishospitality.com/pdf/Policies/FAMILIARIZATION_PROGRAMMES_FOR_INDEPENDENT_DIRECTORS.pdf

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.

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, 2018 are as follows:

Sl. No.	Dates of Meetings
1.	2nd May, 2017
2.	8th September, 2017
3.	30th November, 2017
4.	2nd February, 2018

(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, 2018 are detailed below:

Sl. No.	Name	Category	Nature of Membership	Meetings Attended
1.	Mr. Mahendra V. Doshi	Non-Executive / Independent	Chairman	5/5
2.	Ms. Mala Tadarwal ^{\$}	Non-Executive / Non-Independent	Member	5/5
3.	Mr. Harindra Pal Singh	Non-Executive / Independent	Member	1/5
4.	Mr. Gulshan Bijlani	Non-Executive / Independent	Member	4/5
5.	Mr. Dalip Sehgal [#]	Non-Executive / Non-Independent	Member	1/5

\$ up to 28th March, 2018

up to 2nd May, 2017

4. Nomination and Remuneration Committee

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

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

(i) During the Financial Year ended 31st March, 2018, the meeting of the Nomination and Remuneration Committee was held once on 2nd May, 2017.

(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, 2018 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;
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 56th Annual General Meeting held on 28th July, 2017 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, 2017, not liable to retire by rotation. The terms and conditions of his re-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, 2013, including any statutory modifications or any amendment or any substitution or any re-enactment thereof. The details of the remuneration paid to the Joint Managing Director are given in the table regarding details of remuneration paid to Directors.

NON-EXECUTIVE DIRECTORS

The Non-Executive/Independent Directors of the Company play a crucial role for ensuring the quality of corporate governance in a Company. They constitute a necessary component of a balanced Board structure where the in-depth knowledge of the executive directors is blended with the wider experience, unbiased opinions and knowledge of the Independent Directors. The Non-Executive Directors are paid sitting fees for attending the Meetings of the Board / 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, 2018 are as follows:

Figures in ₹

Name of the Director	Salary	Perquisites	Contribution to Provident Fund	Sitting Fees	Performance Linked Bonus	Commission	Total
Mr. Ravi Ghai	30,00,000	11,85,000	3,60,000	0	0	0	45,45,000
Mr. Gaurav Ghai	24,00,000	2,25,000	2,88,000	0	0	0	29,13,000
Mr. Dalip Sehgal#	0	0	0	20,000	0	0	20,000
Ms. Mala Todarwal*	0	0	0	1,00,000	0	0	1,00,000
Mr. Mahendra Doshi	0	0	0	1,20,000	0	0	1,20,000
Mr. Gulshan Bijlani	0	0	0	80,000	0	0	80,000
Mr. Harindra Pal Singh	0	0	0	20,000	0	0	20,000

Resigned w.e.f. 2nd May, 2017

* Resigned w.e.f. 28th March, 2018

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.gravishospitality.com/pdf/Policies/Criteria_of_making_payments_to_NEDs.pdf

6. Stakeholders' Relationship Committee:

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

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

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2018 is detailed below:

Dates on which meetings were held:	
28th April, 2017	31st October, 2017
31st May, 2017	30th November, 2017
30th June, 2017	29th December, 2017
31st July, 2017	31st January, 2018
31st August, 2017	28th February, 2018
30th September, 2017	31st March, 2018

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	1	1
Correction of Name/Address	4	4
Issue of Duplicate Certificates	2	2
Registration of NECS / ECS Details	2	2
Confirmation of Details	1	1
Procedure For Transmission / Deletion / Transposition	2	2
Issue of Duplicate Dividend Warrant	3	3
Exchange of Share Certificates	2	2
Issue of Fresh Demand Draft	2	1
Non-Receipt of Annual Report	1	1
Unclaimed Dividend	1	1
Request for Annual Report	1	1
Total	25	24

Number not solved to the satisfaction of the shareholders: 0

Number of pending complaints: 1

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
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
2014-2015	Friday, 24th July, 2015	12:30 p.m.	Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026.	1

No Special Resolutions were passed during Financial 2017-2018 through Postal Ballot.

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

8. Means of Communication

(i) Quarterly Results:

Quarterly, Half-Yearly and Annual Financial Results of the Company were published in leading English and local language 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 2017-18.

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, 28th July, 2018 at 12:30 p.m. at Dairy Tops, J-177, M.I.D.C., Bhosari, Pune - 411 026.

(ii) Book Closure Dates: 19th July, 2018 to 27th July, 2018 (both days inclusive)

(iii) Financial Year - April, 2017 to March, 2018

(iv) Dividend Payment Date: The Directors of the Company do not recommend dividend for the Financial Year ended 31st March, 2018.

(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

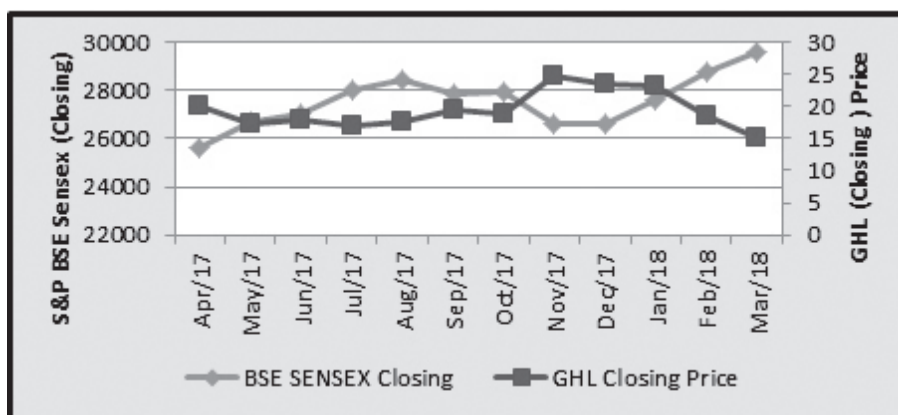
(vii) ISIN: INE214F01026

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

Month	High	Low	No. of Shares traded	Value of Shares traded	No. of Trades
April, 2017	25.50	20.00	1,09,020	23,15,624	200
May, 2017	21.20	16.10	3,28,102	60,93,130	455
June, 2017	21.35	15.75	51,553	9,05,544	131
July, 2017	19.80	17.00	47,393	8,41,130	82
August, 2017	17.95	17.00	27,091	4,65,025	59
September, 2017	19.95	17.10	27,085	4,91,439	85
October, 2017	19.95	17.65	19,701	3,79,602	54
November, 2017	25.95	18.50	23,556	5,17,899	78
December, 2017	24.90	21.20	7,524	1,76,944	32
January, 2018	28.00	21.15	33,845	8,45,197	109
February, 2018	22.20	18.70	3,400	67,560	16
March, 2018	18.30	15.00	8,138	1,38,623	29

(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 2017-18 (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	Number of shares	% of Total Share Capital
1 to 500	486	35.19	99,448	0.07
501 to 1000	415	30.05	4,02,822	0.28
1001 to 2000	223	16.15	4,20,076	0.30
2001 to 3000	32	2.32	85,008	0.06
3001 to 4000	60	4.34	2,37,600	0.17
4001 to 5000	22	1.60	1,06,340	0.08
5001 to 10000	79	5.72	6,47,024	0.46
Greater than 10000	64	4.63	13,90,39,952	98.58
Total	1,381	100	14,10,38,270	100

(xiii) Shareholding Pattern:

Sl. No.	Category of Shareholders	Total Holding	Percentage
1.	Promoter & Promoter Group	5,27,36,710	74.78
2.	Overseas Bodies Corporate	1,50,27,875	21.31
3.	Other Bodies Corporate	8,19,809	01.16
4.	Trusts	94,660	00.13
5.	Hindu Undivided Family	33,122	00.05
6.	Non Resident Individuals (Non-Repat)	3,600	00.01
7.	Directors or Directors' Relatives	57,350	00.08
8.	Clearing Members	7	00.00
9.	Individuals	17,46,002	02.48
	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, 2018:

Physical form	:	50,37,230
Electronic form with NSDL	:	6,51,33,768
Electronic form with CDSL	:	3,48,137

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

The Company has not entered into any materially significant related party transactions during the Financial Year 2017-18 that may have potential conflict with the interests of listed entity at large

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

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

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

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

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

<http://www.gravisshospitality.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.gravisshospitality.com/pdf/Policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES.pdf

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

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

Annexure to Report on Corporate Governance for the Financial Year ended 31st March, 2018

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, 2018.

Place: Mumbai
Date: 17th May, 2018

GAURAV GHAI
Joint Managing Director
(DIN: 00074857)

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, 2018 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: 17th May, 2018

AMIT JAIN
Chief Financial Officer

GAURAV GHAI
Joint Managing Director
(DIN: 00074857)

Independent Auditors' Report

To the Members of Graviss Hospitality Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Graviss Hospitality Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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, 2018, 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.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our reports for the year ended 31st March 2017 and 31st March 2016 dated 2nd May, 2017 and 24th May, 2016 respectively, expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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".
 - (g) 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 foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There were no amount, which were 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: 17th May, 2018

S. VENKATRAMAN
Partner
Membership No. 34319

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 2018

- 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, 2018, 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 Income Tax the amount of demand not deposited on account of disputes is Rs.5.17 lacs in respect of AY 2012-13 and the disputes are pending before the Appellate authorities of Income Tax department. In case of VAT, there is a disputed demand of tax and penalty of Rs. 84 lacs for the year 2010-11 which is contested before the Appellate Tribunal.
- viii. On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks. The company has not taken any loan from any financial institution or by way of issue of debentures.
- ix. According to the information and explanations given to 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 in to at reasonable rates and were approved by the Audit Committee or the Board of Directors in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by 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: 17th May, 2018

S. VENKATRAMAN
Partner
Membership No. 34319

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 2018

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, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 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: 17th May, 2018

S. VENKATRAMAN
Partner
Membership No. 34319

57TH ANNUAL REPORT

Balance Sheet

as at 31st March, 2018

Particulars	Note No.	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 01-04-2016 (Rs. in lacs)
ASSETS				
Non-current assets:				
Property, plant and equipment	5	15,944.45	15,706.22	13,573.09
Capital Work-in-Progress	5	73.42	52.84	46.41
Intangible assets	5			1.66
Financial Assets				
Investments	6	197.06	194.54	21.66
Trade receivables		38.25	35.79	30.39
Loans	7	8,506.04	8,941.42	11,036.68
Others	8	64.27	62.42	60.99
Income Tax assets (Net)		9.22	41.55	68.02
Other Non-current assets	9	300.00	300.00	300.00
Total Non-current assets		25,132.71	25,334.78	25,138.91
Current assets				
Inventories	10	153.48	186.45	162.31
Financial Assets				
Investments	11	—	0.17	0.17
Trade receivables	12	580.77	398.48	680.07
Cash and cash equivalents	13	145.59	57.87	120.70
Other Balances with Banks	14	5.99	5.58	5.88
Loans	15	10.40	6.05	9.52
Other Financial Assets	16	1.29	6.22	3.20
Income Tax assets (Net)		27.88	20.62	36.56
Other current assets	17	148.29	150.56	141.10
Total current assets		1,073.69	832.00	1,159.50
Total Assets		26,206.40	26,166.78	26,298.41
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	18	1,410.39	1,410.39	1,410.39
Other Equity	19	20,185.38	20,288.65	20,675.51
Total Equity		21,595.77	21,699.04	22,085.90
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	20	339.47	371.90	178.80
Deferred tax liabilities (Net)	21	2,158.33	2,173.92	2,347.93
Total Non-current liabilities		2,497.80	2,545.82	2,526.73
Current liabilities				
Financial Liabilities				
Borrowings	22	879.92	893.50	736.09
Trade payables		473.97	397.35	373.07
Other Financial Liabilities	23	654.17	556.41	511.87
Other Current liabilities	24	93.47	64.27	59.38
Provisions	25	11.30	10.39	5.37
Total current liabilities		2,112.83	1,921.92	1,685.78
Total Liabilities		4,610.63	4,467.74	4,212.51
Total Equity and Liabilities		26,206.40	26,166.78	26,298.41

Summary of Significant Accounting Policies and Other Notes to the financial statements

1 to 55

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

S. VENKATRAMAN

Partner (Membership No. 034319)

Place: Mumbai

Dated: 17th May, 2018

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

AMIT JAIN

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary

Statement of Profit and Loss Account
for the year ended 31st March, 2018

Particulars		For the year ended 31/03/2018 (Rs. in lacs)	For the year ended 31/03/2017 (Rs. in lacs)
	Note No.		
INCOME			
Revenue from operations	26	4,719.77	4,147.31
Other Income	27	23.63	78.58
Total Income		4,743.39	4,225.89
EXPENSES			
Food and Beverages consumed	28	654.78	565.18
Employee benefits expense	29	1,182.70	1,386.12
Finance costs	30	161.46	163.79
Depreciation and amortisation expenses	31	573.19	472.33
Other expenses	32	2,245.17	2,270.99
Total Expenses		4,817.31	4,858.41
PROFIT/(LOSS) BEFORE TAX		(73.92)	(632.52)
Tax expense:			
Deferred Tax (Net) (Refer Note "21")		3.09	196.15
Total Expenses		3.09	196.15
PROFIT/(LOSS) AFTER TAX		(70.83)	(436.37)
Other comprehensive income:	33		
(i) Items that will not be reclassified to profit or loss		(44.96)	71.64
(ii) Income tax relating to items that will not be reclassified to profit or loss		12.51	(22.14)
(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		(32.45)	49.50
Total comprehensive income for the year		(103.27)	(386.87)
Earning per equity share – Rs.	34		
(a) Basic		(0.15)	(0.55)
(b) Diluted		(0.15)	(0.55)
Summary of Significant Account Policies and Other Notes to the Financial Statements	1 to 55		

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

S. VENKATRAMAN

Partner (Membership No. 034319)

Place: Mumbai

Dated: 17th May, 2018

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

AMIT JAIN

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, 2018

Particulars	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before taxation, and extraordinary item	(73.92)	(632.52)	
Less: Remeasurement of Employees Benefits Adjusted in OCI	(44.96)	71.64	
Net profit before Tax After Adjustment in OCI	(118.88)	(560.88)	
Adjustments for:			
Non Cash Items			
Depreciation and Amortisation Expenses	573.19	472.33	
Fixed Assets written off			
Finance Cost	161.46	163.79	
Interest Income	(11.48)	(31.46)	
Dividend Income	(0.06)	(0.06)	
(Profit) / loss on sale of fixed assets	(4.01)		
(Profit) / loss on sale of investments	(0.06)		
Income Recognized Against Capital Grant		604.59	
Operating profit before working capital changes	719.04	604.59	
Adjustments for:	600.16	43.71	
Trade and other receivables	(184.76)	276.19	
Inventories	32.97	(24.14)	
Loans	435.38	2,095.26	
Other current assets	0.58	(10.13)	
Other Financial Liabilities	97.75	44.54	
Other Current Liabilities	30.10	9.91	
Trade and other payables	76.62	24.28	
Cash generations from operations	1,088.80	2,459.64	
Direct taxes paid	25.11	42.42	
Net cash flow from Operating Activities	1,113.91	2,502.06	
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(832.98)	(2,610.24)	
Sale of Fixed Assets	5.00	—	
(Purchase)/Sales of Investments	(2.29)	(172.88)	
Interest Income	11.48	31.46	
Dividend Income	0.06	0.06	
Net cash used in Investing Activities	(818.73)	(2,751.60)	
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Long-term borrowings	162.57	358.10	
Repayment of Long-term borrowings	(195.00)	(165.00)	
Short Term borrowings (Net)	(13.59)	157.41	
Finance Cost	(161.46)	(163.79)	
Net cash used in financing activities (C)	(207.47)	186.72	
Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)	87.72	(62.83)	
Opening Cash and Cash Equivalents	57.87	120.70	
Closing Cash and Cash Equivalents	145.59	57.87	
	(87.72)	62.83	
Breakup of Opening Cash and Cash Equivalents			
Balances with Banks			
In Current Accounts	38.47	101.84	
Cash on Hand	19.40	18.86	
Cash and Cash Equivalents	57.86	120.70	
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	
Disclosure as per Ind AS -7 as below:			
Particulars	4-1-2017	Cash Flows	31-03-2018
Long Term Borrowings	371.90	(32.43)	339.47
Short Term Borrowings	893.50	(13.59)	879.92
Total Liabilities from financing activities	1,265.40	(46.02)	1,219.39

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

S. VENKATRAMAN

Partner (Membership No. 034319)

Place: Mumbai

Dated: 17th May, 2018

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

AMIT JAIN

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 2018

	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 2018	1,410.39	—	1,410.39
As at 31st March 2017	1410.39	—	1,410.39

	Reserves and Surplus							Total
	Retained Earnings	General Reserve	Warrants Forfeited	Securities Premium Reserve	Capital Reserve	Capital Redem- ption Reserve	Other Compre- hensive Income	
B. Other Equity								
Balance as at 01st April 2017	(1,440.52)	11,320.29	850.01	9,183.07	7.78	318.52	49.50	20,288.65
Additions during the year								—
Surplus in the Statement of profit and loss	(70.83)	—	—	—	—	—	(32.45)	(103.28)
Balance as at 31 March 2018	(1,511.34)	11,320.29	850.01	9,183.07	7.78	318.52	17.05	20,185.38
Balance as at 01st April 2016	1,365.88	11,320.29	850.01	9,183.07	7.78	318.52	—	23,045.55
Deferred tax on revalued leasehold land	(2,370.03)	—	—	—	—	—	—	(2,370.03)
Balance as at 01st April 2016	(1,004.15)	11,320.29	850.01	9,183.07	7.78	318.52	—	20,675.51
Additions during the year	—	—	—	—	—	—	—	—
Surplus in the Statement of profit and loss	(436.37)	—	—	—	—	—	49.50	(386.87)
Balance as at 31 March 2017	(1,440.52)	11,320.29	850.01	9,183.07	7.78	318.52	49.50	20,288.65

C. Nature of reserves

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

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.

For all the periods upto 31st March 2017, the financial statements were prepared under historical cost convention in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note- 54 for information on how the Company adopted Ind AS.

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 17-05- 2018.

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.

NOTES FORMING PART OF THE BALANCE SHEET

- 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.

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 and services: Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods/services have passed to the buyer. Sale value of goods/services is measured at the fair value of the consideration received or receivable, net of returns 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

NOTES FORMING PART OF THE BALANCE SHEET

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 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) Show-cause notices issued by various Government Authorities are not considered as obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.
- e) 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.

NOTES FORMING PART

- 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:

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.

NOTES FORMING PART OF THE BALANCE SHEET

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.

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.

NOTES FORMING PART OF THE BALANCE SHEET

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 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 cost as on 01/04/2017	Additions and other transfers	Adjustments	Sales and other deuctions	At cost as on 31/03/2018	Opening Depreciation as on 01/04/2017	For the year	Dep on sold assets	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Land	10,272.33	—	—	—	10,272.33	—	—	—	—	10,272.33	10,272.33
Building	4,600.71	60.97	—	—	4,661.68	141.42	198.12	—	339.54	4,322.14	4,459.29
Premises	43.93	—	—	—	43.93	16.34	27.59	—	43.93	—	27.59
Plant and Machinery	161.60	65.79	—	—	227.39	54.04	66.44	—	120.48	106.91	107.56
Furniture & Fixtures	656.38	497.43	—	—	1,153.81	116.03	130.40	—	246.43	907.38	540.35
Office Equipments	386.40	7.35	—	14.56	379.19	109.73	117.75	13.57	213.91	165.28	276.67
Vehicles	37.84	171.01	—	—	208.85	23.92	27.39	—	51.31	157.54	13.92
Computers	17.70	9.86	—	—	27.56	9.19	5.50	—	14.69	12.87	8.51
	16,176.89	812.41	—	14.56	16,974.74	470.67	573.19	13.57	1,030.29	15,944.45	15,706.22

NOTE '5' - PROPERTY , PLANT AND EQUIPMENT:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	At cost as on 01/04/2016	Additions and other transfers	Adjustments	Sales and other deuctions	At cost as on 31/03/2017	Opening Depreciation as on 01/04/2016	For the year	Dep on sold assets	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Land	10,272.33	—	—	—	10,272.33	—	—	—	—	10,272.33	10,272.33
Building	2,325.11	2,275.60	—	—	4,600.71	—	141.42	—	141.42	4,459.29	2,325.11
Premises	43.93	—	—	—	43.93	—	16.34	—	16.34	27.59	43.93
Plant and Machinery	149.04	12.56	—	—	161.60	—	54.04	—	54.04	107.56	149.04
Furniture & Fixtures	406.55	249.83	—	—	656.38	—	116.03	—	116.03	540.35	406.55
Office Equipments	322.96	63.44	—	—	386.40	—	109.73	—	109.73	276.67	322.96
Vehicles	37.84	—	—	—	37.84	—	23.92	—	23.92	13.92	37.84
Computers	15.32	2.38	—	—	17.70	—	9.19	—	9.19	8.51	15.32
	13,573.08	2,603.81	—	—	16,176.89	—	470.67	—	470.67	15,706.22	13,573.08

NOTE '5' - PROPERTY , PLANT AND EQUIPMENT:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	At Cost as at 01-04-16	Other adjustments	At Cost as on 01-04-16	Opening Depreciation on as on 01-04-16	As at 01-04-16	As at 01-04-16	As at 01-04-16 IGAAP
Land	10,272.33	—	10,272.33	—	—	10,272.33	10,272.33
Building	3,750.65	—	3,750.65	1,425.54	1,425.54	2,325.11	2,325.11
Premises	95.89	—	95.89	51.96	51.96	43.93	43.93
Plant and Machinery	852.93	—	852.93	703.89	703.89	149.04	149.04
Furniture & Fixtures	2,621.99	—	2,621.99	2,215.44	2,215.44	406.55	406.55
Office Equipments	829.53	—	829.53	506.57	506.57	322.96	322.96
Vehicles	173.89	—	173.89	136.05	136.05	37.84	37.84
Computers	353.24	—	353.24	337.92	337.92	15.32	15.32
	18,950.45	—	18,950.45	5,377.37	5,377.37	13,573.08	13,573.08

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

Net block as per IGAAP and Ind AS as on 01st April 2016

(Rs. in lacs)

	As per IGAAP				
	Gross block at cost	Accumulated Depreciation	Net Block	Ind AS adjustments	Gross block as per Ind AS
Land	10,272.33	—	10,272.33	—	10,272.33
Building	3,750.65	1,425.54	2,325.10	—	2,325.10
Premises	95.89	51.96	43.92	—	43.92
Plant and Machinery	852.93	703.89	149.05	—	149.05
Furniture & Fixtures	2,621.99	2,215.44	406.56	—	406.56
Office Equipments	829.53	506.57	322.96	—	322.96
Vehicles	173.89	136.05	37.84	—	37.84
Computers	353.24	337.92	15.32	—	15.32
	18,950.44	5,377.36	13,573.09	—	13,573.09

NOTE '5' - INTANGIBLE ASSETS:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	At cost as on 01/04/2017	Additions and other transfers	Adjustments	Sales and other deuctions	At cost as on 31/03/2018	Opening Depreciation as on 01/04/2017	For the year	Dep on sold assets	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Computer Software	1.66	—	—	—	1.66	1.66	—	—	1.66	0.00	0.00
	1.66	—	—	—	1.66	1.66	—	—	1.66	0.00	0.00

NOTE '5' - INTANGIBLE ASSETS:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	At cost as on 01/04/2016	Additions and other transfers	Adjustments	Sales and other deuctions	At cost as on 31/03/2017	Opening Depreciation as on 01/04/2016	For the year	Dep on sold assets	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Computer Software	1.66	—	—	—	1.66	—	1.66	—	1.66	0.00	1.66
	1.66	—	—	—	1.66	—	1.66	—	1.66	0.00	1.66

NOTE '5' - INTANGIBLE ASSETS:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	At Cost as at 01-04-16	Other adjustments	At Cost as on 01-04-16	Opening Depreciation on as on 01-04-16	As at 01-04-16	As at 01-04-16	As at 01-04-16 IGAAP
Computer Software	39.54	-	39.54	37.88	37.88	1.66	1.66
	39.54	-	39.54	37.88	37.88	1.66	1.66

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NOTES FORMING PART OF THE BALANCE SHEET

Net block as per IGAAP and Ind AS as on 01st April 2016

(Rs. in lacs)

	As per IGAAP				
	Gross block at cost	Accumulated Depreciation	Net Block	Ind AS adjustments	Gross block as per Ind AS
Computer Software	39.54	37.88	1.66	—	1.66
	39.54	37.88	1.66	—	1.66

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 01/04/2016 (Rs. in lacs)
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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	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	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	0.05
20 Shares of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each	0.01	0.01	0.01
*1,857 Equity shares of Bombay Mercantile Co-operative Bank Ltd., of Rs. 30 each	—	0.56	0.56

INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Quoted:

3,820 Equity Shares of Edelweiss Capital Limited of Rs.1 each	9.10	6.02	3.15
	197.06	194.54	21.66
Aggregate value of unquoted investments	187.95	188.51	18.51
Aggregate value of quoted investments	9.10	3.15	3.15
Market value of quoted investments	9.10	6.02	2.15

*(Note: 190 shares are held in the name of Mr Ravi Ghai, Chairman and Managing Director and Mr Gaurav Ghai, Joint Managing Director of the Company)

NOTE '7' – LONG-TERM LOANS AND ADVANCES – UNSECURED CONSIDERED GOOD:

Security Deposits	1,096.92	1,602.00	1,606.56
Loans to subsidiary companies:			
– Graviss Hotels and Resorts Limited (Refer Note "50")	6,925.42	6,863.42	9,240.32
– Graviss Catering Private Limited (Refer Note "49")	397.13	392.13	189.80
– Hotel Kankeshwar Private Limited	86.57	83.87	—
	8,506.04	8,941.42	11,036.68

NOTES FORMING PART OF THE BALANCE SHEET

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 31/03/2016 (Rs. in lacs)
NOTE '8' – OTHER NON-CURRENT FINANCIAL ASSETS:			
Margin Money Deposit with Bank	64.27	62.42	60.99
	64.27	62.42	60.99
NOTE '9' – OTHER NON-CURRENT ASSETS:			
Capital advance	300.00	300.00	300.00
	300.00	300.00	300.00
NOTE '10' – INVENTORIES (Valued at lower of cost and net realisable value):			
Food and Beverages	144.26	155.54	123.39
Stores and Other Operating Supplies	9.22	30.91	38.92
	153.48	186.45	162.31
NOTE '11' – CURRENT INVESTMENTS (carried at fair value through profit and loss):			
Investments in Mutual Funds (Quoted)			
176 units of Rs. 10 each in Birla Sun Life Short Term Fund	—	0.17	0.17
	—	0.17	0.17
Aggregate value of current quoted investments	—	0.17	0.17
Net Assets Value (NAV) of Mutual Funds	—	0.20	0.20
NOTE '12' – TRADE RECEIVABLES:			
Debts outstanding for a period exceeding six months – (Secured, considered good)	38.25	35.79	30.39
Debts outstanding for a period exceeding six months – (Unsecured, considered good)	6.50	322.94	11.32
Other debts 574.27	75.54	668.76	
	619.02	434.27	710.46
NOTE '13' – CASH AND CASH EQUIVALENTS:			
Current accounts	136.60	38.47	101.84
Cash on hand	8.98	19.40	18.86
	145.59	57.87	120.70
NOTE '14' – OTHER BALANCES WITH BANKS:			
Earmarked balances	1.94	1.94	2.63
Fixed Deposit with banks maturing within one year	4.05	3.64	3.25
	5.99	5.58	5.88
NOTE '15' – SHORT-TERM LOANS AND ADVANCES:			
(Unsecured, considered good)			
Advances to others:			
(Loans to employees)	10.40	6.05	9.52
	10.40	6.05	9.52

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NOTES FORMING PART OF THE BALANCE SHEET

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 31/03/2016 (Rs. in lacs)
NOTE '16' – OTHER FINANCIAL ASSETS:			
Other advances	1.29	6.22	3.20
	1.29	6.22	3.20
NOTE '17' – OTHER CURRENT ASSETS:			
Advance to suppliers	71.84	62.32	54.70
Prepaid expenses	76.45	80.42	80.80
Balances with statutory/government authorities	—	7.82	5.60
	148.29	150.56	141.10
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	230.00
113,500,000 Equity shares of Rs. 2 each	2,270.00	2,270.00	2,270.00
	2,500.00	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	1,410.39
70,519,135	1,410.39	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	70,519,135
Issued during the year	—	—	—
Closing	70,519,135	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	21,813,970
Satinetta Finlease & Investments Private Limited- 32.57% (32.57%)	22,967,844	22,967,844	22,967,844
Dunearn Investments (Mauritius) Pte Limited- 9.96% (9.96%)	7,025,708	7,025,708	7,025,708
Inter Continental Hotels Corporation, USA- 6.22% (6.22%)	4,385,235	4,385,235	4,385,235

NOTES FORMING PART OF THE BALANCE SHEET

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 31/03/2016 (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	7.78
ii Warrants Forfeited Account:			
As per last account	850.01	850.01	850.01
iii Securities Premium Account:			
As per last account	9,183.07	9,183.07	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	318.52	318.52
v General Reserve:			
As per last account	11,320.29	11,320.29	11,320.29
	11,320.29	11,320.29	11,320.29
vi Retained Earnings:			
Opening balance	(1,440.52)	(1,004.15)	1,473.63
Add : Opening balance adjustment due to Ind AS	—	—	(2,370.03)
Add : Net profit after tax transferred from Statement of Profit and Loss	(70.83)	(436.37)	(107.76)
Amount available for appropriation	(1,511.34)	(1,440.52)	(1,004.16)
Balance in Profit and Loss account	(1,511.34)	(1,440.52)	(1,004.16)
	20,168.33	20,239.15	20,675.51
B Other Comprehensive Income			
As per last account	49.50	—	—
Addition during the year	(32.45)	49.50	—
Closing balance	17.05	49.50	—
	20,185.38	20,288.65	20,675.51

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NOTES FORMING PART OF THE BALANCE SHEET

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 01/04/2016 (Rs. in lacs)
Non-current Liabilities:			
NOTE '20' – BORROWINGS:			
Term loans from Bank : (Refer Note "23")			
Axis Bank			
— Term Loan (Secured) - I	0.00	52.14	153.22
Note:			
Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 59 monthly instalments of Rs. 8.33 lacs each along with interest, from February 2014. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.			
— Term Loan (Secured) - II	165.90	240.61	25.58
Note:			
Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 60 monthly instalments of Rs. 6.25 lacs each along with interest, from April 2016. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.			
— Term Loan (Secured) - III	58.99	79.15	—
Note:			
Term loan from bank carries interest @ 12% p.a. The loan is repayable in 60 monthly instalments of Rs. 1.67 lacs each along with interest, from March 2017. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.			
b) Deferred payment liabilities:	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)			
	339.47	371.90	178.80

NOTES FORMING PART OF THE BALANCE SHEET

NOTE '21' – 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 2018				
Deferred Tax Liabilities				
Difference between accounting and tax depreciation	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) Closing	2,173.92	(3.08)	(12.51)	2,158.33
For The Year Ended 31st March 2017				
Deferred Tax Liabilities				
Difference between accounting and tax depreciation	115.10	4.48	—	119.58
On revaluation of leasehold land	2,370.03	—	—	2,370.03
Total Deferred Tax Liabilities	2,485.13	4.48	—	2,489.61
Deferred Tax Assets				
Expenses Allowed on Payment Basis	67.05	36.39	(22.14)	81.30
Unabsorbed Depreciation	70.15	164.24	—	234.39
Total Deferred Tax Assets	137.20	200.63	(22.14)	315.69
Deferred Tax Liabilities (Net)	2,347.93	(196.15)	22.14	2,173.92

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	2017-18	2016-17
Profit Before Tax	(73.92)	(632.52)
Applicable Tax Rate	27.82%	30.90%
Tax Using the Applicable Tax Rate	(20.56)	(195.44)
Tax Effect of:		
Add: Non-Deductible Tax Expenses	—	—
Add: Recognition of Tax Effect of Previously Unrecognized Tax Gains / (Losses)	(5.54)	(0.71)
Less: Rate Difference	23.01	—
Less: Investment Allowance Deduction	—	—
Tax Expense Recognized in the Statement of Profit & Loss	(3.09)	(196.15)
Weighted Average Tax Rate	4.19%	31.01%

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	2017-18	2016-17
A. Current Tax Expense	—	—
B. Deferred Tax Expense / (Asset) relating to		
— Origination and reversal of temporary differences	(26.10)	(196.15)
— Change in tax rates	23.01	—
— Recognition of previously unrecognized tax losses / (gains)	—	—
Total	(3.09)	(196.15)
Tax Expenses recognized in the Statement of Profit & Loss	(3.09)	(196.15)
Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI	(12.51)	22.14

As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 01/04/2016 (Rs. in lacs)
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Current Liabilities:

NOTE '22' – SHORT-TERM BORROWINGS:

Loans repayable on demand from Bank (secured):

Axis Bank	879.92	893.50	736.09
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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.

<u><u>879.92</u></u>	<u><u>893.50</u></u>	<u><u>736.09</u></u>
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NOTE '23' – OTHER CURRENT FINANCIAL LIABILITIES:

Unpaid Dividends (Not due to be deposited into Investor Education and Protection Fund)	1.94	1.94	2.63
Expenses payable	332.47	262.19	196.45
Interest free security deposits	7.87	17.72	12.92
Gratuity obligation	134.37	66.51	108.41
Others (Provident Fund, ESIC etc)	14.36	13.05	12.29
Current maturities of long term debt: (Refer Note "20")			
Term Loans repayable in 12 months			
— Indian Rupee Loan	145.02	195.00	174.96
— Deferred Payment Liability	18.14	—	4.21
	<u><u>654.17</u></u>	<u><u>556.41</u></u>	<u><u>511.87</u></u>

NOTE '24' – OTHER CURRENT LIABILITIES:

Statutory dues payable*	93.47	64.28	59.39
	<u><u>93.47</u></u>	<u><u>64.27</u></u>	<u><u>59.38</u></u>

*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	11.30	10.39	5.37
	<u><u>11.30</u></u>	<u><u>10.39</u></u>	<u><u>5.37</u></u>

NOTES FORMING PART OF THE BALANCE SHEET

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)
NOTE '26' – REVENUE FROM OPERATIONS:		
Sales-Rooms	1,666.93	1,577.59
Sales-Food and Beverages	2,755.54	2,144.79
Sale of services	297.30	424.93
	4,719.77	4,147.31
NOTE '27' – OTHER INCOME:		
Interest received on deposits with banks	11.48	31.46
Dividend income	0.06	0.06
Gain/(Loss) on sale of investments	0.06	—
Gain/(Loss) on sale of assets	4.01	—
Mark to Market gain on equity shares	3.08	2.87
Unclaimed Credit balances written back	0.42	29.79
Exchange Rate Difference (net)	—	0.65
Foreign Exchange Commission	0.79	2.13
Miscellaneous receipts	3.72	11.62
	23.63	78.58
NOTE '28' – FOOD AND BEVERAGES CONSUMED:		
Opening stock	155.54	123.39
Add: Purchases	643.50	597.33
	799.04	720.72
Less: Closing stock	144.26	155.54
	654.78	565.18
NOTE '29' – EMPLOYEE BENEFITS EXPENSE:		
(refer Note "37")		
Salaries and wages (including bonus and gratuity)	1,067.88	1,272.21
Contributions to :		
Provident, Family Pension and other Funds	68.71	71.19
Staff welfare expenses	46.11	42.72
	1,182.70	1,386.12
NOTE '30' – FINANCE COSTS:		
Interest expense (Bank loans)	161.46	163.79
	161.46	163.79
NOTE '31' – DEPRECIATION AND AMORTISATION EXPENSES:		
Depreciation of tangible assets	573.19	470.67
Amortisation of intangible assets	—	1.66
	573.19	472.33

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NOTES FORMING PART OF THE BALANCE SHEET

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)
NOTE '32' – OTHER EXPENSES:		
Operating Expenses:		
Power, Fuel and Water	308.17	332.35
Repairs and Maintenance:		
Building	64.27	47.45
Machinery	11.98	17.74
Others	142.55	108.00
Stores and Supplies including Linen and Uniforms	118.21	97.00
Washing and Laundry expenses	63.52	52.81
Business Operating expenses	191.32	171.44
Music and other Operating expenses	87.01	121.94
General Expenses:		
Rent	12.08	12.60
Rates and Taxes	129.39	182.05
Insurance	36.74	28.18
Hire charges	0.89	0.42
Advertisement and Sales Promotion	243.17	232.16
Credit Card charges	58.60	53.88
Travelling and Conveyance	187.96	225.52
Printing and Stationery	22.01	20.20
Postage and Telephones	30.33	33.87
Other expenses	125.69	148.86
Payments to Auditors (Note "38")	11.10	8.34
Legal and Professional charges	266.87	215.81
Exchange Rate Difference	0.06	—
Franchise and Corporate Service fees	130.12	156.33
Donations	—	0.67
Directors Sitting fees	3.12	3.37
	<u>2,245.17</u>	<u>2,270.99</u>
NOTE '33' – OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss		
Remeasurement of Defined Benefit Plans	(44.96)	71.64
Income tax relating to items that will not be reclassified to profit or loss		
Remeasurement of Defined Benefit Plans	12.51	(22.14)
NOTE '34' – EARNINGS PER EQUITY SHARE (BASIC AND DILUTED):		
Net profit after Taxation (in Rs.)	70,519,135	(386.87)
Weighted average number of equity shares	(0.15)	70,519,135
Earnings per equity shares (in Rs.)	2.00	(0.55)
Nominal value per share (Rs.)	2.00	2.00

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 The Company is hopeful of getting the order in favour from the Appellate Authorities in respect of income tax demand of Rs. 5.17 lacs for the assessment year 2012-13 since the Company has got the tribunal order in its favour in respect of the similar disallowances/additions to income relating to earlier years and accordingly no provision is made for the same in the financial statements.
- iii In the matter of VAT demand and penalty of Rs. 88 lacs for the year 2010-11, the Company is hopeful of getting the order in its favour and hence has not made provision for the same in the financial statements.
- iv The Company has received Show Cause notice from Service Tax Authorities denying the utilization of input tax credit of one unit against the tax payable of another unit for the years 2009-10 to 2012-13 for an amount of Rs. 101 lacs. The company has replied to the Commissioner. The company has been legally advised that they would not result in outflow of the resources, considering various judgements in favour of the Company on similar issue.

B. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account- Rs. NIL -(Previous year-Rs. 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.59 lacs in the Profit & Loss Account.

b Defined Benefit Plans:

	Gratuity Funded	
	2017-18 (Rs. in lacs)	2016-17 (Rs. in lacs)
Changes in the Present Value of Obligation		
Present Value of Obligation at beginning of period	106	201
Interest Cost	7	13
Current Service Cost	18	21
Benefits Paid	—	(63)
Actuarial (Gain)/Loss on obligation	45	(67)
Present Value of Obligation at end of period	176	106
Amount Recognized in the Balance Sheet and statement of profit and loss account		
Present Value of Obligation at end of period	176	106
Fair Value of Plan Assets at end of period	42	39
Funded Status	(134)	(67)
Net Asset/ (Liability) recognized in the balance sheet	(134)	(67)
Expenses Recognized in the statement of Profit and Loss Account		
Current Service Cost	18	21
Net Interest	7	13
Expenses Recognized in the statement of Profit and Loss Account	26	35
Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognized for the period	45	(67)
Return on Plan Assets excluding net interest	0	(5)
Total Actuarial (Gain)/Loss recognized in (OCI)	45	(72)
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	(10)	
Delta effect of 1% decrease in rate of discounting	11	
Delta effect of 1% increase in rate of rate of salary escalation	10	
Delta effect of 1% decrease in rate of rate of salary escalation	(10)	
Projected benefits payable in future years from the date of reporting		
1st following year	10	
Sum of years 2 to 5	96	
Sum of years 6 to 10	101	

NOTES FORMING PART OF THE BALANCE SHEET

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

	2017-18 (Rs. in lacs)	2016-17 (Rs. in lacs)
Salary	54	54
Contribution to provident fund	6	6
Other Perquisites	14	14
	75	75

NOTE '38' – PAYMENTS TO AUDITORS

	2017-18 (Rs. in lacs)	2016-17 (Rs. in lacs)
Audit Fee	7	7
Certification fee	5	2
	11	8

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):

	2017-18 (Rs. in lacs)	2016-17 (Rs. in lacs)
Trade Receivables (Current)		
Graviss Holdings Private Limited	494	316
Rich Graviss Products Private Limited	—	1
Graviss Foods Private Limited	—	3
Ice Hospitality Pvt Ltd	63	-
	557	319
Loans and Advances:		
Security Deposits: (Non Current)		
Graviss Holdings Private Limited	250	—
Cross Word Beverages Private Limited	800	800
Pure Foods & Ice Creams	—	4
	1,050	804

(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 Ind AS24 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 Mala Todarwal (upto 28-03-2018)	Non-Independent
Mr. Gulshan Bijlani	Independent
Mr. Mahendra V Doshi	Independent
Mr. Dalip Sehgal (upto 2nd May 2017)	Non-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, Kwalita Fantasy Limited, Kwalita Real Estate Pvt Ltd, West Hills Realty Pvt Ltd
*QSR Concepts Pvt Ltd, ICE Holdings Pvt Ltd, *Famed Properties Pvt Ltd, *Graviss Food Solution Pvt Ltd, Graviss Foods Pvt Ltd.
(* no transactions during the year)

NOTES FORMING PART OF THE BALANCE SHEET

iv **Key Managerial Personnel**

Mr Ravi Ghai
 Mr Gaurav Ghai
 Mr. Dalip Sehgal (upto 2nd May 2017)
 Mr. Amit Jain
 Ms. Kainaaz Bharucha

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

B. Transactions with Related Parties:

	2017-18	2016-17	1st April 2016
	(Rs. in lacs)	(Rs. in lacs)	(Rs. in lacs)
i Sales			
Graviss Holding Private Limited & Ice Hospitality Pvt Ltd	948	187	
ii Expenditure and other services fees paid			
Directors (Non-Executives) Sitting Fee			
Ms Mala Todarwal Non-Independent	1	1	
Mr. Gulshan Bijlani Independent	1	1	
Mr. Mahendra V Doshi Independent	1	1	
Mr. R K P Shankardass Independent	—	0	
Mr. Dalip sehgal Non-Independent	0	1	
Other related parties where the common control exists	222	72	
iii Managerial Remuneration			
Managing Director and Joint Managing Director	75	75	
Chief Financial Officer	43	53	
Company Secretary	8	6	
iv Purchase of Assets (slump sale)			
Graviss Hotels and Resorts Limited	—	2,161	
Ice Hospitality Private Limited	750	—	
v Purchase of Non Current Investments			
Graviss Hotels and Resorts Limited	—	170	
vi Loan Received back			
Graviss Hotels and Resorts Limited	—	2,377	
vii Loan given			
Hotel Kankeshwar Private Limited	—	84	
viii Loans /Advances/ Deposits given			
Other related parties where the common control exists	8,366	8,060	11,188
ix Debtors			
Other related parties where the common control exists	557	319	596
x Outstanding payables			
Other related parties where the common control exists	30	17	13

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NOTES FORMING PART OF THE BALANCE SHEET

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

	2017-18		2016-17	
	Percentage of total consumption	Amount (Rs. in lacs)	Percentage of total consumption	Amount (Rs. in lacs)
Raw Materials:				
Imported	0	—	0	—
Indigenous	100	655	100	565
Stores:				
Imported	0	—		
Indigenous	100	70	100	76

NOTE '42' – EARNINGS IN FOREIGN EXCHANGE:

	2017-18	2016-17
a) Sale of Rooms and Food and Beverages Income	1,510	1,303.23
b) Encashment of Foreign Exchange	26	34.21

NOTE '43' – EXPENDITURE IN FOREIGN CURRENCIES:

a) Travelling - Directors	26	86
b) Travelling - Others	3	20
c) Agency Commission	18	24
d) Consultants Fees	24	41
e) Franchise Fees	147	167
f) Others	1	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 if different from the significant part of that asset.
46. Due to losses, no provision for current tax has been made.
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. 397.13 lacs. The accumulated losses of the said subsidiary exceed its net worth. In the opinion of the management, having regard to the long term interest of the Company in the said subsidiary and considering that the subsidiary is able to get regular orders of decoration and earn sufficient margin to meet the fixed costs, there is no diminution in the value of investments and the Company is also hopeful of recovering the loan.
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. 6,925.42 lacs. The accumulated losses of the said subsidiary exceed its net worth. The said subsidiary had purchased lands at various places for developing hotels. Due to change in the business plans, the subsidiary is exploring to sell these lands alongwith the buildings constructed so far. In the assessment of the management, the market value of the lands acquired would be more than the original cost and hence there is no diminution in the value of investment and company is also hopeful of recovering the loan.
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.
52. The Company has entered into a Business Transfer Agreement during the year for purchase of the catering business of Ice Hospitality Private Limited, (a related party) for a consideration of Rs. 750 lacs as a going concern on slump sale basis. The consideration of the sale has been adjusted against the amount receivable from Graviss Fast Foods Private Limited (another related party).

NOTES FORMING PART OF THE BALANCE SHEET

NOTE '53' – 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.2018			
Fixed Rate Borrowings	—	—	—
As on 31 Mar.2017			
Fixed Rate Borrowings	—	—	—
As on 1 April.2016			
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.

NOTES FORMING PART OF THE BALANCE SHEET

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 2018					
Gross Carrying Amount	574	6	—	38	619
Specific Provision	—	—	—	—	—
Carrying Amount	574	6	—	38	619
As on 31 March 2017					
Gross Carrying Amount	76	323	—	36	434
Specific Provision	—	—	—	—	—
Carrying Amount	76	323	—	36	434
As on 01 April 2016					
Gross Carrying Amount	669	11	—	30	710
Specific Provision	—	—	—	—	—
Carrying Amount	669	11	—	30	710

Cash and cash equivalents:

The Company held cash and cash equivalents of Rs 145.59 lacs as at 31 March 2018 (31 March 2017-Rs. 57.87 lacs, 1st April 2016-Rs 120.70 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.

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. 2018						
Non-derivative financial liabilities						
Borrowings	1,383	1,043	115	224	—	1,383
Interest						
Trade payables	474	474	—	—	—	474
As on 31 Mar. 2017						
Non-derivative financial liabilities						
Borrowings	1,460	1,089	195	177	—	1,460
Interest						
Trade payables	397	397	—	—	—	397
As on 01 Apr. 2016						
Non-derivative financial liabilities						
Borrowings	1,094	915	179	—	—	1,094
Interest						
Trade payables	373	373	—	—	—	373

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.

NOTES FORMING PART OF THE BALANCE SHEET

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 follows:

Particulars	31st March 2018 (Rs. in lacs)	31st March 2017 (Rs. in lacs)
Fixed-rate instruments		
Financial liabilities - measured at amortised cost	—	—
Variable-rate instruments		
Financial liabilities - measured at amortised cost	339	372
Total	339	372

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 3.39 lacs and Rs. 3.72 lacs for the outstanding balances as on 31st March 2018 and 31st March 2017 respectively. 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 2018, 31st March 2017 and 1st April, 2016 are as below:

	(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)	—

NOTES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)

	Total	INR	USD
As on 31 Mar. 2017			
Financial assets			
Trade and other receivables	434	434	—
Loans	8,941	8,941	—
Other Non-current assets	62	62	—
Cash and Cash equivalents	58	58	—
Other Balances with Banks	6	6	—
Exposure for assets (A)	9,502	9,502	—
Financial liabilities			
Long term borrowings	372	372	—
Short term borrowings	894	894	—
Trade and other payables	397	397	—
Other Current financial liabilities	556	556	—
Exposure for liabilities (B)	2,219	2,219	—
Net exposure (B-A)	(7,282)	(7,282)	—

(Rs. in lacs)

	Total	INR	USD
As on 1st April, 2016			
Financial assets			
Trade and other receivables	710	710	—
Loans	11,037	11,037	—
Other Current / Non-current assets	61	61	—
Cash and Cash equivalents	121	121	—
Other Balances with Banks	6	6	—
Exposure for assets (A)	11,935	11,935	—
Financial liabilities			
Long term borrowings	179	179	—
Short term borrowings	736	736	—
Trade and other payables	373	373	—
Other Current financial liabilities	512	512	—
Exposure for liabilities (B)	1,800	1,800	—
Net exposure (B-A)	(10,135)	(10,135)	—

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 31-03-2018 and 31-03-2017 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.

54. Disclosures as required by Indian Accounting Standard (Ind AS) 101 - First Time Adoption of Indian Accounting Standards

(A) First Time Adoption of Ind AS

The financial statements for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the mandatory exceptions and optional exemptions availed by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

NOTES FORMING PART OF THE BALANCE SHEET

(i) Mandatory exceptions:

a) Estimates:

The estimates as at 1 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1 April 2016, the date of transition to Ind AS and as at 31 March 2017.

b) Derecognition of financial assets & financial liabilities

The Company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

d) Impairment of financial assets

At the date of transition to Ind AS, the company has determined that assessment of significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the company has recognized a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized.

(ii) Optional exemptions (allowed as per Ind AS 101)

a) Use of Deemed cost

The company has elected to use previous GAAP revaluation of leasehold land (finance lease) which is the carrying value of the said land under the previous GAAP as deemed cost on the date of transition to Ind AS.

The Company has elected the option of carrying value as deemed cost for all other Property, Plant & Equipment as at the date of transition to Ind AS.

b) The Company has elected to apply previous GAAP carrying amount of its investments in subsidiaries as deemed cost as on the date of transition to Ind AS.

c) Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from transition date and accordingly the Company has elected to apply the same prospectively from transition date.

Reconciliation of Total Comprehensive Income for the year ended 31st March 2017

Particulars	Note	(Rs. in lacs)
Net Profit / (Loss) As Per Earlier IGAAP	A	(390)
Effect for Remeasurement of Employee Benefits	A	(72)
Deferred Tax Impact		22
Mark to Market gain on equity shares		3
Net Profit / (Loss) As Per Ind-AS		(436)
Other Comprehensive Income (net of deferred tax)	A	49
Total Comprehensive Income As Per Ind-AS		(387)

Reconciliation of Equity

Particulars	Note	31-Mar-17	1-Apr-16
Equity As Per Earlier IGAAP		24,066	24,456
Deferred tax on revalued leasehold land	B	(2,370)	(2,370)
Mark to Market gain on equity shares		3	—
Equity As Per Ind-AS		21,699	22,086

A Defined Employee Benefit Liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit or Loss. Under Ind AS, 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 in OCI. Due to this, for the year ended 31 March 2017, the employee benefit cost is reduced by Rs 72 lacs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI.

NOTES FORMING PART OF THE BALANCE SHEET

B Deferred Tax

Under Ind AS, 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. Accordingly deferred tax relating to employee benefits as above is reclassified from Statement of Profit & Loss to Other Comprehensive Income. This adjustment will not have any impact on the Total Comprehensive Income.

Under Ind AS deferred tax is to be created between the carrying value of non-depreciable asset and its tax base, following the balance sheet method. However, under IGAAP the same was not required to be created as the deferred tax was created only for the difference between accounting income and taxable income. Accordingly deferred tax liability of Rs. 2,370 lacs has been created by debiting the Retained Earnings on the difference between carrying value of the leasehold land (which was revalued in the earlier years) being the deemed cost under the previous GAAP on the date of transition to Ind AS and its tax base

B Standards Issued but not yet effective

Amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The amendments to Ind AS 21, Foreign currency transactions and advance consideration clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company will adopt the amendments w.e.f. April 1, 2018.

The MCA has notified Ind AS 115 "Revenue from Contracts with Customers" which is effective from 1 April 2018. These have not been adopted early by the company and accordingly, have not been considered in the preparation of the financial statements. The information that are expected to be relevant to the financial statements is provided below.

Amendments to Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come in to force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date.

55. 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 '55'

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

S. VENKATRAMAN

Partner (Membership No. 034319)

Mumbai,

Dated: 17th May, 2018

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

AMIT JAIN

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary

**Independent Auditors' Report
To the Members of Graviss Hospitality Limited****Report on the Consolidated Ind AS financial statements**

We have audited the accompanying consolidated Ind AS 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, 2018 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").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated Statement of Changes in Equity 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 and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Group as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 169.59 lacs as at 31st March, 2018, total revenues of Rs.3.17 lacs and net cash flows amounting to Rs. 3.58 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, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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), and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS 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 Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent incorporated in India, none of the directors of the Parent incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, to the extent applicable, 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 auditor on separate financial statements as also the other financial information of a subsidiary company as noted in the 'Other matter' paragraph:
 - (i) The consolidated Ind AS 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 were no amount, which were required to be transferred to the Investor Education and Protection Fund by the Group.
 - (g) 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".

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

S. VENKATRAMAN
Partner

Membership No. 34319

Place: Mumbai
Dated: 17th May, 2018

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, 2018, 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, 2018, 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

Place: Mumbai
Dated: 17th May, 2018

S. VENKATRAMAN
Partner
Membership No. 34319

57TH ANNUAL REPORT

Consolidated Balance Sheet as at 31st March, 2018

Particulars	Note No.	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 01-04-2016 (Rs. in lacs)
ASSETS				
Non-current Assets				
Property, plant and equipment	6	17,050.96	16,803.89	15,966.60
Capital Work-in-Progress	6	1,202.33	1,172.44	6,178.65
Intangible assets	6	—	—	1.66
Financial Assets				
Investments	7	9.17	6.64	3.77
Trade receivables		38.25	35.79	30.39
Loans	8	1,153.15	1,677.92	1,639.68
Others	9	95.98	92.13	88.87
Income Tax assets (Net)		26.30	57.41	82.93
Other Non-current assets	10	300.00	300.00	300.00
Total Non-current assets		19,876.13	20,146.23	24,292.56
Current assets				
Inventories	11	4,383.79	4,368.80	162.31
Financial Assets				
Investments	12	—	0.17	0.17
Trade receivables	13	585.87	413.68	688.91
Cash and cash equivalents	14	154.26	73.91	158.45
Other Balances with Banks	15	5.99	5.58	5.88
Loans	16	29.40	25.05	28.52
Other Financial Assets	17	1.29	6.22	3.20
Income Tax assets (Net)		27.88	20.62	36.56
Other current assets	18	157.24	151.21	141.78
Total current assets		5,345.73	5,065.24	1,225.78
Total Assets		25,221.85	25,211.47	25,518.33
EQUITY AND LIABILITIES				
Equity:				
Equity Share capital	19	1,410.39	1,410.39	1,410.39
Other Equity	20	19,112.98	19,239.44	19,627.08
Total Equity		20,523.37	20,649.82	21,037.47
Liabilities:				
Non-current Liabilities:				
Financial Liabilities:				
Borrowings	21	378.94	382.67	360.04
Other non-current liabilities	22	18.06	18.06	18.06
Deferred tax liabilities (Net)	23	2,158.33	2,173.92	2,347.93
Total Non-current liabilities		2,555.32	2,574.65	2,726.03
Current Liabilities:				
Financial Liabilities:				
Borrowings	24	879.92	893.50	736.09
Trade payables		476.63	417.14	382.67
Other Financial Liabilities	25	681.61	598.21	570.27
Other Current liabilities	26	93.72	67.77	60.43
Provisions	27	11.30	10.39	5.37
Total current liabilities		2,143.16	1,987.01	1,754.83
Total Liabilities		4,698.48	4,561.65	4,480.86
Total Equity and Liabilities		25,221.85	25,211.47	25,518.33

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

S. VENKATRAMAN

Partner (Membership No. 034319)

Mumbai,

Dated: 17th May, 2018

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

AMIT JAIN

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary

Consolidated Statement of Profit and Loss Account
for the year ended 31st March, 2018

Particulars	Note No.	Year ended 31/03/2018 (Rs. in lacs)	Year ended 31/03/2017 (Rs. in lacs)
INCOME			
Revenue from operations	28	4,850.69	4,323.47
Other Income	29	26.42	80.77
TOTAL INCOME		4,877.11	4,404.23
EXPENSES			
Food and Beverages consumed	30	654.78	565.18
Employee benefits expense	31	1,187.28	1,399.41
Finance costs	32	162.88	172.89
Depreciation and amortisation expenses	33	580.27	480.98
Other expenses	34	2,388.31	2,418.32
TOTAL EXPENSES		4,973.52	5,036.79
PROFIT/(LOSS) BEFORE TAX		(96.41)	(632.56)
Tax expense:			
Current tax		(0.70)	(0.75)
Deferred tax (Net) (Refer Note "23")		3.09	196.15
Total tax expenses		2.39	195.40
PROFIT /(LOSS) AFTER TAX		(94.02)	(437.16)
Other comprehensive income:			
	35		
(i) Items that will not be reclassified to profit or loss		(44.96)	71.64
(ii) Income tax relating to items that will not be reclassified to profit or loss		12.51	(22.14)
(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		(32.45)	49.50
Total comprehensive income for the year		(126.47)	(387.66)
Earning per equity share- Rs.			
	36		
(a) Basic		(0.18)	(0.55)
(b) Diluted		(0.18)	(0.55)

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

S. VENKATRAMAN
Partner (Membership No. 034319)

Place: Mumbai
Dated: 17th May, 2018

GAURAV GHAI
Joint Managing Director
(DIN:00074857)

AMIT JAIN
Chief Financial Officer

M.V. DOSHI
Director
(DIN:00123243)

KAINAAZ BHARUCHA
Company Secretary

57TH ANNUAL REPORT

Consolidated Cash Flow Statement for the Year Ended 31st March, 2018

Particulars	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before taxation, and extraordinary item	(96.41)	(632.56)	
Less: Remeasurement of Employees Benefits Adjusted in OCI	(44.96)	71.64	
Net profit before Tax After Adjustment in OCI	(141.37)	(560.92)	
Adjustments for:			
Non Cash Items			
Depreciation and Amortisation Expenses	580.27	480.98	
Fixed Assets written off	—	—	
Finance Cost	162.88	172.89	
Interest Income	(14.28)	(33.63)	
Dividend Income	(0.06)	(0.06)	
(Profit) / loss on sale of fixed assets	(4.01)	—	
(Profit) / loss on sale of investments	(0.06)	—	
Income Recognized Against Capital Grant	—	620.18	
Operating profit before working capital changes	724.75	620.18	
Adjustments for:	583.38	59.26	
Trade and other receivables	(174.65)	269.82	
Inventories	(14.99)	(24.14)	
Loans	524.77	(38.24)	
Other current assets	(9.72)	(11.94)	
Other Financial Liabilities	83.40	37.42	
Other Current Liabilities	25.90	7.34	
Trade and other payables	60.39	39.49	
Cash generations from operations	1,078.49	339.02	
Direct taxes paid	23.16	41.45	
Net cash flow from Operating Activities	1,101.65	380.47	
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(858.14)	(505.85)	
Sale of Fixed Assets	5.00	—	
(Purchase)/Sales of Investments	(2.29)	—	
Interest Income	14.28	33.63	
Dividend Income	0.06	0.06	
Net cash used in Investing Activities	(841.09)	(472.16)	
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Long-term borrowings	191.26	187.63	
Repayment of Long-term borrowings	(195.00)	(165.00)	
Short Term borrowings (Net)	(13.59)	157.41	
Finance Cost	(162.88)	(172.89)	
Net cash used in financing activities (C)	(180.20)	7.15	
Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)	80.36	(84.54)	
Opening Cash and Cash Equivalents	73.91	158.45	
Closing Cash and Cash Equivalents	154.26	73.91	
	(80.36)	84.54	
Breakup of Opening Cash and Cash Equivalents			
Balances with Banks			
In Current Accounts	52.63	119.93	
Cash on Hand	21.28	38.52	
Cash and Cash Equivalents	73.91	158.45	
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	
Disclosure as per Ind AS -7 as below:			
Particulars	4-1-2017	Cash Flows	31-03-2018
Long Term Borrowings	382.67	(3.74)	378.94
Short Term Borrowings	893.50	(13.59)	879.92
Total Liabilities from financing activities	1,276.18	(17.32)	1,258.85

As per our separate report of even date

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

Chartered Accountants

Firm Registration No. 109208W

S. VENKATRAMAN

Partner (Membership No. 034319)

Mumbai,

Dated: 17th May, 2018

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

AMIT JAIN

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

A. Equity Share Capital

(Rs. in lacs)

	Opening balance	Changes during the year	Closing balance
As at 31st March 2018	1,410.39	—	1,410.39
As at 31st March 2017	1410.39	—	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 2017	(2,377.30)	11,320.29	850.01	9,183.07	7.78	318.52	(112.44)	49.50	19,239.43
Additions during the year	—	—	—	—	—	—	—	—	—
Surplus in the Statement of profit and loss	(94.02)	—	—	—	—	—	—	(32.45)	(126.47)
Balance as at 31 March 2018	(2,471.32)	11,320.29	850.01	9,183.07	7.78	318.52	(112.44)	17.05	19,112.98
Balance as at 01st April 2016	429.89	11,320.29	850.01	9,183.07	7.78	318.52	(112.44)	—	21,997.12
Deferred tax on revalued leasehold land	(2,370.03)	—	—	—	—	—	—	—	(2,370.03)
Balance as at 01st April 2016	(1,940.14)	11,320.29	850.01	9,183.07	7.78	318.52	(112.44)	—	19,627.08
Additions during the year	—	—	—	—	—	—	—	—	—
Surplus in the Statement of profit and loss	(437.16)	—	—	—	—	—	—	49.50	(387.66)
Balance as at 31 March 2017	(2,377.30)	11,320.29	850.01	9,183.07	7.78	318.52	(112.44)	49.50	19,239.44

C. Nature of reserves

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

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, 2018. 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.

For all the periods upto 31st March 2017, the consolidated financial statements were prepared under historical cost convention in accordance with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. These consolidated financial statements for the year ended 31 March 2018 are the first the Group has prepared in accordance with Ind AS. Refer to note- for information on how the Group adopted Ind AS.

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 17-05-2018.

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:

- 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.

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

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 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:

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 and services: Revenue from the sale of goods and services is recognised when the significant risks and rewards of ownership of the goods/services have passed to the buyer. Sale value of goods/services is measured at the fair value of the consideration received or receivable, net of returns 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 The date of the plan amendment or curtailment, and
- b The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group 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.

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) Show-cause notices issued by various Government Authorities are not considered as obligation. When the demand notices are raised against such show cause notices and are disputed by the Group, these are classified as disputed obligations.
- e) 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.

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 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 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.

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 cost as on 01/04/2017	Additions and other transfers	Sales and other deductions	At cost as on 31/03/2018	Opening Depreciation as on 01/04/2017	For the year	Dep on sold assets	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Land	11,225.46	—	—	11,225.46	—	—	—	—	11,225.46	11,225.46
Building	4,734.36	72.27	—	4,806.63	142.16	202.64	—	344.80	4,461.83	4,592.20
Premises	43.93	—	—	43.93	16.34	27.59	—	43.93	—	27.59
Plant and Machinery	161.60	65.79	—	227.39	54.04	66.44	—	120.48	106.91	107.56
Furniture & Fixtures	664.90	500.80	—	1,165.70	116.56	131.58	—	248.14	917.56	548.34
Office Equipments	386.41	8.52	14.56	380.37	109.73	117.79	13.57	213.95	166.42	276.68
Vehicles	47.59	171.01	—	218.60	31.29	27.39	—	58.68	159.92	16.30
Computers	19.03	9.86	—	28.89	9.19	6.84	—	16.03	12.86	9.84
	17,283.28	828.25	14.56	18,096.97	479.31	580.27	13.57	1,046.01	17,050.96	16,803.97

NOTE '6' - PROPERTY , PLANT AND EQUIPMENT:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	At cost as on 01/04/2016	Additions and other transfers	Sales and other deductions	At cost as on 31/03/2017	Opening Depreciation as on 01/04/2016	For the year	Dep on sold assets	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Land	12,656.15	—	1,430.69	11,225.46	—	—	—	—	11,225.46	12,656.15
Building	2,325.11	2,409.25	—	4,734.36	—	142.16	—	142.16	4,592.20	2,325.11
Premises	43.93	—	—	43.93	—	16.34	—	16.34	27.59	43.93
Plant and Machinery	149.04	12.56	—	161.60	—	54.04	—	54.04	107.56	149.04
Furniture & Fixtures	406.55	258.35	—	664.90	—	116.56	—	116.56	548.34	406.55
Office Equipments	322.97	63.44	—	386.41	—	109.73	—	109.73	276.68	322.97
Vehicles	47.59	—	—	47.59	—	31.29	—	31.29	16.30	47.59
Computers	15.32	3.71	—	19.03	—	9.19	—	9.19	9.84	15.32
	15,966.66	2,747.31	1,430.69	17,283.28	—	479.31	—	479.31	16,803.97	15,966.66

NOTE '6' - PROPERTY , PLANT AND EQUIPMENT:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	At Cost as at 01-04-16	At Cost as on 01-04-16	Opening Depreciation as on 01-04-16	As at 01-04-16	As at 01-04-16	As at 01-04-16 IGAAP
Land	12,656.15	12,656.15	-	-	12,656.15	12,656.15
Building	3,750.65	3,750.65	1,425.54	1,425.54	2,325.11	2,325.11
Premises	95.89	95.89	51.96	51.96	43.93	43.93
Plant and Machinery	852.94	852.94	703.90	703.90	149.04	149.04
Furniture & Fixtures	2,621.99	2,621.99	2,215.44	2,215.44	406.55	406.55
Office Equipments	832.21	832.21	509.24	509.24	322.97	322.97
Vehicles	227.56	227.56	179.97	179.97	47.59	47.59
Computers	363.79	363.79	348.47	348.47	15.32	15.32
	21,401.18	21,401.18	5,434.52	5,434.52	15,966.66	15,966.66

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Net block as per IGAAP and Ind AS as on 01st April 2016

(Rs. in lacs)

	As per IGAAP			
	Gross block at cost	Accumulated Depreciation	Ind AS adjustments	Gross block as per Ind AS
Land	12,656.15	—	—	12,656.15
Building	3,750.65	1,425.54	—	2,325.10
Premises	95.89	51.96	—	43.92
Plant and Machinery	852.94	703.90	—	149.05
Furniture & Fixtures	2,621.99	2,215.44	—	406.56
Office Equipments	832.21	509.24	—	322.96
Vehicles	227.56	179.97	—	47.60
Computers	363.79	348.47	—	15.32
	21,401.18	5,434.52	—	15,966.66

NOTE '6' - INTANGIBLE ASSETS:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	At cost as on 01/04/2017	Additions and other transfers	Sales and other deuctions	At cost as on 31/03/2018	Depreciation as on 01/04/2017	Opening For the year	Dep on sold assets	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Computer Software	1.66	—	—	1.66	1.66	—	—	1.66	0.00	0.00
	1.66	—	—	1.66	1.66	—	—	1.66	0.00	0.00

NOTE '6' - INTANGIBLE ASSETS:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	At cost as on 01/04/2016	Additions and other transfers	Sales and other deuctions	At cost as on 31/03/2017	Opening Depreciation as on 01/04/2016	For the year	Dep on sold assets	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Computer Software	1.66	—	—	1.66	—	1.66	—	1.66	0.00	1.66
	1.66	—	—	1.66	—	1.66	—	1.66	0.00	1.66

NOTE '6' - INTANGIBLE ASSETS:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	At Cost as on 01-04-16	Other adjustments	At Cost as on 01-04-16	Opening Depreciation as on 01-04-16	As at 01-04-16	As at 01-04-16	As at 01-04-16 IGAAP
Computer Software	39.54	—	39.54	37.88	37.88	1.66	1.66
	39.54	—	39.54	37.88	37.88	1.66	1.66

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Net block as per IGAAP and Ind AS as on 01st April 2016

(Rs. in lacs)

	As per IGAAP			
	Gross block at cost	Accumulated Depreciation	Ind AS adjustments	Gross block as per Ind AS
Computer Software	39.54	37.88	—	1.66
	39.54	37.88	—	1.66

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 31/03/2016 (Rs. in lacs)
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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	0.05
20 Shares of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each	0.01	0.01	0.01
*1,857 Equity shares of Bombay Mercantile Co-operative Bank Ltd., of Rs. 30 each	—	0.56	0.56

INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS:

Quoted:

3,820 Equity Shares of Edelweiss Capital Limited of Rs. 1 each	9.10	6.02	3.15
	9.17	6.64	3.77
Aggregate value of unquoted investments	0.06	0.62	0.62
Aggregate value of quoted investments	9.10	6.02	3.15
Market value of quoted investments	9.10	6.02	2.15

*(Note: 190 shares are held in the name of Mr Ravi Ghai, Chairman and Managing Director and Mr Gaurav Ghai, Joint Managing Director of the Company)

NOTE '8' – LONG-TERM LOANS AND ADVANCES – UNSECURED CONSIDERED GOOD:

Security Deposits	1,153.15	1,677.92	1,639.68
	1,153.15	1,677.92	1,639.68

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

Margin Money Deposit with Bank	95.98	92.13	88.87
	95.98	92.13	88.87

NOTE '10' – OTHER NON-CURRENT ASSETS:

Capital advance	300.00	300.00	300.00
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NOTE '11' – INVENTORIES (Valued at lower of cost and net realisable value):

Food and Beverages	144.26	155.54	123.39
Stores and Other Operating Supplies	9.22	30.91	38.92
Stock in trade	4,230.31	4,182.36	—
	4,383.79	4,368.80	162.31

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 31/03/2016 (Rs. in lacs)
NOTE '12' – CURRENT INVESTMENTS (carried at fair value through profit and loss):			
Investments in Mutual Funds (Quoted)			
176 units of Rs. 10 each in Birla Sun Life Short Term Fund	—	0.17	0.17
	—	0.17	0.17
Aggregate value of current quoted investments	—	0.17	0.17
Net Assets Value (NAV) of Mutual Funds	—	0.20	0.20
NOTE '13' – TRADE RECEIVABLES:			
Debts outstanding for a period exceeding six months – (Secured, considered good)	38.25	35.79	30.39
Debts outstanding for a period exceeding six months – (Unsecured, considered good)	6.50	322.94	12.71
Other debts	579.37	90.74	676.20
	624.12	449.47	719.30
NOTE '14' – CASH AND CASH EQUIVALENTS:			
Current accounts	139.37	52.63	119.93
Cash on hand	14.89	21.28	38.52
	154.26	73.91	158.45
NOTE '15' – OTHER BALANCES WITH BANKS:			
Earmarked balances	1.94	1.94	2.63
Fixed Deposit with banks maturing within one year	4.05	3.64	3.25
	5.99	5.58	5.88
NOTE '16' – SHORT-TERM LOANS AND ADVANCES:			
(Unsecured, considered good)			
Advances to others:			
Loans to employees	29.40	25.05	28.52
	29.40	25.05	28.52
NOTE '17' – OTHER FINANCIAL ASSETS:			
Other advances	1.29	6.22	3.20
	1.29	6.22	3.20
NOTE '18' – OTHER CURRENT ASSETS:			
Advance to suppliers	80.79	62.32	54.70
Prepaid expenses	76.45	80.77	81.12
Balances with statutory/government authorities	—	8.12	5.96
	157.24	151.21	141.78

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 01/04/2016 (Rs. in lacs)
NOTE '19' – 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	230.00
113,500,000 Equity shares of Rs. 2 each	2,270.00	2,270.00	2,270.00
	2,500.00	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	1,410.39
70,519,135	1,410.39	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	70,519,135
Issued during the year	—	—	—
Closing	70,519,135	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	21,813,970
Satinetta Finlease & Investments Private Limited- 32.57% (32.57%)	22,967,844	22,967,844	22,967,844
Dunearn Investments (Mauritius) Pte Limited- 9.96% (9.96%)	7,025,708	7,025,708	7,025,708
Inter Continental Hotels Corporation, USA- 6.22% (6.22%)	4,385,235	4,385,235	4,385,235

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 31/03/2016 (Rs. in lacs)
NOTE '20' – 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	<u>7.78</u>	<u>7.78</u>	<u>7.78</u>
ii Warrants Forfeited Account:			
As per last account	<u>850.01</u>	<u>850.01</u>	<u>850.01</u>
iii Securities Premium Account:			
As per last account	<u>9,183.07</u>	<u>9,183.07</u>	<u>9,183.07</u>
iv Capital Redemption Reserve Account:			
As per last account	<u>318.52</u>	<u>318.52</u>	<u>318.52</u>
	<u>318.52</u>	<u>318.52</u>	<u>318.52</u>
v General Reserve:			
As per last account	<u>11,320.29</u>	<u>11,320.29</u>	<u>11,320.29</u>
	<u>11,320.29</u>	<u>11,320.29</u>	<u>11,320.29</u>
vi Retained Earnings:			
Opening balance	<u>(2,377.30)</u>	<u>(1,940.13)</u>	<u>671.62</u>
Add : Opening balance adjustment due to Ind AS	<u>—</u>	<u>—</u>	<u>(2,370.03)</u>
Add : Net profit after tax transferred from Statement of Profit and Loss	<u>(94.01)</u>	<u>(437.16)</u>	<u>(241.74)</u>
Amount available for appropriation	<u>(2,471.30)</u>	<u>(2,377.29)</u>	<u>(1,940.15)</u>
Balance in Profit and Loss account	<u>(2,471.30)</u>	<u>(2,377.29)</u>	<u>(1,940.15)</u>
Goodwill on consolidation	<u>(112.44)</u>	<u>(112.44)</u>	<u>(112.44)</u>
	<u>19,095.93</u>	<u>19,189.94</u>	<u>19,627.08</u>
B Other Comprehensive Income			
As per last account	<u>49.50</u>	<u>—</u>	<u>—</u>
Addition during the year	<u>(32.45)</u>	<u>49.50</u>	<u>—</u>
Closing balance	<u>17.05</u>	<u>49.50</u>	<u>—</u>
	<u>19,112.98</u>	<u>19,239.44</u>	<u>19,627.08</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 01/04/2016 (Rs. in lacs)
Non-current Liabilities:			
NOTE '21' – BORROWINGS:			
Term loans from Bank : (Refer Note “25”)			
Axis Bank			
— Term Loan (Secured) - I	0.00	52.14	153.22
Note:			
Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 59 monthly instalments of Rs. 8.33 lacs each along with interest, from February 2014. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.			
— Term Loan (Secured) - II	165.90	240.61	25.58
Note:			
Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 60 monthly instalments of Rs. 6.25 lacs each along with interest, from April 2016. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.			
— Term Loan (Secured) - III	58.99	79.15	—
Note:			
Term loan from bank carries interest @ 12% p.a. The loan is repayable in 60 monthly instalments of Rs. 1.67 lacs each along with interest, from March 2017. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.			
b) Deferred payment liabilities:	120.55	10.78	14.92
(carry interest rates ranging from 10% to 12%, repayable in various EMIs 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	—	—
Loan from Graviss Holdings Private Limited	—	—	166.32
	378.94	382.67	360.04
NOTE '22' – OTHER NON-CURRENT LIABILITIES:			
Deferred Income	18.06	18.06	18.06

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE '23' – 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 2018				
Deferred Tax Liabilities				
Difference between accounting and tax depreciation	119.58	6.54	—	126.12
On revaluation of leasehold land	2,370.03	23.01	—	2,393.04
Actuarial val of emp benefits	—	—	—	—
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
For The Year Ended 31st March 2017				
Deferred Tax Liabilities				
Difference between accounting and tax depreciation	115.10	4.48	—	119.58
On revaluation of leasehold land	2,370.03	—	—	2,370.03
Total Deferred Tax Liabilities	2,485.13	4.48	—	2,489.61
Deferred Tax Assets				
Expenses Allowed on Payment Basis	67.05	36.39	(22.14)	81.30
Unabsorbed Depreciation	70.15	164.24	—	234.39
Total Deferred Tax Assets	137.20	200.63	(22.14)	315.69
Deferred Tax Liabilities (Net)	2,347.93	(196.15)	22.14	2,173.92

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	2017-18	2016-17
Profit Before Tax	(96.41)	(632.56)
Applicable Tax Rate	27.82%	30.90%
Tax Using the Applicable Tax Rate	(26.82)	(195.44)
Tax Effect of:		
Add: Non-Deductible Tax Expenses	—	—
Add: Recognition of Tax Effect of Previously Unrecognized Tax Gains / (Losses)	0.72	(0.71)
Less: Rate difference	23.01	—
Tax Expense Recognized in the Statement of Profit & Loss	(3.09)	(196.15)
Weighted Average Tax Rate	3.21%	31.01%

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	2017-18	2016-17
A. Current Tax Expense	—	—
B. Deferred Tax Expense / (Asset) relating to		
— Origination and reversal of temporary differences	(26.10)	(196.15)
— Change in tax rates	23.01	—
— Recognition of previously unrecognized tax losses / (gains)	—	—
Total	(3.09)	(196.15)
Tax Expenses recognized in the Statement of Profit & Loss	(3.09)	(196.15)
Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI	(12.51)	22.14

	As at 31/03/2018 (Rs. in lacs)	As at 31/03/2017 (Rs. in lacs)	As at 01/04/2016 (Rs. in lacs)
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Current Liabilities:

NOTE '24' – SHORT-TERM BORROWINGS:

Loans repayable on demand from Bank (secured):

Axis Bank	879.92	893.50	736.09
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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.

	879.92	893.50	736.09
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NOTE '25' – OTHER CURRENT FINANCIAL LIABILITIES:

Unpaid Dividends (Not due to be deposited into Investor Education and Protection Fund)	1.94	1.94	2.63
Expenses payable	332.92	265.66	197.60
Interest free security deposits	12.87	32.72	19.28
Gratuity obligation	134.37	66.51	108.41
Others (Provident Fund, ESIC etc)	14.36	13.05	12.29
Liability for capital expenditure	17.80	19.14	46.69
Current maturities of long term debt: (Refer Note "21")			
Term Loans repayable in 12 months			
— Indian Rupee Loan	145.02	195.00	174.96
— Deferred Payment Liability	22.32	4.19	8.40
	681.61	598.21	570.27

NOTE '26' – OTHER CURRENT LIABILITIES:

Interest accrued and due on borrowings			
Statutory dues payable*	93.72	67.77	1.04
— Advance Income tax (net)	—	—	59.39
	93.72	67.77	60.43

*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	11.30	10.39	5.37
	11.30	10.39	5.37

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31/03/2018 (Rs. in lacs)	For the year ended 31/03/2017 (Rs. in lacs)
NOTE '28' – REVENUE FROM OPERATIONS:		
Sales-Rooms	1,666.93	1,577.59
Sales-Food and Beverages	2,755.54	2,144.79
Sale of services	428.22	601.07
	<u>4,850.69</u>	<u>4,323.46</u>
NOTE '29' – OTHER INCOME:		
Interest received on deposits with banks	14.28	33.63
Dividend income	0.06	0.06
Gain/(Loss) on sale of investments	0.06	—
Gain/(Loss) on sale of assets	4.01	—
Mark to Market gain on equity shares	3.08	2.87
Unclaimed Credit balances written back	0.42	29.79
Exchange Rate Difference (net)	—	0.65
Foreign Exchange Commission	0.79	2.13
Miscellaneous receipts	3.72	11.62
	<u>26.42</u>	<u>80.77</u>
NOTE '30' – FOOD AND BEVERAGES CONSUMED:		
Opening stock	155.54	123.39
Add: Purchases	643.50	597.33
	799.04	720.72
Less: Closing stock	144.26	155.54
	<u>654.78</u>	<u>565.18</u>
NOTE '31' – EMPLOYEE BENEFITS EXPENSE:		
(refer Note "39")		
Salaries and wages (including bonus and gratuity)	1,072.46	1,285.51
Contributions to :		
Provident, Family Pension and other Funds	68.71	71.19
Staff welfare expenses	46.11	42.72
	<u>1,187.28</u>	<u>1,399.41</u>
NOTE '32' – FINANCE COSTS:		
Interest expense (Bank loans)	162.88	172.89
	<u>162.88</u>	<u>172.89</u>
NOTE '33' – DEPRECIATION AND AMORTISATION EXPENSES:		
Depreciation of tangible assets	580.27	479.32
Amortisation of intangible assets	—	1.66
	<u>580.27</u>	<u>480.98</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31/03/2018 (Rs. in lacs)	For the year ended 31/03/2017 (Rs. in lacs)
NOTE '34' – OTHER EXPENSES:		
Operating Expenses:		
Power, Fuel and Water	308.17	332.35
Repairs and Maintenance:		
Building	64.27	47.45
Machinery	11.98	17.74
Others	144.65	108.42
Stores and Supplies including Linen and Uniforms	118.21	97.00
Washing and Laundry expenses	63.52	52.81
Business Operating expenses	193.93	171.66
Hall Decoration	61.74	89.84
Music and other Operating expenses	87.01	121.94
General Expenses:		
Rent	12.23	14.40
Rates and Taxes	129.39	182.05
Insurance	38.30	29.99
Hire charges	18.26	12.33
Advertisement and Sales Promotion	243.17	232.16
Credit Card charges	58.60	53.88
Travelling and Conveyance	199.51	232.85
Printing and Stationery	23.79	20.77
Postage and Telephones	30.44	34.67
Other expenses	132.17	167.48
Payments to Auditors (Note "40")	12.25	9.49
Legal and Professional charges	283.43	228.64
Exchange Rate Difference	0.06	—
Franchise and Corporate Service fees	130.12	156.33
Donations	—	0.67
Directors Sitting fees	3.12	3.37
Security deposit written off	20.00	—
	2,388.31	2,418.31
NOTE '35' – OTHER COMPREHENSIVE INCOME:		
Items that will not be reclassified to profit or loss		
Remeasurement of Defined Benefit Plans	(44.96)	71.64
Income tax relating to items that will not be reclassified to profit or loss		
Remeasurement of Defined Benefit Plans	12.51	(22.14)
	(32.45)	49.50
NOTE '36' – EARNINGS PER EQUITY SHARE (BASIC AND DILUTED):		
Net profit after Taxation (in Rs.)	(126.47)	(387.66)
Weighted average number of equity shares	70,519,135	70,519,135
Earnings per equity shares (in Rs.)	(0.18)	(0.55)
Nominal value per share (Rs.)	2	2

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE '37' – A. CONTINGENT LIABILITIES:

- i Bank Guarantees given to the extent of Rs. 33.49 lacs (previous year Rs. 33.49 lacs).
- ii During the year the Company has received order in favour from Appellate Tribunal for the assessment year 2009-10 and received refund. The Company is hopeful of getting the order in favour from the Appellate Authorities in respect of income tax demand of Rs. 5.17 lacs for the assessment year 2012-13 since the Company has got the tribunal order in its favour in respect of the similar disallowances/additions to income relating to earlier years and accordingly no provision is made for the same in the financial statements.
- iii In the matter of VAT demand and penalty of Rs. 88 lacs for the year 2010-11, the Company is hopeful of getting the order in its favour and hence has not made provision for the same in the financial statements.
- iv The Company has received Show Cause notice from Service Tax Authorities denying the utilization of input tax credit of one unit against the tax payable of another unit for the years 2009-10 to 2012-13 for an amount of Rs. 101lacs. The company has replied to the Commissioner. The company has been legally advised that they would not result in outflow of the resources, considering various judgements in favour the Company on similar issue.

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:

a Defined Contribution Plans:

The company has recognised contribution to Provident Fund of Rs.59 lacs in the Profit & Loss Account.

b Defined Benefit Plans:

	Gratuity Funded	
	2017-18	2016-17
	(Rs. in lacs)	(Rs. in lacs)
Changes in the Present Value of Obligation		
Present Value of Obligation at beginning of period	106	201
Interest Cost	7	13
Current Service Cost	18	21
Benefits Paid	—	(63)
Actuarial (Gain)/Loss on obligation	45	(67)
Present Value of Obligation at end of period	176	106
Amount Recognized in the Balance Sheet and statement of profit and loss account		
Present Value of Obligation at end of period	176	106
Fair Value of Plan Assets at end of period	42	39
Funded Status	(134)	(67)
Net Asset/ (Liability) recognized in the balance sheet	(134)	(67)
Expenses Recognized in the statement of Profit and Loss Account		
Current Service Cost	18	21
Net Interest	7	13
Expenses Recognized in the statement of Profit and Loss Account	26	35
Other Comprehensive Income (OCI)		
Actuarial (Gain)/Loss recognized for the period	45	(67)
Return on Plan Assets excluding net interest	0	(5)
Total Actuarial (Gain)/Loss recognized in (OCI)	45	(72)
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	(10)	
Delta effect of 1% decrease in rate of discounting	11	
Delta effect of 1% increase in rate of rate of salary escalation	10	
Delta effect of 1% decrease in rate of rate of salary escalation	(10)	
Projected benefits payable in future years from the date of reporting		
1st following year	10	
Sum of years 2 to 5	96	
Sum of years 6 to 10	101	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

	2017-18 (Rs. in lacs)	2016-17 (Rs. in lacs)
Salary	54	54
Contribution to provident fund	6	6
Other Perquisites	14	14
	75	75

NOTE '40' – PAYMENTS TO AUDITORS

	2017-18 (Rs. in lacs)	2016-17 (Rs. in lacs)
Audit Fee	8	8
Certification fee	5	2
	12	9

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):

	2017-18 (Rs. in lacs)	2016-17 (Rs. in lacs)
Trade Receivables (Current)		
Graviss Holdings Private Limited	494	316
Rich Graviss Products Private Limited	—	1
Graviss Foods Private Limited	—	3
Ice Hospitality Pvt Ltd	63	—
	557	319
Loans and Advances:		
Security Deposits: (Non Current)		
Graviss Holdings Private Limited	250	—
Cross Word Beverages Private Limited	800	800
Pure Foods & Ice Creams	—	4
	804	804

- (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 Mala Todarwal (upto 28-03-2018)	Non-Independent
Mr. Gulshan Bijlani	Independent
Mr. Mahendra V Doshi	Independent
Mr. Dalip Sehgal (upto 2nd May 2017)	Non-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, *Graviss Foods Solutions Pvt Ltd, Graviss Foods Pvt Ltd.
(* no transactions during the year)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iv Key Managerial Personnel

Mr. Ravi Ghai	Managing Director
Mr. Gaurav Ghai	Joint Managing Director
Mr. Dalip Sehgal (upto 2nd May 2017)	Director
Mr. Amit Jain	Chief Financial Officer- upto
Ms. Kainaa Bharucha	Company Secretary

B. Transactions with Related Parties:

	2017-18 (Rs. in lacs)	2016-17 (Rs. in lacs)	1st April 2016 (Rs. in lacs)
i Sales			
Graviss Holdings Private Limited	948.17	186.54	—
ii Expenditure and other services fees paid			
Shareholders/Directors/Managing Director			
Ms Mala Todarwal Non-Independent	1.00	0.84	—
Mr. Gulshan Bijlani Independent	0.80	0.63	—
Mr. Mahendra V Doshi Independent	1.20	0.63	—
Mr. R K P Shankardass Independent	—	0.42	—
Mr. Dalip Sehgal Non-Independent	0.20	0.84	—
Other related parties where the common control exists	222	72	—
iii Managerial Remuneration			
Managing Director and Joint Managing Director	75	75	—
Chief Financial Officer	43	53	—
Company Secretary	8	6	—
iv Purchase of Assets (slump sale)			
Ice Hospitality Private Limited	750	—	—
v Loans /Advances/ Deposits given			
Other related parties where the common control exists	—	84	—
vi Debtors			
Other related parties where the common control exists	557	319	596
vii Outstanding payables			
Other related parties where the common control exists	30	17	13

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

	2017-18		2016-17	
	Percentage of total consumption	Amount (Rs. in lacs)	Percentage of total consumption	Amount (Rs. in lacs)
Raw Materials:				
Imported	—	—	—	—
Indigenous	100	655	100	565
Stores:				
Imported	—	—	—	—
Indigenous	100	70	100	76

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE '44' – EARNINGS IN FOREIGN EXCHANGE:

	2017-18	2016-17
a) Sale of Rooms and Food and Beverages Income	1,510	1,303
b) Encashment of Foreign Exchange	26	34

NOTE '45' – EXPENDITURE IN FOREIGN CURRENCIES:

a) Travelling - Directors	26	86
b) Travelling - Others	3	20
c) Agency Commission	18	24
d) Consultants Fees	24	41
e) Franchise Fees	147	167
f) Others	1	1

46. Due to losses, no provision for current tax has been made. Deferred tax of Rs. 20.17 lacs is not recognized considering the probability of reversal in case of unabsorbed losses.
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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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%	21,471	75.34%	(71)	100%	(32)	100%	(103)
2	Graviss Catering Private Limited – Subsidiary	-2%	(325)	11.43%	(11)	0%	—	0%	(11)
3	Graviss Hotels & Resorts Limited – Subsidiary	-3%	(621)	0%	0	0%	—	0%	0
4	Hotel Kankeshwar Private Limited – Subsidiary	0.0%	(1)	13.42%	(13)	0%	—	0%	(13)
		100%	20,523	100%	(94)	100%	(32)	100%	(126)

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 Cost		Fair value	Fair value measurement hierarchy level
As on 31 March 2018 Fixed Rate Borrowings	—	—	—	—
As on 31 March 2017 Fixed Rate Borrowings	—	—	—	—
As on 1 April 2016 Fixed Rate Borrowings	—	—	—	—

(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.

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 2018					
Gross Carrying Amount	579	6	—	38	624
Specific Provision	—	—	—	—	—
Carrying Amount	579	6	—	38	624
As on 31 March 2017					
Gross Carrying Amount	91	323	—	30	444
Specific Provision	—	—	—	—	—
Carrying Amount	91	323	—	30	444
As on 01 April 2016					
Gross Carrying Amount	676	13	—	30	719
Specific Provision	—	—	—	—	—
Carrying Amount	676	13	—	30	719

Cash and cash equivalents:

The Company held cash and cash equivalents of Rs 154.26 lacs as at 31 March 2018 (31 March 2017-Rs. 73.91, 1st April 2016-Rs 158.45 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.

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. 2018						
Non-derivative financial liabilities	—	—	—	—	—	—
Borrowings	1,426	1,047	141	238	—	1,426
Interest	—	—	—	—	—	—
Trade payables	477	477	—	—	—	477
As on 31 Mar. 2017						
Non-derivative financial liabilities	—	—	—	—	—	—
Borrowings	1,475	1,093	206	177	—	1,475
Interest	—	—	—	—	—	—
Trade payables	417	417	—	—	—	417
As on 01 Apr. 2016						
Non-derivative financial liabilities	—	—	—	—	—	—
Borrowings	1,279	920	359.54	—	—	1,279
Interest	—	—	—	—	—	—
Trade payables	383	383	—	—	—	383

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 follows:

Particulars	31st March 2018 (Rs. in lacs)	31st March 2017 (Rs. in lacs)
Fixed-rate instruments		
Financial liabilities - measured at amortised cost	—	—
Variable-rate instruments		
Financial liabilities - measured at amortised cost	345	331
Total	345	331

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 3.45 lacs and Rs. 3.31 lacs for the outstanding balances as on 31st March 2018 and 31st March 2017 respectively. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31st March 2018, 31st March 2017 and 1st April, 2016 are as below:

	(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	1,153	1,153	—
Other Current / Non Current Assets	96	96	—
Exposure for assets (A)	2,034	2,034	—
Financial liabilities			
Long term borrowings	379	379	—
Short term borrowings	880	880	—
Trade and other payables	477	477	—
Other Current financial liabilities	682	682	—
Exposure for liabilities (B)	2,417	2,417	—
Net exposure (B-A)	384	384	—

	(Rs. in lacs)		
	Total	INR	USD
As on 31 Mar. 2017			
Financial assets			
Trade receivables	449	449	—
Cash and Cash Equivalents	74	74	—
Other Balances with Banks	6	6	—
Loans	1,678	1,678	—
Other Current / Non Current Assets	92	92	—
Exposure for assets (A)	2,299	2,299	—
Financial liabilities			
Long term borrowings	383	383	—
Short term borrowings	894	894	—
Trade and other payables	417	417	—
Other Current financial liabilities	598	598	—
Exposure for liabilities (B)	2,292	2,292	—
Net exposure (B-A)	(7)	(7)	—

	(Rs. in lacs)		
	Total	INR	USD
As on 1st April, 2016			
Financial assets			
Trade receivables	719	719	—
Cash and Cash Equivalents	158	158	—
Other Balances with Banks	6	6	—
Loans	1,640	1,640	—
Other Current / Non Current Assets	89	89	—
Exposure for assets (A)	2,612	2,612	—
Financial liabilities			
Long term borrowings	360	360	—
Short term borrowings	736	736	—
Trade and other payables	383	383	—
Other Current financial liabilities	570	570	—
Exposure for liabilities (B)	2,049	2,049	—
Net exposure (B-A)	(563)	(563)	—

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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 31-03-2018 and 31-03-2017 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.

57. Disclosures as required by Indian Accounting Standard (Ind AS) 101 - First Time Adoption of Indian Accounting Standards

(A) First Time Adoption of Ind AS

The consolidated financial statements for the year ended 31st March 2018, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for the year ended 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at 1st April 2016, i.e. the Group's date of transition to Ind AS. This note explains the mandatory exceptions and optional exemptions availed by the Group in restating its Indian GAAP consolidated financial statements, including the balance sheet as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

(i) Mandatory exceptions:

a) Estimates:

The estimates as at 1 April 2016 and 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions as at 1 April 2016, the date of transition to Ind AS and as at 31 March 2017.

b) Derecognition of financial assets & financial liabilities

The Group has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

d) Impairment of financial assets

At the date of transition to Ind AS, the group has determined that assessment of significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the group has recognized a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized.

(ii) Optional exemptions (allowed as per Ind AS 101)

a) Use of Deemed cost

The group has elected to use previous GAAP revaluation of leasehold land (finance lease) which is the carrying value of the said land under the previous GAAP as deemed cost on the date of transition to Ind AS.

The group has elected the option of carrying value as deemed cost for all other Property, Plant & Equipment as at the date of transition to Ind AS.

b) Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from transition date and accordingly the Group has elected to apply the same prospectively from transition date.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of Total Comprehensive Income for the year ended 31st March 2017

Particulars	Note	(Rs. in lacs)
Net Profit / (Loss) As Per Earlier IGAAP		(391)
Effect for Remeasurement of Employee Benefits	A	(72)
Deferred Tax Impact	A	22
Mark to Market gain on equity shares		3
Net Profit / (Loss) As Per Ind-AS		(437)
Other Comprehensive Income (net of deferred tax)		49
Total Comprehensive Income As Per Ind-AS		(388)

Reconciliation of Equity

Particulars	Note	31-Mar-17	1-Apr-16
Equity As Per Earlier IGAAP		23,017	23,407
Deferred tax on revalued leasehold land	B	(2,370)	(2,370)
Mark to Market gain on equity shares	C	3	—
Equity As Per Ind-AS		20,650	21,037

A Defined Employee Benefit Liabilities

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to Statement of Profit or Loss. Under Ind AS, 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 in OCI. Due to this, for the year ended 31 March 2017, the employee benefit cost is reduced/increased by Rs 72 lacs and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI.

B Deferred Tax

Under Ind AS, 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. Accordingly deferred tax relating to employee benefits as above is reclassified from Statement of Profit & Loss to Other Comprehensive Income. This adjustment will not have any impact on the Total Comprehensive Income.

Under Ind AS deferred tax is to be created between the carrying value of non-depreciable asset and its tax base, following the balance sheet method. However, under IGAAP the same was not required to be created as the deferred tax was created only for the difference between accounting income and taxable income. Accordingly deferred tax liability of Rs. 2,370 lacs has been created by debiting the Retained Earnings on the difference between carrying value of the leasehold land (which was revalued in the earlier years) being the deemed cost under the previous GAAP on the date of transition to Ind AS and its tax base

C Capital Grant

The Group had availed government grant in the form of duty exemption on import of Plant & Machinery in earlier years for which the export obligation is still pending. The said grant was deducted from the carrying amount of fixed asset as permitted under Indian GAAP. As per Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, such a grant is required to be accounted by setting up the grant as deferred income on the date of transition and amortizing it over the useful life of the asset in the proportion in which depreciation expense is recognised. Accordingly, an amount of Rs 18.06 lacs has been added to the cost of Capital Work in Progress and deferred income under Non-current liabilities has been recognized for the same amount, as at the date of transition to Ind AS. Since the machinery purchased is still in Capital Work in Progress, no amortization is required and no amount of deferred income is taken to profit and loss account. This adjustment will not have any impact in the Equity.

B Standards Issued but not yet effective**Amendments to Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come in to force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date.

The MCA has notified Ind AS 115 "Revenue from Contracts with Customers" which is effective from 1 April 2018. These have not been adopted early by the group and accordingly, have not been considered in the preparation of the financial statements. The information that are expected to be relevant to the financial statements is provided below.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Amendments to Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come in to force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date.

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

S. VENKATRAMAN

Partner (Membership No. 034319)

Mumbai,

Dated: 17th May, 2018

GAURAV GHAI

Joint Managing Director

(DIN:00074857)

AMIT JAIN

Chief Financial Officer

M.V. DOSHI

Director

(DIN:00123243)

KAINAAZ BHARUCHA

Company Secretary



·DOME·

HOTEL INTERCONTINENTAL, MARINE DRIVE



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