

GRAVISS HOSPITALITY LIMITED

(FORMERLY THE GL HOTELS LIMITED)

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BOARD OF DIRECTORS

Ravi Ghai : *Chairman & Managing Director*
Gaurav Ghai : *Joint Managing Director*
R.K.P. Shankardass : *Director*
Krishna Kumari Ghai : *Director*
Mahendra V. Doshi : *Director*
Harindra Singh : *Director*
Gulshan Bijlani : *Director*
Arun Todarwal : *Director*
(Appointed w.e.f. 25th July 2008)

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),
Mumbai-400 078.
Phone No. 022-2596 3838 Fax No. 022-2596 2691

BANKERS

Vijaya Bank,
Industrial Finance Branch, Excelsior Building, Fort, Mumbai-400 001

AUDITORS

M/s. S.P. Chopra & Co.
Chartered Accountants, Mumbai

REGISTERED OFFICE

"Dairy Tops" Plot No. J-177, MIDC, Bhosari, Pune-411 026
Maharashtra
Phone No. 020-3068 1102/3068 1134, Fax No. 020-2747 7996

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

MAYFAIR BANQUETS

- (1) 254-C, Dr. Annie Besant Road, Worli, Mumbai-400 030
- (2) 4th Level, Palm Beach, Galleria Mall, Plot No.17, Sector 19D,
Near APMC Police Station, Vashi, New Mumbai-400 703.
- (3) At the Corinthians Club, Nyati County, Near NIBM Road,
South Pune Pune-411 028.
- (4) Hermes Shopping Centre, Phase II, S. No. 185 & 199,
Shastri Nagar, Nagar Road, Yerawada, Pune-411 006.
- (5) 2nd Level, Gallops, Behind ISKON Temple, Off S.G. Road,
Ahmedabad-380 015.

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Notice

NOTICE is hereby given that the 48th Annual General Meeting of the members of GRAVISS HOSPITALITY LIMITED will be held as scheduled below:

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

Date : June 25, 2009

Day : Thursday

Time : 1.00 p.m.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at and Profit and Loss Account for the financial year ended 31st March, 2009 and the Reports of Director's and Auditor's thereon.
2. To appoint a Director in place of Mr. R.K.P. Shankardass who retires by rotation and being eligible, offers himself for reappointment
3. To appoint a Director in place of Mr. Gulshan Bijlani who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, pass with or without modification, as an ORDINARY RESOLUTION, the following:
"RESOLVED THAT Pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. V. Sankar Aiyer & Co., Chartered Accountants be and are hereby appointed as the Statutory Auditors to hold office from the conclusion of 48th Annual General Meeting until the conclusion of next Annual General Meeting of the company in place of M/s. S.P. Chopra & Co., the retiring Auditor of the Company on such remuneration as may be fixed by the Board of Directors of the Company:

SPECIAL BUSINESS:

To consider and if thought fit to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

5. Appointment of Mr. Arun Tadarwal as Director of the Company:
"RESOLVED THAT Pursuant to the provisions of section 257 of the Companies Act, 1956 and the Article of Association of the Company and as per terms of Warrant Subscription Agreement dated 24th May 2007. Mr. Arun Tadarwal, a nominee from Duneam Investment (Mauritius) Pte Ltd., who was appointed as an additional director by the Board of Directors under Section 260 of the Companies Act, 1956 be and is hereby appointed as a director of the company whose period of office shall not be liable to determination by retirement of directors by rotation."

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Rajesh K. Pathak
Company Secretary

Dated: April 29, 2009.

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 IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE PROXY FORM IS ENCLOSED.
- (b) Members are requested to bring their copy of the Annual Report to the Meeting.
- (c) Members are requested to intimate changes in their addresses, if any, to the Company.

GRAVISS HOSPITALITY LIMITED

- (d) Members are requested to note that the Register of Members and the Share Transfer Books of the Company will be closed from 15th June, 2009 to 25th June, 2009 (both days inclusive).
- (e) The Directors would appreciate advance mailing of queries on accounts, if any, which the members may wish to raise so as to enable the Directors to keep the replies ready.
- (f) It is requested that the queries be mailed to Registrars and Share Transfer Agents:
Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078.
Phone No. 022-2596 3838, Fax No. 022-2596 2691
- (g) An Explanatory Statement pursuant to Section 173 of the Company's Act 1956 relating to the Special Business i.e. Items No. 5 to be transacted at the meeting is annexed hereto.
- (h) Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the administrative office of the Company.
- (i) The company declared a dividend of Rs.1.5 per equity share for the financial year ended 31st March 2008. The dividend remaining unpaid or unclaimed has been transferred to the unpaid dividend account. However, there is no dividend remaining unpaid or unclaimed which requires to be transferred to Investor Education and Protection Fund.

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Rajesh K. Pathak
Company Secretary

Dated: April 29, 2009.

Registered Office:

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

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Explanatory Statement as Annexure to the Notice

[Pursuant to section 173(2) of the Companies Act, 1956]

ITEM No. 5:

The Board of Directors of the company in its meetings held on 25th July 2008 had appointed Mr. Arun Tadarwal, a nominee from Dunearn Investment (Mauritius) Pte Ltd., as an additional director under section 260 of the Companies Act, 1956 in terms of the provisions of the Article of Association of the Company and Warrant Subscription Agreement dated 24th May 2007 of the Company with M/s. Dunearn Investment (Mauritius) Pte Ltd. The Company had received notice in writing from the member of the company proposing the candidature of Mr. Arun Tadarwal for the office of the Director under the provisions of section 257 of the Companies Act, 1956.

Brief resumes of the above Director, nature of his experience in specific functional area and name of the companies in which he holds directorship and membership/Chairmanship of the Board Committees, as stipulated under clause 49 of the Listing Agreement with the stock exchanges, has been included in the corporate Governance Report.

The Board recommends the proposed resolution set out at item no.5 of the Notice for your approval.

None of the other directors except Mr. Arun Tadarwal is interested or concerned in the said resolution.

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Rajesh K. Pathak
Company Secretary

Dated: April 29, 2009.

Registered Office:

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

Directors' Report To the Members

The Directors present this 48th Annual Report together with the Audited Statements of Accounts for the financial year ended 31st March, 2009. The financial results of the Company for the year under review are summarized below :

1. FINANCIAL RESULTS:

(Rs. in Lakhs)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
Income	7,595	7,240
Profit before Interest, Depreciation	1,683	3,300
Interest	330	400
Depreciation	637	459
Profit before Taxation	707	2,332
Provision for Taxation:		
Current tax	(35)	(230)
Deferred Tax Credit	202	(767)
Fringe Benefit Tax	(25)	(33)
Profit for the year	1,074	1,302
Balance brought forward from last period	0.17	(982)
Balance carried forward	1,074	0.17

2. EXPANSION PLAN AND FUND UTILIZATION:

The company received last year total proceeds of Rs.134 crores on issue of warrants on preferential allotment basis to non-promoter group and after having adjusted issue related expenses of Rs. 5 Crores, the proceeds have been utilized as under:

Investment in subsidiary and associates	Rs. 74 Crore
Money invested in Mutual Funds	Rs. 55 Crore

29,99,114 warrants allotted on 21st June 2007, in pursuance of the provisions of SEBI (DIP) Guidelines 2000, on a preferential basis to non-prompter group, lapsed due to non-exercise of option by warrant holders within the prescribed period. 10% as allotment money, received against the aforesaid warrant was forfeited by the company in accordance with the provisions of the preferential guidelines.

3. CHANGE IN THE NAME OF THE COMPNAY:

During the financial year under review, the Company has altered its name from "The GL Hotels Limited" to "Graviss Hospitality Limited" in pursuance of shareholders' approvals in the last AGM held on 20th June 2008 and in compliance of all the requirements under the Companies Act, 1956. The new name of the company truly and adequately reflects the businesses being carried on by it, as the company is exploring expansion projects in the field of hospitality sector.

The change of name will not affect any of the rights of the Company or of the shareholders of the Company and all the existing contracts, agreements, licenses, approvals, certificates bearing the old name of the Company will, after the change of name, continue to be valid for all purposes.

4. OPERATIONAL PERFORMANCE:

During the financial year ended 31st March 2009, the sales and operating income increased from Rs.7,240 Lacs to Rs.7,595 Lacs. The net profit after tax stood at Rs.1,074 Lacs as against Rs.1,302 Lacs.

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5. OPERATIONALISATION OF MAYFAIR UNITS:

During the year under review, the company operationalized Mayfair Banquets at Bangalore, Gurgaon and Ahmedabad. The current recessionary trend, particularly in IT sector has impacted the new banquets especially at Bangalore and Gurgaon. Despite aggressive advertising and management support; these two units were not able to produce the desired results. Thus, in the light of the continuing negative outlook of these units, operations were discontinued in these two units in order to reduce the losses and increase profitability of the company in future.

6. SUB-DIVISION OF THE EQUITY SHARES:

In pursuance of shareholders' approvals in the last Annual General Meeting held on 20th June 2008 and in compliance of all the requirements under the Companies Act, 1956, during the financial year under review, the Company has sub-divided its equity shares of the nominal value of Rs.10/- each in the authorized share capital into equity shares of Rs.2/- each in order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors.

7. DIVIDEND:

The Directors do not recommend any dividend on the equity shares of the company.

8. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS:

Management Discussion and Analysis of the financial conditions and Results of the operations of the company for the year under review as required by Clause 49 of the Listing Agreement with the stock exchanges, has been included in this Report..

9. ACCOUNTS OF SUBSIDIARIES COMPANIES:

In pursuance of requirements of section 212 of the Companies Act, 1956, the Balance- Sheet, Profit & Loss Account, Directors' Report and Report of the Auditors of the subsidiaries Companies viz., Graviss Hotels & Resorts Limited and Graviss Catering Private Limited form part of this Annual Report

10. CONSOLIDATED FINANCIAL STATEMENTS:

As per stipulations in the listing agreement with Bombay Stock Exchange, Consolidated Financial Statements have been made part of this Annual Report in accordance with the relevant accounting standards. The audited Consolidated Financial Statements together with Auditors' Report thereon form part of this Annual Report.

11. REPAYMENT OF FIXED DEPOSITS:

The Company has discontinued the Fixed Deposits Scheme and has repaid all Fixed Deposits amounting to Rs.46 Lacs. There is no outstanding liability in respect of the fixed deposits as on 31st March, 2009.

12. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mr. R.K.P. Shankardass and Mr. Gulshan Bijlani, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

In terms of Warrant subscription agreement dated 24th May 2007 with Dunearn Investments (Mauritius) Pte. Ltd., Mr. Arun Todarwal was appointed as an additional director on 25th July 2008 as its nominee on the Board of the Company. The approval of shareholders is being sought to the re-appointment of Mr. Arun Todarwal as Director of the company at this Annual General meeting.

Brief resumes of the Directors seeking appointment/re-appointment, nature of their experience in specific functional area and name of the companies in which they hold directorship, No. of membership/Chairmanship of the Board Committees, as stipulated under clause 49 of the Listing Agreement with the stock exchanges, have been provided in the report on Corporate Governance form part of this report.

13. CORPORATE GOVERNANCE:

The company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. As per clause 49 of the Listing Agreement, a separate report on the corporate governance appears as a part of this Annual Report. A certificate from the Auditors of the company regarding compliance of the conditions of the corporate governance as stipulated in Clause 49 of the Listing Agreement is included as an attachment to this Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm the following :

- (i) In the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the Profits of the Company for the year ended 31st March 2009;
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

15. CODE OF BUSINESS CONDUCT AND ETHICS:

As prescribed by the listing Agreement, the Board has adopted a "Code of Conduct" for the Board Members and Senior Management Personnel. During the year under review, all the Board members and the senior management personnel have complied with the Company's Code of Conduct. A declaration to this effect signed by the CEO has been obtained.

16. LISTING:

The equity shares of your company are presently listed on Bombay Stock Exchange Limited and Company has paid the listing fees for the financial year 2009-2010.

17. PARTICULARS OF EMPLOYEES:

Information required under the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time, are as under:

Employees Name	Designation	Age in Years	Qualification	Experience in Years	Date of Commencement	Remuneration Rs. in lacs	Last employment held
Mr. Ravi Ghai	Managing Director	66	Graduate of the School of Hotel Administration, Cornell University, Ithaca, New York	41	24.05.1967	45.45	N.A.
Mr. Gaurav Ghai*	Joint Managing Director	40	B.Com	21	01.04.1996	29.13	N.A.
Mr. Raman Mehra	Chief Executive Officer	46	B.A., Diploma in Hotel Management from IHMCT & AN, Mumbai	24	01.04.2004	29.88	Indian Hotels Limited

* Mr. Gaurav Ghai is the son of Mr. Ravi Ghai

18. AUDITORS' REPORT:

The observations of the statutory auditors made in (i) (a), (b) and (c) in their reports read with their Annexure are self explanatory.

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

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy and technology is that the Company has entered, to avail international technology and expertise, into various strategic agreements with Inter-Continental Hotels Corporation, USA (IHC) and its affiliates. As a part of these agreements, IHC and its affiliates are required to provide technical services, marketing reservation and system support to the Company for its Hotel situated at Marine Drive-Mumbai.

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FOREIGN EXCHANGE EARNING AND OUTGO:

(Rs. in Lacs)

Particulars	Current Year 2008-2009	Previous year 2007-2008
CIF Value of Imports	12	8
Expenditure in Foreign Currency	301	235
Earnings in Foreign Exchange	2,176	2,201

20. RELATED PARTY DISCLOSURES:

The company has made disclosures in compliance with the Accounting Standards on Related Party Disclosures as required by clause 32 of the Listing Agreements with the stock exchanges.

21. AUDITORS:

The present Auditors of the Company M/s. S.P. Chopra & Co., Chartered Accounts, Mumbai have not offered themselves for reappointment as statutory Auditors of the Company on their retirement at the forthcoming Annual General Meeting. The Board records its appreciation for the assistance and guidance provided by them during their long tenure with the company. The Board recommends the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants Mumbai as Statutory Auditors of the Company from the conclusion of 48th Annual General Meeting until the conclusion of 49th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

22. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and co-operation of the Shareholders, Banks, various Regulatory Authorities and Central and State Govt. Officials, vendors, Customers and for valuable contributions made by the employees of the company.

For and on behalf of the Board of Directors

Mumbai
Dated: April 29, 2009

RAVI GHAI
Chairman & Managing Director

Management Discussion and Analysis

Industry Structure and Developments

Overview of Tourism and Indian Economy:

India's economy has been one of the stars of global economics in recent years, growing over 8% in 2008, over 9% in 2007 and 2006. Growth had been supported by markets reforms, huge inflows of FDI, rising foreign exchange reserves, both an IT and real estate boom, and a flourishing capital market.

Like most of the world, however, India started facing testing economic times in 2008. India was hit by the double blow of a global meltdown and impact of terrorism. Tourism, which had been growing by 15 to 20 percent annually, has started experiencing its downturn. Industry analysts say the ministry's projection of doubling foreign tourist arrivals to 10 million by 2010 from the current 5.1 million seems very difficult. This is indeed unfortunate considering tourism is top revenue grosser for the country and was expected to create millions of new jobs. Furthermore, as the world economies decline for at least this year, volumes and margins in sectors like tourism are likely to fall even more, say experts, as the crisis will have a cascading effect on the entire Indian hospitality chain from airlines to tour operators to hotels.

It is expected that the overall growth of travel will continue to expand rapidly in India. A large fraction of this demand is expected to be created domestically, indicating a strong base and consequently, strengthening the argument for further development of hotels. India accounts for less than 1% of world tourism, and the tourist inflow is expected to grow at the rate of more than 5% till 2012. Strong GDP growth, improving infrastructure, confidence on the country's economic prospects, open sky policy and the 'Incredible India' campaign has improved the outlook for India. This positive outlook would increase the tourist arrival in the country and the hotel industry is expected to be the major beneficiary. Rising disposable incomes, cheaper airfares and better connectivity would continue to increase the demand for rooms.

India is no longer a city of metros with the growth having spread to newer regions. On the back of the service sector spreading its reach to smaller towns, clusters of manufacturing hubs emerging across the country and large SEZs being established across states, the demand for hotels in these regions have increased. Over the last 3 years, IT cities like Pune and Hyderabad, satellite towns of Faridabad, Gurgaon, Noida and Ghaziabad and tourist destinations like Jaipur and Goa are witnessing faster growth in room rates and occupancy than the metros. Each city will have different factors that will drive revenue growth for hotels. For instance, the Commonwealth games in Delhi, IT boom in Hyderabad and Pune would drive the demand for rooms going forward.

Opportunities:

The Hotel industry in India is expected to boom with rising room rates and on high occupancy rates. The Country is facing a shortage of hotel rooms and the industry needs to more than double its room inventory from the current levels. India is becoming the epicenter for outsourcing and new age businesses and the growth in the economy is attracting tourists from all around the world. With increase in the disposable income in the hands of people, domestic tourism has also been rising very rapidly. The demand and supply imbalance of hotel rooms is pushing average room rates (ARR) further as new properties are not coming up at the same place.

Threats:

The Hotel industry is cyclical and sensitive to changes in the economy and this could have a significant impact on operations and financial results of the company. Act of violence or war, in India or other neighboring countries, may affect Indian and worldwide economic markets. Increased competition in the hotel sector may adversely affect the operation of our Hotel. Surging room rates may impact room demand from foreign leisure travel segment.

Outlook:

The strong macro economic outlook is expected to continue providing momentum for growth of the hotel industry in India. It should be noted that that the base for tourism in India is still very low. The sudden surge in demand for hotel accommodation over the last three 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. Domestic hotel chains, too, are embarking on strong expansion and development plans across all hotel segments. As the gap between supply and demand for hotel accommodation narrows over the next few years, we expect room rates to rationalize, which would encourage leisure travel.

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Report on Corporate Governance

In compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India and under clause 49 of the Listing Agreement with Bombay Stock Exchanges Limited, a report on the corporate governance of the Company is annexed as under:

1. Company's Philosophy on Corporate Governance:

Your company is committed to the best practices in the area of corporate governance and believes that the good governance is the key to the organization's success. It facilitates effective management and control of business, enhance the Shareholders Value, protect the interest of all its stakeholders, ensure transparency and integrity in all business communications and make available accurate and adequate information to all concerned, ensure accountability for performance and achieve excellence at all levels.

2 Board of Directors:

(i) Composition and Category of Directors:

The composition of the Board of Directors is in conformity with the clause 49 of the Listing Agreement. Currently the total strength of the Board is Eight Directors. The company has an executive chairman and the number of Non-Executive Independent Director is more than one-half of the total number of Directors. None of the Directors on the Board is a member on more than ten committees and chairman of more than five committees (as specified in clause-49) across all the companies in which he is a Director.

The composition of the Board and other relevant details relating to the Directors are as under:

Name of the Director	Designation	Category of Directorship	No. of Other Directorships*	No. of Other Committee Members#	
				Chairman	Member
Mr. Ravi Ghai	Chairman & Managing Director	Non-Independent	–	–	–
Mr. Gaurav Ghai	Joint Managing Director	Non-Independent	–	1	1
Ms. Krishna Kumari Ghai	Director	Non-Independent	–	–	–
Mr. Mahendra V. Doshi	Director	Independent	4	2	3
Mr. R.K.P. Shankardass	Director	Independent	–	–	2
Mr. Harindra Singh	Director	Independent	–	–	1
Mr. Gulshan Bijlani	Director	Independent	–	–	1
Mr. Arun Todarwal*	Director	Nominee	5	1	5

* appointed w.e.f. 25th July 2008

Note: Directorships in Private and Foreign Companies are excluded # Memberships of only Audit Committee, Share Transfer and Investor Grievances Committee have been considered)

(ii) Board Meetings and attendance of each Director at Board Meeting and at last Annual General Meeting:

The Board of Directors met Four times during the year viz. 29th April 2008, 25th July 2008, 24th October 2008 and on 28th January 2009 The maximum gap between any two consecutive meetings was not more than four months. The last Annual General Meeting of the Company was held on 20th June 2008. The details of attendance of Directors in Board Meetings and last Annual General Meeting are as follows:

GRAVISS HOSPITALITY LIMITED

Name of the Director	No. of Board Meetings	Attendance at Attended Last Annual General Meeting
Mr. Ravi Ghai	3	Absent
Mr. Gaurav Ghai	1	Present
Mr. Harindra Singh	1	Absent
Mr. Mahendra V. Doshi	4	Present
Mr. R.K.P. Shankardass	3	Absent
Ms. Krishna Kumari Ghai	Nil	Absent
Mr. Gulshan Bijlani	3	Present
Mr. Arun Todarwal	3	Absent

(iii) Shareholding of Directors:

As on March 31, 2009

Name of the Director	No of shares held
Mr. Ravi Ghai	3,176,465
Mr. Gaurav Ghai	2,259,665
Mrs. Krishna Kumari Ghai	98,750
Mr. R.K.P.Shankardass	32,750
Mr. Gulshan Bijlani	17,350

(iv) Code of Conduct:

The Company has adopted the Code of Conduct which lays down the procedure to be followed by its Board members and senior management personnel. All Board members and Senior Management Personnel are committed to compliance with the companies code of conduct.

(v) Directors seeking re-appointment:

Mr. R.K.P. Shankardass:

Mr. R.K.P. Shankardass aged 79 years has been associated with the company since more than three decades. He is a Senior Advocate, Supreme Court. He has represented many matters involving courts outside India as well. Mr. R.K.P. Shankardass is also a member of the Audit Committee and Share Transfer & Investor Grievance Committee of the company. He is on the Board of the following other companies:

- (1) Teeumseh Products Private limited
- (2) G4S Corporate Services Private Limited

Mr. Gulshan Bijlani:

Mr. Gulshan Bijlani has over 20 years of management experience and has background of production of motion pictures and is associated with film production industry. Mr. Bijlani has no directorship of any other company.

Mr. Arun Todarwal:

Mr. Arun Todarwal aged 52 years is a Chartered Accountant and representative of Dunearn Investment (Mauritius) Pte Ltd. During the year under review, he was appointed additional by the Board as an director. He is also a member of the Audit Committee of the Company and holds other directorship of the following companies:

1. The Madras Aluminium Co. Ltd.
2. Sterlite technologies Ltd.
3. Welspun India Ltd.
4. Anuh Farma Ltd.
5. Sterlite shipping ventures Pvt. Ltd.

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(vi) Disclosure of Director's interest in the transaction with the company:

None of the non-executive Directors had any pecuniary relationship with the Company. Even where the commercial transactions have taken place with some of the companies where the Company's Executive Director holds directorship/or membership, have been on the arms length basis and have been disclosed to the Board.

3. Board Committees:

The Board of Directors follows procedures and practices in conformity with the code of corporate governance. In line with the standards and keeping up the spirit of the code, the Board has constituted the following committees:

(i) Audit Committee:

The Audit Committee works under the chairmanship of Mr. Mahendra V. Doshi, Non-Executive Independent Director and other members of the committee are Mr. Gaurav Ghai, Mr. R.K.P. Shankardass, Mr. Harindra Singh, Mr. Gulshan Bijlani and Mr. Arun Todarwal. More than two-thirds of the members of audit committee are independent directors and all members of audit committee have adequate financial and accounting knowledge. The Company Secretary of the company acts as secretary to the committee.

The Audit Committee reviews the financial statements and recommends its suggestions to the Board. It reviews the reports of the Statutory and Internal Auditors and also discusses its suggestions with them. The Audit Committee met four times during the financial year ended March 31, 2009 as under:

Committee Members Attending the Meeting	Designation	No. of Meetings Attended
Mr. Mahendra V Doshi	Chairman	4
Mr. Gaurav Ghai	Member	1
Mr. Gulshan Bijlani	Member	3
Mr. RKP Shankardass	Member	3
Mr. Harindra Singh	Member	1
Mr. Arun Todarwal	Member	3

The terms of reference of the Audit Committee has been approved at the Board Meeting held on 22nd January 2001. It provided for adequate powers and has access of all the information required and performing all the functions which are in accordance with Clauses 49(ii) (c) and (d) of the Listing Agreement.

(ii) Share Transfer and Shareholders'/Investors' Grievance Committee:

The Share Transfer and Investor Grievance Committee deals with the matters relating to the transfer/transmission of shares and monitor the redressal of the investors complaints relating to non-receipt of dividends, non-receipt of annual accounts etc. The Committee comprises of three members with two third of the members as independent directors. The Committee meets at frequent intervals to consider requests for share transfer or to consider shareholders' queries/complaints. During the year twelve meetings of the committee were held and attended by the members as follows:

Name of Member	Designation	No. of Meetings Attended
Mr. Gaurav Ghai	Chairman	12
Mr. RKP Shankardass	Member	0
Mr. Mahendra V. Doshi	Member	12

The company secretary of the company acts as secretary to the committee. All the requests /queries received during the year have been processed and responded respectively and there is no request/queries/complaint pending at the end of the year ended on 31st March 2009.

(iii) Remuneration and Compensation Committee:

The Remuneration and Compensation Committee comprises of three non-executive independent directors. The present members of this Committee are Mr. Harindra Singh (Chairman of the Committee), Mr. Mahendra V. Doshi and Mr. Gulshan Bijlani. All the members of this committee have adequate experience and financial knowledge. The Company Secretary of the company acts as secretary to the committee.

The role of the committee is to review the market practice and decide on the remuneration package applicable to the executive directors and senior management personnel. The committee has formulated Employee stock Option Scheme (ESOS) Scheme 2007 and attends to the matters as may be prescribed from time to time.

(iv) Finance, Investment and Banking Operation Committee:

The Finance, Investment and Banking Operation Committee was constituted on 24th October 2008 to approve various financial transactions requiring immediate attention of the Board and to carry out normal banking operations as and when required. During the period ended on 31st March 2009, The Committee members met six times on 04/11/08, 05/01/09, 13/01/09, 30/01/09, 09/02/09 and 10/03/09. The details of the Committee members and meetings attended by them are as follows:

Name	Designation	No. of the meeting attended
Mr. Ravi Ghai	Chairman	6
Mr. Gaurav Ghai	Member	6
Mr. Raman Mehra	Member	6

The Company Secretary of the company acts as the secretary to the committee.

(v) Compensation to Non-Executive Directors:

The Company pays only the sitting fees to all the non-executive directors for attending the meeting of the Board within the limits prescribed by the Companies Act, 1956. the sitting fees paid to the directors during the year under review are as under:

Name of the Director	Fees for Board meeting (in Rs.)
Mr. R.K.P. Shankardass	60,000
Mr. Gulshan Bijlani	60,000
Mr. Mahendra V. Doshi	80,000
Mr. Harindra Singh	20,000
Mr. Arun Todarwal	60,000

(vi) Executive Directors and Remuneration:

The Managing Director and Joint Managing Director are the Executive Directors in the Company. Their remunerations are fixed by the remuneration/compensation committee and subsequently approved by the Board of Directors and the shareholders of the company.

Details of remuneration paid to the Managing Director and Joint Managing Director of the Company for the year ended March 31, 2009 are as under:

S.N.	Particulars	Amount (Rs. In Lacs)
I	Salary	54.00
II	Contribution to Provident Fund	6.48
III	Estimated monetary value of perquisites	14.10
	Total	74.58

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4. General Body Meetings:

(i) *The details of the Annual General Meetings held during the last three years are as follows:*

Financial Year	No. of AGM	Date, Day & Time of AGM	Venue of AGM
2007-08	47	June 20, 2008, 1.00 P.M.	Dairy Tops, J-177, MIDC, Bhosari, Pune- 411 026
2006-07	46	September 21, 2007, 1.00. P.M.	Dairy Tops, J-177, MIDC, Bhosari, Pune- 411 026
2005-06	45	September 22, 2006, 11.00. A.M.	Dairy Tops, J-177, MIDC, Bhosari, Pune- 411 026

(ii) *Special Resolutions passed in previous three Annual General Meetings are as follows:*

No. of AGM	Date, Day & Time of AGM	Particulars of Special Resolutions passed
47	June 20, 2008, 1.00 P.M.	(a) Change of Name of the Company (b) Sub-Division of the Equity Shares
46	September 21, 2007, 1.00 P.M.	(a) Revision in remuneration of Managing Director (b) Appointment of Joint Managing Director
45	September 22, 2006, 11.30. A.M.	(a) Revision in Remuneration of Managing Director

(iii) *Resolution through Postal Ballot:*

During the year ended 31st March 2009, the company has not passed any resolution through the postal ballot.

(iv) *Extra-Ordinary General Meeting:*

No extra-ordinary general meeting of the company had been held during the year ended 31st March 2009.

5. Disclosures:

(i) *Related Party Transactions:*

There were no material significant related party transactions of the Company with key managerial personnel which have potential conflict with the interest of the Company at large. Members may refer to the notes to the accounts for details of other related party transactions.

(ii) *Compliance with regulations related to Capital Markets:*

The company has complied fully with the requirements of the regulatory authorities of the capital markets. There were no instance of non-compliance nor have any penalties, or strictures have been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.

(iii) *Accounting Standards:*

The company has followed the accounting standards laid down by the Institute of the Chartered Accounts of India.

(iv) *Risk Management:*

The company will adopt draft Risk Management Policy, which would lay down the procedure to inform Board members about the risk assessment and minimization of risk.

(v) *CEO/CFO Certificate:*

Chief Executive Officer and Chief Financial Officer of the company have furnished the requisite certificate to the Board of Directors under clause 49 of the listing Agreement.

6. Means of Communication:

The Company regularly submits quarterly results to the Bombay Stock Exchange Limited on which the shares of the Company are listed. The said results are also published in the newspapers.

- (a) The Company publishes its quarterly, half-yearly and year to date results in Pudhari and Economic Times newspapers at Pune.
- (b) These results are not sent individually to its shareholders.
- (c) No presentations have been made to institutional investors or to analysts.
- (d) The Company's website - www.gravissgroup.com.
- (e) Management Discussion and Analysis is given separately in this Annual Report.

7. General Shareholder Information:

(i) 48th Annual General Meeting:

Date and Time : 25th June, 2009 at 1.00 p.m.
 Venue : Dairy Tops, J-177, MIDC, Bhosari, Pune- 411 026.

(ii) Financial Calendar:

The Company follows April-March as its financial year. The unaudited financial result for every quarter beginning from April is declared in the month following the quarter and audited results for the year is declared within three months of the close of the year.

(iii) Date of Book Closure:

The date of book closure is from 15th June, 2009 to 25th June, 2009 (both days inclusive) for the purpose of annual general meeting.

(iv) Listing on Stock Exchanges:

The Company's shares are listed on the Bombay Stock Exchange Limited, Mumbai and the Company has paid Listing Fees for the year 2009-2010 to the Stock Exchanges.

(v) Stock Exchanges

Stock Exchanges	Stock Code	ISIN
Bombay Stock Exchange Ltd	509546	INE214F01026

(vi) Market Price Data:

The monthly high and low quotations of shares traded on the Bombay Stock Exchange Ltd. during each month in last financial year are as follows:

Month	High (Rs.)	Low (Rs.)
April 2008	389.00	252.00
May 2008	444.90	366.00
June 2008	441.00	383.00
July 2008	411.95	323.05
August 2008	345.00	70.70*
September 2008	72.00	52.55
October 2008	67.20	33.30
November 2008	64.95	34.95
December 2008	77.45	64.50
January 2009	69.40	46.25
February 2009	52.90	45.50
March 2009	57.50	54.65

* Change in price due to the sub-division of shares from Rs. 10 per share to Rs. 2 per share

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(vii) Registrar and Share Transfer Agent:

Address	Contacts Numbers
Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.	022 -2596 3838

(viii) Share Transfer System:

Applications for transfer of shares held in physical form are received at administrative office of the Company. The processing of transfers is attended immediately and share transfers are processed by Link Intime India Pvt. Ltd. - the Registrar and Share Transfer Agent of the Company. The Share transfer and/Investor Grievance Committee is authorized to approve the transfers of shares and the same is ratified at the next Board Meeting.

(ix) Shareholding pattern as on March 31, 2009:

Category	No. of Shareholders	No. Of Shares	Percentage of
Promoters Holding			
Indian Promoters	7	51,614,560	59.71
Foreign Promoter		Nil	Nil
Persons Acting in Concert		Nil	Nil
Promoters relatives, related firms, trusts & HUFs		Nil	Nil
Non-Promoter Holdings Institutional Investor			
(a) Mutual Funds & UTI		Nil	Nil
(b) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions Non-government Institutions)		Nil	Nil
I. General Insurance Corporation of India		Nil	Nil
ii. Nationalised Banks		Nil	Nil
(c) FIIs	Nil	Nil	
Others			
Private Corporate Bodies	36	657,951	0.76
Indian Public	1,235	1,721,594	1.99
N.R.I.	7	8,350	0.01
OCB's	3	4,218,125	4.88
Foreign Companies	2	26,898,635	31.12
Trust	3	1,325,845	1.53
Total	1,293	86,445,060	100

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Distribution of Shareholding (Rupees) as on March 31, 2009

Shareholding of Nominal Value (Rupees)	No. of Shareholders	% of Total	Share Capital Amount (Rupees)	% of Total
1-5,000	1163	90.01	1,472,350	0.85
5,001-10,000	77	5.95	650,500	0.37
10,001-20,000	16	1.23	219,614	0.12
20,001-30,000	05	0.38	126,838	0.07
30,001-40,000	07	0.54	242,800	0.14
40,001-50,000	01	0.07	41,640	0.24
50,001-100,000	04	0.30	286,808	0.16
100,001-99,999,999	20	1.47	169,849,570	98.24
TOTAL	1,293	100	172,890,120	100.00

(x) Dematerialization of Shares and Liquidity:

The equity shares of the Company are traded on the Bombay Stock Exchange Limited. The Company has entered into an agreement with both National Securities Depository Limited and Central Depository Services Limited for dematerialization of equity shares of the company. Approximately, 81,125,385 (93.85%) of the equity shares of the company have been dematerialized as on 31st March 2009.

(xi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs and therefore there were no outstanding GDRs/ADRs. However 2,999,114 equity warrants which were issued to non promoter group under preferential guidelines were lapsed and forfeited due to non exercise of the options.

(xii) Plant Locations:

Unit	Hotel Inter-Continental Marine Drive,135,Netaji Subhash Road, Mumbai 400 020.
Mayfair Banquets	Locations 254-C, Dr. Annie Besant Road, Worli, Mumbai 400 030.
	4 th Level, Palm Beach Galleria Mall, Plot no.17, Sector 19D, Near APMC Police Station, Vashi, Navi Mumbai 400 703.
	Corianthans Club, Nyati County, Near NIBM Road, South Pune, Pune- 411 028.
	Hermes Shopping Centre, Phase II, S.no.185 &199, Shastri Nagar, Nagar Road, Yerwada,Pune 411 006.
	2 nd Level, Gallops behind ISKON Temple, Off S.G. Road, Ahmedabad 380 015.

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(xiii) Address for Investor Correspondence:

In case of any query or assistance, the investors may contact or write to:

Registered Office Dairy Tops, Plot No. J-177, MIDC Bhosari, Pune-411 026, Maharashtra Tel: 020-3068 1102/3068 Fax: 020-2747 7996	Registrar & Transfer Agent Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 Tel: 022-2596 3838 Fax: 022-2596 2691
Administrative Office 254-C, Dr. Annie Besant Road, Worli Mumbai: 400 030 Tel: 022 – 4050 1111 Fax: 022 – 2491 5555	Mr. Rajesh k. Pathak Company Secretary & Compliance Officer 254-C, Dr. Annie Besant Road, Worli Mumbai: 400 030 Tel: 022 – 4050 1111 Fax: 022 – 2491 5555

(xiv) Unclaimed Dividends:

The company declared a dividend of Rs. 1.5 per share (15%) on its equity shares for the year ended 31st march 2008. The dividend remaining unclaimed/unpaid has been transferred to the Graviss Hospitality Ltd. unpaid dividend A/c. However there is no dividend remaining unpaid or unclaimed for the period of seven years from the date of transfer to unpaid dividend account, which requires to be transferred to Investor Education and Protection Fund.

(xv) Nomination:

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose favor the shares shall be transferable in case of death of the registered shareholder. Nomination forms can be obtained from the company's registrar and share transfer agent. The nomination facility in respect of shares in electronic form is also available with depository participants.

(xvi) Certificate on Corporate Governance:

The company has obtained a certificate from the auditors of the company confirming compliances with the conditions of corporate governance as stipulated in the listing agreement with stock exchanges. This certificate is annexed to the Directors' Report.

Declaration by the Chief Executive Officer regarding compliance with the company's code of conduct

This is to confirm that the company has adopted a code of conduct for its Board members and senior management of the company

I hereby confirm that the Board Members and senior management team of the company have affirmed the compliance of the Code of conduct as applicable to them in respect of the financial year ended March 31, 2009.

Place: Mumbai
Date: 22nd April 2009

RAMAN MEHRA
Chief Executive Officer

Certification by Chief Executive Officer and Chief Financial Officer

We hereby certify that for the financial year ended 31st March, 2009, we have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009, which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in internal control during this year.
 - (b) There have been no significant changes in accounting policies during this year.
 - (c) 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.

Mumbai,
April 29, 2009

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

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Auditors' Certificate

To the members of the Graviss Hospitality Limited (Formerly The GL Hotels Limited)

We have examined the compliance of conditions of Corporate Governance by the Graviss Hospitality Limited (Formerly The GL Hotels Limited) for the year ended 31 March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of 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 the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Share Transfer Agents on behalf of the Company, there were no investor grievances remaining unattended/pending more than 30days.

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 **S. P. CHOPRA & CO.**
Chartered Accountants

Y. K. SHANKARDASS.
Partner.
Membership No. F-5106

Place: Mumbai
Dated: 29th April, 2009

Auditors' Report

To the Members of Graviss Hospitality Limited (Formerly The GL Hotels Limited)

1. We have audited the attached Balance Sheet of Graviss Hospitality Limited (Formerly The GL Hotels Limited), as at 31 March 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (the 'Order') as amended by Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors, as on 31 March 2009, and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on 31 March 2009 from being appointed as a director in terms clause (g) of sub-section (1) of the section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2009;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. P. CHOPRA & CO.**
Chartered Accountants

Y. K. SHANKARDASS.
Partner.
Membership No. F-5106

Place: Mumbai
Dated: 29th April, 2009

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Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of our Report of even date to the Members of Graviss Hospitality Limited (Formerly The GL Hotels Limited)

- (i) (a) The records maintained by the Company for fixed assets are not showing full particulars of quantitative details and situation of the assets.
- (b) As explained to us, no physical verification of fixed assets was carried out by the management during the year. Hence discrepancy if any could not be ascertained.
- (c) During the year, the Company has disposed off some of the fixed assets at the Units at Bangalore and Gurgaon which are substantial part of the fixed assets of those Units of the Company (Ref: Note '13'on the Schedule N). Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the disposal of the said fixed asset has not affected the going concern status of the Company.
- (ii) (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on physical verification were not material.
- (iii) (a) The Company has granted interest free loans to two companies (subsidiary companies), covered in the register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of these loans have not been stipulated. The maximum amount involved during the year was Rs. 6,941.62 lacs and the year-end balance is Rs.6,941.62 lacs.
- (b) The Company has not taken any unsecured loans during the year from any of the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. The Company has a procedure in place for regular review of the Internal Auditors reports by its management and to correct any weaknesses in the internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under this section.
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices for which prevailing market prices at the relevant time are not available.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of aforesaid deposits.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) (a) According to the records maintained by the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were in arrears as at 31 March 2009 for a period of more than six months from the date they became payable.

GRAVISS HOSPITALITY LIMITED

- (b) According to the records of the Company, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- (x) The Company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or banks.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a chit fund company or nidhi/mutual benefit fund/society.
- (xiv) Clause (xiv) of the Order regarding dealing and trading in shares etc. is not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) As per information and explanation given to us by the management, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no fund raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act,1956.
- (xix) The Company has not issued any debenture during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S. P. CHOPRA & CO.**
Chartered Accountants

Y. K. SHANKARDASS.
Partner.

Membership No. F-5106

Place: Mumbai
Dated: 29th April, 2009

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Balance Sheet

as at 31st March, 2009

	Schedule	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	A	1,728.90	1,728.90
Share Application Money	A-1	–	850.01
Reserves and Surplus	B	26,035.85	24,403.85
		<u>27,764.75</u>	<u>26,982.76</u>
Loan Funds:			
Secured Loans	C	2,838.65	2,942.09
Unsecured Loans	D	–	48.45
		<u>2,838.65</u>	<u>2,990.54</u>
Deferred Tax Liability (Net) (Note '10')		196.45	398.22
	TOTAL	<u>30,799.85</u>	<u>30,371.52</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	E	18,427.86	18,233.42
Less: Depreciation		2,581.26	2,039.27
Net Block		<u>15,846.60</u>	<u>16,194.15</u>
Investments			
	F	5,459.95	6,933.10
Current Assets Loans and Advances:			
	G		
Inventories		267.35	154.83
Sundry Debtors		383.49	519.89
Cash and Bank Balances		289.74	402.12
Loans and Advances		9,256.05	7,206.58
		<u>10,196.63</u>	<u>8,283.42</u>
Less: Current Liabilities and Provisions:			
	H		
Current Liabilities		673.35	688.85
Provisions		46.55	375.16
		<u>719.90</u>	<u>1,064.01</u>
Net Current Assets		9,476.73	7,219.41
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Amalgamation Expenses (Note '12')		16.57	24.86
	TOTAL	<u>30,799.85</u>	<u>30,371.52</u>
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	N		

As per our separate report of even date

For **S. P. CHOPRA & CO.**
Chartered Accountants

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 29th April, 2009

Rajesh Pathak
Company Secretary

GRAVISS HOSPITALITY LIMITED

Profit and Loss Account for the year ended 31st March, 2009

	Schedule	Year ended 31/03/2009 (Rs. in lacs)	Year ended 31/03/2008 (Rs. in lacs)
INCOME			
Sales and Other Services	I	6,975.12	6,406.08
Other Income	J	620.16	834.09
TOTAL		7,595.28	7,240.17
EXPENDITURE			
Consumption of Food and Beverages	K	1,060.71	811.24
Employees' Remuneration and Benefits	L	1,235.57	839.46
Operating and General Expenses	M	3,615.31	2,289.28
TOTAL		5,911.59	3,939.98
PROFIT BEFORE INTEREST, DEPRECIATION, TAX AND AMORTISATION		1,683.69	3,300.19
Less:			
Interest		330.60	399.97
Depreciation		637.40	459.06
Amortisation of Pre-commencement expenses		–	100.75
Amortisation of Amalgamation expenses (Note '12')		8.29	8.28
TOTAL		976.29	968.06
PROFIT BEFORE TAX		707.40	2,332.13
Provision for Tax:			
Current Tax (Note '11')	(35.00)		(230.00)
Deferred Tax Credit/(Debit) (Net)	201.77		(767.19)
Fringe Benefit Tax	(25.25)		(20.00)
Reversal of Minimum Alternate Tax (MAT) (Note '11')	225.00		–
Short Provision of Fringe Benefit Tax of earlier years	–		(13.09)
		366.52	–
PROFIT AFTER TAX		1,073.92	1,301.85
Balance brought forward		0.17	(982.03)
TOTAL		1,074.09	319.82
APPROPRIATION:			
Proposed Dividend		–	259.33
Tax on Proposed Dividend		–	44.07
Transfer to General Reserve		–	16.25
Balance carried to Balance Sheet		1,074.09	0.17
TOTAL		1,074.09	319.82
Basic Earning per Share Rs. (Note '9')		1.24	8.23
Diluted Earning per Share Rs. (Note '9')		1.24	8.11
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	N		

As per certificate appended to the Balance Sheet

For **S. P. CHOPRA & CO.**
Chartered Accountants

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 29th April, 2009

RAJESH PATHAK
Company Secretary

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forming part of the Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'A' – SHARE CAPITAL		
Authorised:		
230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company	230.00	230.00
113,500,000 Equity shares of Rs. 2 each (2007-08: Face value Rs. 10 each)	2,270	2,270.00
	<u>2,500.00</u>	<u>2,500.00</u>
Issued, Subscribed and Paid-up: (2007-08: Face value Rs. 10 each) (see note below)		
52,610,875 Equity shares of Rs. 2 each for cash (10,522,175)	1,052.22	1,052.22
3,881,665 Equity shares of Rs. 2 each as Bonus (776,333) Shares from Capital Redemption and General Reserves Account	77.63	77.63
641,665 Equity shares of Rs. 2 each issued as a result of Amalgamation (128,333) of Ghai Enterprises Pvt. Ltd., with the Company for consideration other than cash	12.83	12.83
29,310,855 Equity shares of Rs. 2 each issued as a result of Amalgamation of (5,862,171) Mayfair Banquets Private Limited with the Company for consideration other than cash	586.22	586.22
	<u>86,445,060</u>	<u>1,728.90</u>
	<u>(17,289,012)</u>	<u>1,728.90</u>

Note: During the year the equity share of Rs 10 each of the Company has been sub-divided into five equity shares of Rs. 2 each pursuant to the approval of the Board of the Directors and shareholders at the Annual General Meeting held on 20 June 2008. Accordingly, the total number of fully paid equity shares have increased to 86,445,060 shares from 17,289,012 shares with effect from August 2008.

SCHEDULE 'A-1' – SHARE APPLICATION MONEY

2,999,114 10% Application Money received in respect of Equity Warrants at Rs. 283.42 per share to be issued after receipt of full consideration.	850.01	850.01
Less: transferred to Warrants Forfeiture Account (Schedule 'B') (see note below)	850.01	–
	<u>–</u>	<u>850.01</u>

Note: The Company had allotted 2,999,114 equity warrants to the non promoter group in pursuance of the SEBI (DIP) Guideline, 2000 to be converted into equity shares. As the warrant holders have not exercised the conversion option within the stipulated time, the warrants stand lapsed and amount paid thereon stands forfeited.

Schedules

forming part of the Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'B' – RESERVES AND SURPLUS		
Capital Reserves:		
Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad.	<u>7.78</u>	<u>7.78</u>
Warrants Forfeited Account		
As per last account	–	–
Transferred from Schedule 'A-1'	<u>850.01</u>	<u>–</u>
	<u>850.01</u>	<u>–</u>
Share Premium Account:		
As per last account	<u>13,164.55</u>	1,579.43
Add: Amount received during the year	–	12,059.08
	<u>13,164.55</u>	<u>13,638.51</u>
Less: Expenses for raising additional capital during the year adjusted.	–	(473.96)
	<u>13,164.55</u>	<u>13,164.55</u>
General Reserve:		
As per last account	<u>11,231.35</u>	11,215.10
Add: Adjustment on account of initial adoption of Accounting Standard 15 (revised 2005) on 'Employee Benefit' (Note '5')	<u>29.62</u>	–
Add: Transferred from Profit & Loss Account	–	16.25
	<u>11,260.97</u>	<u>11,231.35</u>
Less: Foreign Currency Monetary Item Translation Difference Account (Note '4')	<u>(120.68)</u>	–
	<u>11,140.29</u>	<u>11,231.35</u>
Foreign Currency Monetary Item Translation Difference Account (Note '4')		
As per last account:		
Transferred from General Reserve	120.68	
Less: Exchange difference for the year	<u>(321.55)</u>	
	<u>(200.87)</u>	<u>–</u>
Profit and Loss Account:		
As per Accounts Annexed	<u>1,074.09</u>	<u>0.17</u>
	<u>26,035.85</u>	<u>24,403.85</u>

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forming part of the Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'C' – SECURED LOANS		
From Bank:		
I. Term Loan from Vijaya Bank		
A Secured by first charge over the five star hotel property of the Company at Mumbai and personal guarantee of the Managing Director		
(a) Term Loan	500.00	900.00
(b) Foreign Currency Loan VFRL (US Dollars 2,534,801)	1,283.37	1,336.82
B Secured by First Charge over the five star hotel property of the Company at Mumbai and exclusive charge on the fixed assets such as furniture & fixtures, plant & machinery and office equipments in respect of banqueting facilities created out of the loan.		
	997.74	640.00
C Interest accrued and due	19.15	9.01
II. Term Loan from Axis Bank		
1. Secured by First Charge over the company's assets and movable fixed assets, both present and future, Personal Guarantees by Mr Ravi Ghai, Managing Director and Corporate Guarantee by M/s Graviss Holdings Private Limited, a company under the same management.	–	8.94
III. From Other Banks and Financial Institutions:		
Deferred Payment Liabilities (Note '6a') (secured by hypothecation of Vehicles)	38.39	47.32
	<u>2,838.65</u>	<u>2,942.09</u>
 SCHEDULE 'D' – UNSECURED LOANS		
Fixed Deposits:		
Public	–	38.30
Directors	–	7.81
	–	46.11
Interest accrued and due	–	2.34
	–	48.45

Schedules

forming part of the Balance Sheet as at 31st March, 2009

PARTICULARS	GROSS BLOCK				DEPRECIATION (Note "24d")				NET BLOCK	
	As at 01/04/2008	Additions	Sales/ Adjustments (Note '13' on Schedule 'N')	As at 31/03/2009	Upto 31/03/2008	For the Year	Adjustments	Upto 31/03/2009	As at 31/03/2009	As at 31/03/2008
Licence Fees (Note "1" below)	12.71	10.63	-	23.34	3.78	4.44	-	8.22	15.12	8.94
Leasehold Lands	10,272.33	-	-	10,272.33	-	-	-	-	10,272.33	10,272.33
Buildings	3,214.28	-	-	3,214.28	524.07	107.36	-	631.43	2,582.85	2,690.21
Leased Premises (Note "2" below)	372.36	915.33	570.89	716.80	37.86	165.06	90.02	112.90	603.90	334.49
Plant and Machinery	765.78	245.03	-	1,010.81	283.58	71.02	-	354.60	656.21	482.19
Furniture, Fittings and Electrical Installations	1,986.63	305.64	77.93	2,214.34	867.61	212.73	3.12	1,077.22	1,137.12	1,119.02
Hotel and Office Equipment	526.95	14.68	-	541.63	157.88	23.37	-	181.25	360.38	369.07
Information Technology	188.03	33.25	-	221.28	126.27	34.77	-	161.04	60.24	61.77
Vehicles	174.30	49.25	10.50	213.05	38.22	18.65	2.27	54.60	158.45	136.09
Advances on capital account:										
Construction Contractors/Suppliers	720.05	-	720.05	-	-	-	-	-	-	720.04
TOTAL	18,233.42	1,573.81	1,379.37	18,427.86	2,039.27	637.40	95.41	2,581.26	15,846.60	16,194.15
Total (previous year)	16,890.69	1,478.45	135.72	18,233.42	1,580.22	459.06	-	2,039.27	16,194.15	

Notes:

1. The licence fees is towards obtaining the software licence which is to be depreciated @ 25% per annum.
2. This amount represents the cost of improvements to the premises taken on lease and depreciated @ 20% per annum.

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forming part of the Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'F' – INVESTMENTS (FULLY PAID UP) (AT COST)		
Investment in Equity Shares (Other than Trade):		
Quoted:		
382 of Edelweiss Capital Limited of Rs. 5 each	3.15	3.15
Unquoted:		
530 of The Saraswat Co-operative Bank Ltd., of Rs. 10 each	0.05	0.05
20 of Hotel and Restaurant Co-operative Services Society Ltd. of Rs. 50 each	0.01	0.01
*1857 of Bombay Mercantile Co-operative Bank Ltd., of Rs. 30 each	0.56	0.56
Investment in Equity Shares (Trade):		
10,000 of Great Indian Cigar Company Private Limited of Rs. 10 each	1.00	1.00
Investment in Equity Shares in Subsidiary Companies:		
50,000 of Graviss Hotels & Resorts Limited (formerly known as Kwality Resorts and Hospatality Limited) of Rs. 10 each	5.00	5.00
76,422 (Out of which 50 jointly hold with third parties) of Graviss catering Private Limited (formerly known as Leman International Pvt. Ltd.) of Rs. 10 each.	12.89	12.89
Other than Trade (Mutual Funds):		
Unquoted:		
1,984,316 units of Rs. 10 each in Reliance Medium Term Fund - WDR	339.61	–
918,469 units of Rs. 10 each in Reliance Income Fund - IP - DDR	108.29	–
1,348,782 units of Rs. 10 each in Reliance Short Term Fund	144.00	–
2,057,706 units of Rs. 10 each in Reliance Medium Term Fund - 1	351.78	–
4,670,854 units of Rs. 10 each in FIDELITY Short Term - DDR	467.20	–
7,402,335 units of Rs. 10 each in IDFC Liquid Plus - Plan B - TP- DDR	745.44	–
806,068 units of Rs. 10 each in IDFC Dynamic Bond Fund	95.00	–
1,414,420 units of Rs. 10 each in IDFC SSF - Plan B	145.67	–
6,353,253 units of Rs. 10 each in ICICI Prudential FRF - Plan D	635.46	–
844,709 units of Rs. 10 each in ICICI Prudential Income Fund	100.00	–
1,326,826 units of Rs. 10 each in ICICI Prudential Short Term Plan	159.33	–
962,358 units of Rs. 10 each in ICICI Prudential Flexible Income Plan - DDR	101.75	–
1,901,403 units of Rs. 10 each in ICICI Prudential Flexible Income Plan - DWR	200.46	–
6,597,784 units of Rs. 10 each in Birla Sun Life Short Term Fund	660.14	–
982,362 units of Rs. 10 each in Birla Sun Life Dynamic Bond Fund - MDR	101.48	–
1,092,538 units of Rs. 10 each in Birla Sun Life Short Term Fund	111.51	–
6,639,272 units of Rs. 10 each in Tata Floater Fund	666.29	–
836,518 units of Rs. 10 each in DSP Black Rock Bond Fund	95.00	–
2,019,389 units of Rs. 10 each in Templeton Fund Long Term Plan	208.88	–
5,000,000 units of Rs. 10 each in Reliance Fixed Horizon Fund -VI Series	–	500.00
179,994 units of Rs. 10 each in Reliance Floating Rate Fund - DDR	–	18.12
5,102,468 units of Rs. 10 each in Reliance Liquidity Fund - Daily Dividend Reinvestment Plan	–	494.75
4,752,656 units of Rs. 10 each in Reliance Interval Fund - Quarterly Plan	–	508.17
4,655,363 units of Rs. 10 each in Reliance Interval Fund - Monthly Plan	–	500.00
1,714,632 units of Rs. 10 each in Reliance Liquid Fund - Treasury Plan	–	261.22
7,237 units of Rs. 10 each in Reliance Liquid Fund - Growth Plan	–	0.88
3,497,761 units of Rs. 10 each in HDFC Quarterly Interval Fund Plan	–	350.00
5,450,867 units of Rs. 10 each in HDFC Liquid Fund Premium Plan DDR	–	671.97
71,135 units of Rs. 10 each in HDFC Liquid Fund - Dividend - Daily Reinvestment	–	7.25
24,483,348 units of Rs. 10 each in DWS Money Plus Fund	–	2,452.00
7,016,607 units of Rs. 10 each in Kotak Flexi Debt Scheme - Daily Dividend	–	704.22
2,418,643 units of Rs. 10 each in Kotak Quarterly Interval Plan Series 6 Dividend	–	241.86
20,000,000 units of Rs. 10 each in ICICI Prudential Equity & Derivatives Fund	–	200.00
	5,459.95	6,933.10
Aggregate value of quoted Investments	3.15	3.15
	0.99	3.09

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

Schedules

forming part of the Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'G' – CURRENT ASSETS, LOANS AND ADVANCES (Note '14a')		
Current Assets:		
(a) Inventories - At cost (as valued and certified by the Management):		
(i) Food and Beverages	148.75	83.21
(ii) Stores and Other Operating Supplies	118.60	71.62
	<u>267.35</u>	<u>154.83</u>
(b) Sundry Debtors (Unsecured, considered good): (Note '14b')		
Outstanding over six months	34.40	44.77
Other Debts	349.09	475.12
	<u>383.49</u>	<u>519.89</u>
(c) Cash and Bank Balances:		
Cash on hand (including Rs. 2.30 lacs for cheques in hand) (as confirmed by the Managing Director)	17.04	15.93
Balances with Scheduled Banks in:		
Current Accounts	121.96	264.90
Dividend Account	0.92	–
Deposit/Margin Money Accounts (lodged as securities with the banks)	148.58	121.29
Other Deposit Accounts	1.24	–
	<u>289.74</u>	<u>402.12</u>
Loans and Advances (unsecured, considered good):		
Loans (interest free) to:		
– Graviss Hotels and Resorts Limited (Subsidiary Company)	6,617.94	4,859.89
– Graviss Catering Private Limited (Subsidiary Company)	323.69	298.62
Advances recoverable in cash or in kind for value to be received	558.00	593.10
Security and other Deposits	1,260.92	1,354.77
Advance Income-tax (net of provisions) – (including tax deducted at source)	270.50	100.20
Minimum Alternate Tax (MAT) credit entitlement (Note '11')	225.00	–
	<u>9,256.05</u>	<u>7,206.58</u>
TOTAL	<u>10,196.63</u>	<u>8,283.42</u>
SCHEDULE 'H' – CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors (Note '3')	657.74	539.88
Other Liabilities	14.69	148.97
Unpaid Dividend	0.92	–
	<u>673.35</u>	<u>688.85</u>
Provisions		
Gratuity (net of funds) (Note '5a')	33.94	56.50
Leave Encashment (Note '5b')	12.61	15.24
Proposed Dividend	–	259.34
Tax on Proposed Dividend	–	44.08
	<u>46.55</u>	<u>375.16</u>
TOTAL	<u>719.90</u>	<u>1,064.01</u>

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forming part of the Profit and Loss Account for the year ended 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'I' – SALES AND OTHER SERVICES		
Room Sales	2,428.52	2,345.32
Food and Beverages	3,442.32	3,147.33
Other Services	1,104.28	913.43
	<u>6,975.12</u>	<u>6,406.08</u>
SCHEDULE 'J' – OTHER INCOME		
Miscellaneous receipts	29.33	18.47
Dividend Income	421.34	313.15
Interest Income: (Tax deducted at source – Rs.10.37 lacs) (previous year Rs.1.92 lacs)	59.55	10.99
Profit on sale of Investments	29.22	46.17
Sales/Luxury Tax refund	52.86	4.52
Unclaimed Credit balances written off (net)	18.05	13.82
Rebate on Loans prepaid	–	305.10
Exchange Rate Difference (net)	6.41	119.43
Foreign Exchange Commission	3.40	2.44
	<u>620.16</u>	<u>834.09</u>
SCHEDULE 'K' – CONSUMPTION OF FOOD AND BEVERAGES		
Stock at Commencement	83.21	88.22
Purchases during the year	1,126.25	806.23
	<u>1,209.46</u>	<u>894.45</u>
Less: Stock at close	148.75	83.21
	<u>1,060.71</u>	<u>811.24</u>
SCHEDULE 'L' – EMPLOYEES' REMUNERATION AND BENEFITS (Note '7')		
Salaries, Wages, Bonus and Gratuity	1,101.05	737.80
Company's Contribution to Provident and Other Funds	84.43	66.88
Staff Welfare expenses	50.09	34.78
	<u>1,235.57</u>	<u>839.46</u>

Schedules

forming part of the Profit and Loss Account for the year ended 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'M' – OPERATING AND GENERAL EXPENSES		
Operating Expenses:		
Power, Fuel and Water	390.31	335.29
Repairs and Maintenance:		
Building	82.32	44.25
Machinery	10.87	12.35
Other	185.70	82.33
Stores and Supplies including Linen and Uniforms	193.87	126.01
Washing and Laundry expenses	102.29	82.73
Business Operating expenses	293.99	270.80
Hall Decoration	55.50	86.06
Music and other Operating expenses	74.87	69.16
General Expenses:		
Rent	375.32	92.75
Rates and Taxes	48.84	52.64
Insurance	20.23	31.01
Hire charges	46.05	49.55
Advertisement and Sales Promotion	249.73	131.47
Commission on Sales	171.95	177.49
Travelling and Conveyance	165.06	122.60
Printing and Stationery	44.74	36.10
Postage and Telephones	72.13	65.50
Other Expenses	131.89	103.87
Payments to Auditors (Note '8')	6.05	7.99
Legal and Professional charges	96.52	37.47
Franchise and Corporate Service fees	247.22	213.74
Donations	4.11	4.49
Directors Sitting fees	2.80	0.70
Loss on sale of Assets	12.30	–
Loss on discontinuance of operations (Note '13')	519.23	–
Prior Period expenses	0.66	52.93
Bad Debts written off	10.76	–
	3,615.31	2,289.28

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Notes to the Accounts

SCHEDULE 'N' – NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

1. The name of the Company has been changed from "The G L Hotels Limited" to "Graviss Hospitality Limited" as per the fresh certificate of incorporation issued by the Registrar of Companies Maharashtra, Pune on 8 July 2008.
2. The Company is contingently liable in respect of:
 - (a) Bank Guarantees given to the extent of Rs. 530.80 lacs (previous year Rs. 506.70 lacs).
 - (b) Estimated amount of contracts remaining to be executed on capital account and not provided for is approximately Rs. Nil (previous year Rs.135.00 lacs).
3. Amounts if any due to Micro Enterprises, Small Enterprises and Medium Enterprises under Micro Enterprises, Small Enterprises and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
4. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard (AS)11 notified by Government of India on March 31, 2009. Accordingly the effect of exchange difference of Rs 321.55 lacs (loss) on long term loan in foreign currency has been recognized during the year by transferring to Foreign Currency Monetary Items Translation Difference Account which is to be amortized in subsequent period. Exchange difference of Rs 120.68 lacs (profit) recognized in the Profit and Loss Account of the previous financial year i.e. 2007-08 relating to said long term loan in foreign currency has been adjusted against General Reserve as provided in the rules.

5. **Retirement benefit:**

The following tables summaries the components of the net benefit expenses recognized in the profit and loss account, the fund status and amount recognized in the balance sheet for the gratuity and leave encashment benefit plans. Since the current year being the first year of adoption of Accounting Standard 15 (revised 2005) by the Company, the previous years comparative information has not been furnished.

2008-09
(Rs. in lacs)

(a) Gratuity

(i) Profit and loss account

Net employee benefit expenses (recognized in employee cost)

Current service cost	18.91
Interest on defined benefit obligation	5.01
Expected return on plan assets	–
Net actuarial losses/(gains) recognized in the year	–
Past service cost	–
Actuarial (gain)/losses	0.54
Total included in 'employee benefit expenses'	24.46

(ii) Balance Sheet

Details of provision for gratuity

Liability at the end of the year	92.34
Fair value of plan assets at the end of the year	(58.40)
Difference	33.94
Unrecognized past service cost	–
Unrecognized transition liability	–
Amount in Balance Sheet	33.94

Notes to the Accounts — (Contd.)

(iii) Changes in the present value of the defined benefit obligation are as follows:

Liability at the beginning of the year	73.57
Interest cost	5.01
Current service cost	18.91
Past service cost (non vested benefit)	—
Past service cost (vested benefit)	—
Benefits paid	(5.69)
Actuarial (gain) / loss	0.54
Liability at the end of the year	92.34

(b) Leave Encashment**(i) Profit and loss account**

Current service cost	23.90
Interest Cost	0.20
Expected return on plan assets	—
Net Actuarial (Gain)/Loss recognized for the period	(12.46)
Expenses recognized in the statement of P&L A/c	11.64

(ii) Balance Sheet

Opening Net Liability	4.51
Adjustment to opening balance	—
Expenses as above	11.64
Contribution paid	(3.54)
Closing net liability	12.60

(iii) Change in present value of obligations

PVO at beginning of period	4.51
Interest cost	0.20
Current Service Cost	23.90
Benefits Paid	(3.54)
Actuarial (gain)/loss on obligation	(12.46)
PVO at end of period	12.60

6. (a) Finance Lease:

The Company has taken on finance lease, cost of assets having an aggregate value of Rs.113.86 lacs (previous year Rs. 73.35 lacs) upto March 2009 against which the future obligations aggregate to Rs. 38.39 lacs (previous year Rs.47.32 lacs) excluding the lease charge Rs. 4.84 lacs (previous year Rs. 8.40 lacs) and the same are payable as under:

Period	2008-2009		2007-2008	
	Minimum Lease Payment (Rs. in lacs)	Present Value (Rs. in lacs)	Minimum Lease Payment (Rs. in lacs)	Present Value (Rs. in lacs)
Not later than 1 year	20.44	16.97	21.61	17.18
Later than 1 year but not later than 5 years	22.79	21.42	34.12	30.14

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Notes to the Accounts — (Contd.)

(b) Operating Lease:

The Company has taken on operating lease, certain assets, the minimum future lease rentals payable on which are as follows:

Period	2008-09 Minimum Lease Payment (Rs. in lacs)	2007-08 Minimum Lease Payment (Rs. in lacs)
Not later than 1 year	223.24	430.48
Later than 1 year but not later than 5 years	795.32	1,866.73
Later than 5 years	322.77	2,013.83

7. Remuneration paid to the Managing Director and Joint Managing Director

	2008-09 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Salary	54.00	53.36
Contribution to provident and superannuation funds	6.48	6.16
Other Perquisites	14.10	11.85
	74.58	71.37

8. Payments to Auditors

	2008-09 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Audit Fee	3.55	3.55
Certification charges and fee	2.50	4.44
	6.05	7.99

9. Earning per Share:

		2008-09	2007-2008
Weighted average number of equity shares (Basic)	Nos	86,445,060	15,818,858
Weighted average number of equity shares (Diluted)	Nos	86,445,060	16,043,792
Net profit after taxation	(Rs. in lacs)	1,073.92	1,301.86
Earning per share-Basic	Rs.	1.24	8.23
Earning per share-Diluted	Rs.	1.24	8.11
Nominal value per equity share	Rs.	2	10

Notes to the Accounts — (Contd.)

	2008-09 (Rs. in lacs)	2007-2008 (Rs. in lacs)
10. The deferred tax (asset)/liability as on 31 March 2009 is as follows:		
Deferred tax asset due to		
(a) Unabsorbed depreciation and carried forward business loss under the Income-tax Act, 1961	(183.00)	(14.51)
(b) Items covered under section 43B of Income-tax Act, 1961	(19.07)	(21.10)
Deferred tax liability due to		
Depreciation	398.52	433.83
Net deferred tax liability	196.45	398.22
11. The provision for current tax during the year is made on the basis of Minimum Alternate Tax (MAT) in accordance with section 115JB of the Income Tax Act, 1961. Considering the future profitability and taxable position in the subsequent years, the Company has recognized MAT Credit entitlement of Rs. 225.00 lacs as an asset by crediting Profit and Loss Account and disclosed under Loans and Advances (Schedule 'G') in accordance with the Guidance note on "Accounting for Credit Available in respect of Minimum Alternate Tax" under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India.		
12. Amalgamation expenses amounting to Rs. 41.43 lacs to be written off over a period of five years. Accordingly, Rs. 8.29 lacs (previous year Rs. 8.29 lacs) has been written off during the year and the balance of Rs. 16.57 lacs (previous year Rs. 24.86 lacs) carried forward.		
13. The Company's operations at Bangalore and Gurgaon which commenced during the year were discontinued during the year ended 31 March 2009. Loss of Rs. 519.24 lacs charged in the profit and loss account due to discontinuance of these operations is on account of write off of cost of improvements and other assets on the leased premises at these units as shown below:		
	(Rs. in lacs)	
Cost of improvement on leased premises and electrical installations	612.39	
Depreciation upto 31 March 2009	93.16	
Net Loss on discontinuance of operations	519.23	
14. (a) Particulars of Sundry Debtors and Loans and Advances for debts due from companies under the same management are as follows:		
Sundry Debtors:	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Graviss Holdings Private Limited	144.71	228.74
Rich Graviss Products Private Limited	1.69	6.13
Mahaniya Investments Pvt Ltd	-	2.48
Graviss Foods Private Limited	1.73	0.81
	148.12	238.17
Loans and Advances:		
Security Deposits:		
Graviss Holdings Private Limited	200.00	200.00
Cross Word Beverages Private Limited	800.00	900.00
	1,000.00	1,100.00
(b) Confirmations of amounts due from sundry debtors are not available for verification.		

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Notes to the Accounts — (Contd.)

15. Information relating to Related Party Disclosures as per Accounting Standard issued by the Institute of Chartered Accountants of India, is given below:

A. List of Related Parties (relied on the details provided by the management):

I Shareholders/Directors

Mr Ravi Ghai, Mrs Krishana Ghai, Maharani Prithvibir Kaur, Mr Gaurav Ghai, *Mr RKP Shankardass,
(*no transactions during the year)

ii Other related parties where the common control exists

Graviss Holdings Pvt Ltd., Graviss Foods Pvt Ltd., Graviss Catering Pvt Ltd, Rich Graviss Products Private Limited, Mahaniya Investments Pvt Ltd., Graviss Hotels & Resorts Limited, Crossword Beverages Pvt. Ltd., Great Indian Cigar Co. Pvt. Ltd.

*Idar Hotels Pvt. Ltd., *Gaylord Pvt. Ltd., *Oregaon Realtys Pvt Ltd,* Perfect Livestock Pvt. Ltd.,

Satinetta Finelease & Investments Pvt. Ltd., Kwaliti Walls Fanatasy Ltd.

(*no transactions during the year)

iii Managing and Joint Managing Director

Mr Ravi Ghai and Mr Gaurav Ghai

B. Transactions with Related Parties:

	<u>(Rs. in lacs)</u>	<u>2008-09</u> <u>(Rs. in lacs)</u>	<u>2007-08</u> <u>(Rs. in lacs)</u>
I Sale			
Other related parties where the common control exists		910.68	1,026.75
ii Expenditure and other services fees paid			
Shareholders/Directors/Managing Director	13.40		9.31
Other related parties where the common control exists	120.99	134.39	85.70
iii Managerial Remuneration			
Managing Director		74.58	71.37
iv Loans/Advances/Deposits given			
Other related parties where the common control exists		8,014.27	6,258.51
v Debtors			
Other related parties where the common control exists		148.12	238.17
vi Outstanding payables			
Other related parties where the common control exists		8.41	10.30

16. As the turnover of the Company includes sale of food and beverages, it is not possible to give quantitative details of the turnover and food and beverages consumed.

17. Value of raw materials and stores consumed:

	2008-2009		2007-2008	
	% of total consumption	Amount (Rs. in lacs)	% of total consumption	Amount (Rs. in lacs)
Raw Materials:				
Imported	0.25	2.66	0.90	7.28
Indigenous	99.75	1,060.71	99.10	803.96
Stores:				
Imported	31.82	9.27	2.97	0.91
Indigenous	68.18	29.15	97.03	29.66

	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
18. Value of imports (CIF value):		
(a) Stores, Supplies and Spare Parts for Machinery	9.27	0.91
(b) Raw Material	2.66	7.28
19. Earnings in Foreign Exchange:		
(a) sale of Rooms and Food and Beverages Income	2,067.91	2,125.13
(b) Encashment of Foreign Exchange	109.01	75.65
20. Expenditure in Foreign Currencies:		
(a) Travelling - Directors	46.30	25.20
(b) Travelling - Others	13.75	15.76
(c) Agency Commission	26.99	14.75
(d) Advertisement	-	2.03
(e) Franchise Fees	206.36	170.55
(f) Others	8.20	7.19
21. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segment Reporting'.		
22. The Company has granted 50,000 share options under the Company's Employees Stock Option Scheme 2007 and these share options were outstanding as on 31 March 2009. Out of these options 10,000 options will vest in November 2010, 20,000 options in November 2011 and balance 20,000 options in November 2012.		
23. Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current year's groupings.		
24. Significant Accounting Policies:		
(a) The financial statements have been prepared under the historical cost convention on an accrual basis.		
(b) Revenue has been recognized on accrual basis. Sales comprise of sale of goods and services and are net of Value Added Tax and Service Tax.		
(c) Fixed Assets are stated at cost of acquisition including attributable expenses and are stated at cost less depreciation.		
(d) Depreciation has been charged in the accounts on straight line method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except as follows:		
– Licence Fee is depreciated at the rate of 25%		
– Leased premises at the rate of 20%		
(e) Investments are stated at cost of acquisition.		

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- (f) Stocks and Stores are valued at cost. (Cost being the purchase price and other related expenses to bring the materials into present location and condition).
- (g) The retirement benefits of the employees are provided for by way of payment to Provident Fund and Group Gratuity Scheme. The Company's contribution in respect of Provident Fund and Group Gratuity Scheme is charged against revenue.
- (h) Leases:
- (i) Assets acquired under finance leases are capitalized at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at constant periodic rate of interest on the remaining balance of liability.
- (ii) Operating lease expense is recognized in the Profit and Loss Account on a straight line basis over the lease term.
- (i) Taxation:
- Provision for income tax comprises current tax and fringe benefit tax based on the liability computed after considering tax allowances and exemptions. Deferred tax recognized, subject to consideration of prudence in respect of deferred tax assets, at the rate of income tax prevailing on the balance sheet date on timing difference, being the difference between the taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.
- (j) Transactions in foreign exchange are accounted for at exchange rates prevailing on the date of transaction or on the date of remittance/realization of the amount during the year. Current assets and current liabilities in foreign currency are stated at the exchange rate prevailing at the year end.
- (k) Borrowing costs:
- Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Signature to Schedules 'A' to 'N'

For S. P. CHOPRA & CO.
Chartered Accountants

Y. K. SHANKARDASS
Partner

Mumbai,
dated: 29th April, 2009

RAVI GHAI
Chairman and Managing Director

RAMAN MEHRA
Chief Executive Officer

R.K.P. SHANKARDASS
Director

AMIT JAIN
Chief Financial Officer

RAJESH PATHAK
Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2009

	(Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	707.40	2,332.13
Adjusted for:		
Depreciation	637.40	459.06
Pre-commencement expenses written off	-	100.75
Amalgamation expenses written off	8.29	8.28
Interest paid	330.60	399.97
Interest received	(59.55)	(10.99)
Dividend received	(421.34)	(313.15)
Profit on sale of investments	(29.22)	(46.17)
Loss on sale of fixed assets	12.30	-
	478.48	597.75
Operating profit before working capital changes	1,185.88	2,929.88
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	136.39	(101.54)
(Increase)/Decrease in Inventories	(112.51)	(16.07)
(Increase)/Decrease in Loans and Advances	(1,654.17)	(6,557.21)
Increase/(Decrease) in Current Liabilities	(314.48)	417.92
	(1,944.77)	(6,256.90)
Cash generated from operations	(758.89)	(3,327.02)
Interest paid	(330.60)	(399.97)
Direct Taxes paid...(net of refund)	(230.55)	(310.15)
NET CASH FROM OPERATING ACTIVITIES	(1,320.04)	(4,037.14)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to fixed assets	(1,573.81)	(1,478.45)
Advance on capital account adjusted	720.04	135.72
Sale of fixed assets	32.37	-
Loss on discontinue of operations	519.24	-
Investments during the year (net)	1,473.15	(6,534.29)
Dividend received	421.34	313.15
Profit on sale of investments	29.22	46.17
Interest received	59.55	10.99
NET CASH USED IN INVESTMENT ACTIVITIES	1,681.10	(7,506.71)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	441.05
Share Premium Account	-	12,059.08
Expenses for raising additional capital	-	(473.95)
Share Application money	-	850.01
Net proceeds from long term borrowings	(473.44)	(1,245.87)
Proposed Dividend	-	(259.34)
Tax on Proposed Dividend	-	(44.07)
NET CASH USED IN FINANCING ACTIVITIES	(473.44)	11,326.91
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(112.38)	(216.94)
Cash and cash equivalents - Opening balance	402.12	619.06
Cash and cash equivalents - Closing balance	289.74	402.12

Notes: (1) Figures in brackets are outflows/deductions.
(2) Previous year's figures have been regrouped where necessary.

As per our separate report of even date

For **S. P. CHOPRA & CO.**
Chartered Accountants

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai, Dated: 29th April, 2009

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Schedule VI, Part IV of the Companies Act, 1956

(1) Registration Details

Registration No:	L55101PN1959PLC012763			State Code	11
Balance Sheet Date	31	03	2009	(Refer Code List)	
	Date	Month	Year		

(2) Capital Raised during the year (Amount in Rs. lacs)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Preferential Allotment	0

(3) Position of Mobilisation and Deployment of Funds (Amount in Rs. lacs)

SOURCES FUND	Total Liabilities	Share Application Money	Total Assets
	30800	0	30800
	Paid-up Capital		Reserves and Surplus
	1729		26036
	Secured Loans		Unsecured Loans
	2839		-
	Deferred Tax Liability (Net)		
	196		
APPLICATION OF FUNDS	Net Fixed Assets		Expenditure Pending Capitalisation
	15847		-
	Investments		Net Current Assets
	5460		9477
	Deferred Tax Assets (Net)		Misllaneous Expenditure
	Nil		17
	Accumulated Losses		
	Nil		

(4) Performance of Company (Amount in Rs. lacs)

Turnover	7595	Total Expenditure	6888
(Please tick appropriate box + for Profit, - for Loss)		+/- Profit/Loss after tax	
+/- Profit/Loss before tax	+ 707	tax	+ 1074
Earning per share (Rs.)		Dividend Rate %	-
Basic	+ 1.24		
Diluted	+ 1.24		

(5) Generatic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	NA
Product Description	HOSPITALITY INDUSTRY

RAVI GHAI
Chairman and Managing Director

RAMAN MEHRA
Chief Executive Officer

Mumbai,
dated: 29th April, 2009

R.K.P. SHANKARDASS
Director

AMIT JAIN
Chief Financial Officer

RAJESH PATHAK
Company Secretary

**Auditors' Report on the Consolidated Financial Statements of Graviss Hospitality Limited
(Formerly The GL Hotels Limited)**

To the Board of Directors,

1. We have audited the attached Consolidated Balance Sheet of Graviss Hospitality Limited (Formerly The GL Hotels Limited) and its Subsidiary companies, (the Group) as at 31 March 2009, Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements bases on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.
4. Based on our audit and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2009
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, the cash flows for the year ended on that date.

For **S. P. CHOPRA & CO.**
Chartered Accountants

Y. K. SHANKARDASS.
Partner.

Membership No. F-5106

Place: Mumbai
Dated: 29th April, 2009

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Consolidated Balance Sheet as at 31st March, 2009

	Schedule	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	A	1,728.90	1,728.90
Minority Interest		0.00	0.00
Share Application Money	A-1	–	850.01
Reserves and Surplus	B	25,618.18	23,999.12
		<u>27,347.08</u>	<u>26,578.03</u>
Loan Funds:			
Secured Loans	C	2,838.65	2,942.09
Unsecured Loans	D	283.64	355.23
		<u>3,122.29</u>	<u>3,297.35</u>
Deferred Tax Liability (Net) (Note '12')		<u>127.15</u>	<u>333.25</u>
	TOTAL	<u>30,596.52</u>	<u>30,208.63</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	E	24,345.69	22,763.55
Less: Depreciation		2,670.94	2,114.90
Net Block		<u>21,674.75</u>	<u>20,648.65</u>
Expenditure Pending Capitalisation (Note '19')	E-1	578.13	278.00
Investments	F	5,442.06	6,915.21
Current Assets Loans and Advances			
Inventories	G	267.35	154.83
Sundry Debtors		390.98	528.64
Cash and Bank Balances		361.55	538.58
Loans and Advances		2,599.49	2,253.00
		<u>3,619.37</u>	<u>3,475.05</u>
Less: Current Liabilities and Provisions	H	689.86	760.24
Current Liabilities		48.16	375.15
Provisions		738.02	1,135.39
Net Current Assets		<u>2,881.35</u>	<u>2,339.66</u>
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Amalgamation Expenses (Note '14')		16.57	24.86
Other Expenditure		3.66	2.25
	TOTAL	<u>30,596.52</u>	<u>30,208.63</u>
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	N		

As per our separate report of even date

For **S. P. CHOPRA & CO.**
Chartered Accountants

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 29th April, 2009

RAJESH PATHAK
Company Secretary

GRAVISS HOSPITALITY LIMITED

Consolidated Profit and Loss Account for the year ended 31st March, 2009

	Schedule	Year ended 31/03/2009 (Rs. in lacs)	Year ended 31/03/2008 (Rs. in lacs)
INCOME			
Sales and Other Services	I	7,143.62	6,411.46
Other Income	J	620.16	839.76
TOTAL		7,763.78	7,251.22
EXPENDITURE			
Consumption of Food and Beverages	K	1,060.71	814.83
Employees' Remuneration and Benefits	L	1,242.67	863.77
Operating and General Expenses	M	3,746.26	2,341.89
TOTAL		6,049.64	4,020.49
PROFIT BEFORE INTEREST, DEPRECIATION, TAX AND AMORTISATION		1,714.14	3,230.73
Less:			
Interest		363.14	439.82
Depreciation (Note '18')		650.78	475.43
Amortisation of Pre-commencement expenses		-	100.75
Amortisation of Amalgamation expenses (Note "14")		8.29	8.29
TOTAL		1,022.21	1,024.29
PROFIT BEFORE TAX		691.93	2,206.44
Provision for Tax:			
Current Tax (Note '13')	(35.00)	-	(230.00)
Deferred Tax Credit/(Debit) (Net)	206.10	-	(723.95)
Fringe Benefit Tax	(26.50)	-	(20.45)
Reversal of Minimum Alternate Tax (MAT)-(Note '13')	225.00	-	-
Short Provision of Fringe Benefit Tax of earlier years	(0.55)	369.05	(13.09)
PROFIT AFTER TAX		1,060.98	1,218.95
Balance brought forward		(399.33)	(1,298.61)
TOTAL		661.65	(79.67)
APPROPRIATION:			
Proposed Dividend		0.00	259.34
Tax on Proposed Dividend		0.00	44.07
Transfer to General Reserve		0.00	16.25
Balance carried to Balance Sheet (Schedule 'B')		661.65	(399.33)
TOTAL		661.65	(79.67)
Basic Earning per Share (Note '11')		1.23	7.71
Diluted Earning per Share (Note '11')		1.23	7.60

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES N

As per certificate appended to the Balance Sheet

For **S. P. CHOPRA & CO.**
Chartered Accountants

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 29th April, 2009

RAJESH PATHAK
Company Secretary

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Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'A' – SHARE CAPITAL		
Authorised:		
230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company	230.00	230.00
113,500,000 Equity shares of Rs. 2 each (2007-08: Face value Rs. 10 each)	2,270.00	2,270.00
	<u>2,500.00</u>	<u>2,500.00</u>

Issued, Subscribed and Paid-up: (2007-08: Face value Rs. 10 each) (see Note below)

52,610,875 Equity shares of Rs. 2 each for cash (10,522,175)	1,052.22	1,052.22
3,881,665 Equity shares of Rs. 2 each as Bonus Shares from Capital (776,333) Redemption and General Reserves Account	77.63	77.63
641,665 Equity shares of Rs. 2 each issued as a result of Amalgamation of (128,333) Ghai Enterprises Pvt. Ltd., with the Company for consideration other than cash	12.83	12.83
29,310,855 Equity shares of Rs. 2 each issued as a result of Amalgamation of (5,862,171) Mayfair Banquets Private Limited with the Company for consideration other than cash	586.22	586.22
86,445,060	1,728.90	1,728.90
(17,289,012)		

Note: During the year the equity share of Rs 10 each of the Company has been sub-divided into five equity shares of Rs. 2 each pursuant to the approval of the Board of the Directors and shareholders at the Annual General Meeting held on 20 June 2008. Accordingly, the total number of fully paid equity shares have increased to 86,445,060 shares from 17,289,012 shares with effect from August 2008.

SCHEDULE 'A' -1 – SHARE APPLICATION MONEY

2,999,114 10% Application Money received in respect of Equity Warrants @ Rs. 283.42 to be issued after receipt of full consideration - As per last account	850.01	850.01
Less: transferred to Warrants Forfeiture Account (Schedule 'B') (see Note below)	850.01	–
	<u>–</u>	<u>850.01</u>

Note: The Company had allotted 2,999,114 equity warrants to the non promoter group in pursuance of the SEBI (DIP) Guideline, 2000 to be converted into equity shares. As the warrant holders have not exercised the conversion option within the stipulated time, the warrants stand lapsed and amount paid thereon stands forfeited.

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'B' – RESERVES AND SURPLUS		
Capital Reserves:		
Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad. As per last account	7.78	7.78
Warrants Forfeited Account		
Transferred from Schedule 'A-1'	850.01	–
Share Premium Account:		
As per last account	13,164.56	1,579.43
Add: Amount received during the year	–	12,059.09
	13,164.56	13,638.52
Less: Expenses for raising additional capital during the year adjusted	–	(473.96)
	13,164.56	13,164.56
General Reserve:		
As per last account	11,231.35	11,215.10
Add: Adjustment on account of initial adoption of Accounting Standard 15 (revised 2005) on 'Employee Benefit' (Note '6')	29.62	–
Add: Transferred from Profit & Loss Account	–	16.25
	11,260.97	11,231.35
Less: Foreign Currency Monetary Item Translation Difference Account (Note '5')	(120.68)	–
Less: Goodwill on Consolidation adjusted (Note 2a(iii))	(5.24)	(5.24)
	11,135.05	11,226.11
Foreign Currency Monetary Item Translation Difference Account (Note '5')		
Transferred from General Reserve	120.68	
Less: Exchange difference for the year	(321.55)	
	(200.87)	–
Profit and Loss Account	661.65	(399.33)
	25,618.18	23,999.12

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Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'C' – SECURED LOANS		
From Bank:		
I. Term Loan from Vijaya Bank		
1. Secured by first charge over the five star hotel property of the Company at Mumbai and personal guarantee of the Managing Director:		
(a) Term Loan	500.00	900.00
(b) Foreign Currency Loan VFRL (US Dollars 2,534,801)	1,283.37	1,336.82
2. Secured by First Charge over the five star hotel property of the Company at Mumbai and exclusive charge on the fixed assets such as furniture & fixtures, plant & machinery and office equipments in respect of banqueting facilities created out of the loan amount at various locations of the country.	997.74	640.00
3. Interest accrued and due	19.15	9.01
II. Term Loan from Axis Bank		
Secured by First Charge over the company's assets and movable fixed assets, both present and future, Personal Guarantees by Mr Ravi Ghai, Managing Director and Corporate Guarantee by M/s Graviss Holdings Private Limited, a company under the same management	–	8.94
III. From others- Banks and Financial Institutions:		
Deferred Payment Liabilities (Note '7a') (secured by hypothecation of Vehicles)	38.39	47.32
	2,838.65	2,942.09
SCHEDULE 'D' – UNSECURED LOANS		
Fixed Deposits:		
Public	–	38.30
Directors	–	7.81
	–	46.11
Interest accrued and due	–	2.34
	–	48.45
Other Loans and Advances (Note '8')		
From Shareholders:	77.75	96.98
From Others:	205.89	209.83
	283.64	355.26

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2009

PARTICULARS	GROSS BLOCK			DEPRECIATION (Note '26d')			NET BLOCK			
	As at 01/04/2008	Additions	Sales/ Adjustments (Note '15' on Scheduled 'N')	As at 31/3/2009	Upto 31/03/2008	For the Year	Adjustments	Upto 31/03/2009	As at 31/03/2009	As at 31/03/2008
Licence Fees (Note '1' below)	12.71	10.63	-	23.34	3.77	4.45	-	8.22	15.12	8.93
Leasehold Land	10,272.33	-	-	10,272.33	-	-	-	-	10,272.33	10,272.33
Freehold Land (Note '17a' on Schedule 'N')	2,951.58	257.00	-	3,208.58	-	-	-	-	3,208.58	2,951.58
Buildings	3,214.28	-	-	3,214.28	524.07	107.36	-	631.43	2,582.85	2,690.21
Leased Premises (Note '2' below)	446.76	915.33	570.89	791.20	64.87	169.79	90.03	144.63	646.57	381.89
Plant and Machinery	808.08	245.03	-	1,053.11	302.78	74.23	-	377.01	676.10	505.31
Furniture, Fittings and Electrical Installations	2,032.65	305.64	77.93	2,260.36	894.21	217.75	3.12	1,108.84	1,151.52	1,138.44
Hotel and Office Equipment	529.44	14.68	-	544.12	158.40	23.56	-	181.96	362.16	371.04
Information Technology	194.21	34.27	-	228.48	128.58	35.65	-	164.23	64.25	65.63
Vehicles	174.30	49.25	10.50	213.05	38.22	18.65	2.25	54.62	158.43	136.08
Advances on capital account:										
Purchase of Land and Building	898.20	775.00	-	1,673.20	-	-	-	-	1,673.20	898.20
Development Work	508.97	354.67	-	863.64	-	-	-	-	863.64	508.97
Construction Contractors/ Suppliers	720.04	-	720.04	-	-	-	-	-	-	720.04
Total	22,763.65	2,961.50	1,379.36	24,345.69	2,114.90	651.44	95.40	2,670.94	21,674.75	20,648.65
Total (previous year)	17,057.69	5,841.59	135.72	22,763.55	1,639.29	475.61	-	2,114.90	20,648.65	

Notes:

1. The licence fees is towards obtaining the software licence.
2. This amount represents the cost of improvements to the premises taken on lease.

SCHEDULE 'E-1' – Expenditure pending capitalisation (Note '17b')

	2008-09 Rs. in lacs	2007-08 Rs. in lacs
Other expenditure during Development	578.13	278.00
TOTAL	578.13	278.00

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forming part of the Consolidated Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'F' – INVESTMENTS (FULLY PAID UP) (AT COST)		
Investment in Equity Shares (Other than trade):		
Quoted:		
382 of Edelweiss Capital Limited of Rs. 5 each	3.15	3.15
Unquoted:		
530 of The Saraswat Co-operative Bank Ltd., of Rs. 10 each	0.05	0.05
20 of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each	0.01	0.01
*1857 of Bombay Mercantile Co-operative Bank Ltd., of Rs. 30 each	0.56	0.56
Investment in Equity Shares (trade):		
10,000 of Great Indian Cigar Company Private Limited of Rs. 10 each	1.00	1.00
Other than Trade- Mutual Funds:		
Unquoted:		
1,984,316 units of Rs. 10 each in Reliance Medium Term Fund - WDR	339.61	–
918,469 units of Rs. 10 each in Reliance Income Fund - IP-DDR	108.29	–
1,348,782 units of Rs. 10 each in Reliance Short Term Fund	144.00	–
2,057,706 units of Rs.10 each in Reliance Medium Term Fund-1	351.78	–
4,670,854 units of Rs.10 each in FIDELITY Short Term - DDR	467.20	–
7,402,335 units of Rs.10 each in IDFC Liquid Plus - Plan B - TP-DDR	745.44	–
806,068 units of Rs.10 each in IDFC Dynamic Bond Fund	95.00	–
1,414,420 units of Rs.10 each in IDFC SSF - Plan B	145.67	–
6,353,253 units of Rs.10 each in ICICI Prudential FRF - Plan D	635.46	–
844,709 units of Rs.10 each in ICICI Prudential Income Fund	100.00	–
1,326,826 units of Rs.10 each in ICICI Prudential Short Term Plan	159.33	–
962,358 units of Rs.10 each in ICICI Prudential Flexible Income Plan - DDR	101.75	–
1,901,403 units of Rs.10 each in ICICI Prudential Flexible Income Plan - DWR	200.46	–
6,597,784 units of Rs.10 each in Birla Sun Life Short Term Fund	660.14	–
982,362 units of Rs.10 each in Birla Sun Life Dynamic Bond Fund - MDR	101.48	–
1,092,538 units of Rs.10 each in Birla Sun Life Short Term Fund	111.51	–
6,639,272 units of Rs.10 each in Tata Floater Fund	666.29	–
836,518 units of Rs.10 each in DSP Black Rock Bond Fund	95.00	–
2,019,389 units of Rs.10 each in Templeton	208.88	–
5,000,000 units of Rs. 10 each in Reliance Fixed Horizon Fund -VI Series	–	500.00
179,994 units of Rs. 10 each in Reliance Floating Rate Fund - DDR	–	18.12
5,102,468 units of Rs. 10 each in Reliance Liquidity Fund- Daily Dividend Reinvestment Plan	–	494.75
4,752,656 units of Rs. 10 each in Reliance Interval Fund- Quarterly Plan	–	508.17
4,655,363 units of Rs. 10 each in Reliance Interval Fund- Monthly Plan	–	500.00
1,714,632 units of Rs. 10 each in Reliance Liquid Fund- Treasury Plan	–	261.22
7,237 units of Rs. 10 each in Reliance Liquid Fund- Growth Plan	–	0.88
3,497,761 units of Rs. 10 each in HDFC Quarterly Interval Fund Plan	–	350.00
5,450,867 units of Rs. 10 each in HDFC Liquid Fund Premium Plan DDR	–	671.97
71,135 units of Rs. 10 each in HDFC Liquid Fund- Dividend - Daily Reinvestment	–	7.25
24,483,348 units of Rs. 10 each in DWS Money Plus Fund	–	2,452.00
7,016,607 units of Rs. 10 each in Kotak Flexi Debt Scheme - Daily Dividend	–	704.21
2,418,643 units of Rs. 10 each in Kotak Quarterly Interval Plan Series 6 Dividend	–	241.87
20,000,000 units of Rs. 10 each in ICICI Prudential Equity & Derivatives Fund	–	200.00
	5,442.06	6,915.21
Aggregate value of quoted Investments	3.15	3.15
Market value of quoted investments	0.99	3.09

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

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'G' – CURRENT ASSETS, LOANS AND ADVANCES (Note '16a')		
Current Assets:		
(a) Inventories - At cost (as valued and certified by the Management):		
(i) Food and Beverages	148.76	83.21
(ii) Stores and Other Operating Supplies	118.60	71.62
	267.35	154.83
(b) Sundry Debtors (Unsecured, considered good): (Note' 16b')		
Outstanding over six months	34.40	53.52
Other debts	356.58	475.12
	390.98	528.64
(c) Cash and Bank Balances:		
Cash on hand (including Rs. 2.30 lacs for cheques in hand (as confirmed by the Managing Director)	28.99	45.24
Balances with Scheduled Banks in:		
Current Accounts	181.82	372.05
Dividend Accounts	0.92	–
Deposit/Margin Money Accounts (lodged as securities with the banks)	148.58	121.29
Other Deposit Accounts	1.24	–
	361.55	538.58
Loans and Advances (unsecured, considered good):		
Advances recoverable in cash or in kind for value to be received	799.67	752.58
Security and other Deposits	1,299.03	1,396.23
Advance Income-tax (net of provisions) – (including tax deducted at source)	275.79	104.19
Minimum Alternate Tax (MAT) credit entitlement (Note '13')	225.00	–
	2,599.49	2,253.00
TOTAL	3,619.37	3,475.05
 SCHEDULE 'H' – CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors (Note '4')	670.24	603.94
Other Liabilities	18.70	156.30
Unpaid Dividend	0.92	–
	689.86	760.24
Provisions:		
Leave Encashment (Note '6a')	12.61	15.24
Gratuity (net of funds) (Note '6a')	35.55	56.50
Proposed Dividend	–	259.34
Tax on Proposed Dividend	–	44.07
	48.16	375.15
TOTAL	738.02	1,135.39

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forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'I' – SALES AND OTHER SERVICES		
Room Sales	2,428.52	2,345.32
Food and Beverages	3,442.32	3,152.71
Other Services	1,272.78	913.43
	<u>7,143.62</u>	<u>6,411.46</u>
SCHEDULE 'J' – OTHER INCOME		
Miscellaneous receipts	29.33	18.52
Dividend Income	421.34	313.15
Interest Income	–	–
(Tax deducted at source - Rs.10.37 lacs) (previous year Rs.1.92 lacs)	59.55	10.99
Profit on sale of Investments	29.22	46.17
Sales/Luxury Tax refund	52.86	4.52
Unclaimed Credit balances written off (net)	18.05	19.44
Rebate on Loans prepaid	–	305.10
Exchange Rate Difference (net)	6.41	119.43
Foreign Exchange Commission	3.40	2.44
	<u>620.16</u>	<u>839.76</u>
SCHEDULE 'K' – CONSUMPTION OF FOOD AND BEVERAGES		
Stock at Commencement	83.21	90.55
Purchases during the year	1,126.25	807.49
	<u>1,209.46</u>	<u>898.04</u>
Less: Stock at close	148.75	83.21
	<u>1,060.71</u>	<u>814.83</u>
SCHEDULE 'L' – EMPLOYEES' REMUNERATION AND BENEFITS (Note "9")		
Salaries, Wages, Bonus and Gratuity	1,107.52	759.54
Company's Contribution to Provident and Other Funds	84.98	69.23
Staff Welfare expenses	50.17	35.00
	<u>1,242.67</u>	<u>863.77</u>

Schedules

forming part of the Consolidated Profit and Loss Account for the year ended 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'M' – OPERATING AND GENERAL EXPENSES		
Operating Expenses:		
Power, Fuel and Water	390.43	335.85
Repairs and Maintenance:		
Building	82.32	44.25
Machinery	10.87	12.35
Others	185.78	82.48
Stores and Supplies including Linen and Uniforms	193.87	126.96
Washing and Laundry expenses	102.29	82.74
Business Operating expenses	294.98	272.24
Hall Decoration	140.02	86.06
Music and other Operating expenses	74.87	69.16
General Expenses:		
Rent	376.52	94.20
Rates and Taxes	58.88	63.03
Insurance	20.34	31.38
Hire charges	53.68	49.78
Advertisement and Sales Promotion	249.73	131.47
Commission on Sales	174.20	177.49
Travelling and Conveyance	169.09	131.85
Printing and Stationery	44.81	37.26
Postage and Telephones	72.57	66.87
Other Expenses	133.62	109.56
Payments to Auditors (Note '10' and Note '18')	6.35	8.33
Legal and Professional charges	106.94	51.03
Franchise and Corporate Service fees	247.22	213.74
Donations	4.11	4.49
Directors Sitting fees	2.80	0.70
Loss on sale of Asset	12.30	–
Loss on discontinuance of operations (Note '15')	519.23	–
Prior Period expenses	0.66	52.93
Bad Debts written off	17.78	5.69
	3,746.26	2,341.89

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Notes to the Account

SCHEDULE 'N' – NOTES ON ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

1. The name of the Company has been changed from “The G L Hotels Limited” to “Graviss Hospitality Limited” as per the fresh certificate of incorporation issued by the Registrar of Companies Maharashtra, Pune on 8 July 2008. The names of the subsidiary companies also have been changed as follows:
 - (a) The name of the Company has been changed from “Kwality Resorts and Hospitality Limited” to “Graviss Hotels and Resorts Limited” as per the fresh certificate of incorporation issued by the Registrar of Companies Maharashtra, Mumbai on 28 May 2008.
 - (b) The name of the Company has been changed from “Leman International Private Limited” to “Graviss Catering Private Limited” as per fresh certificate of incorporation issued by the Registrar of Companies, New Delhi on 15 May 2008.
2. Basis of Consolidation:
 - (a) The Consolidated Financial Statements relate to Graviss Hospitality Limited (the Company) and its Subsidiary Companies as at 31 March 2009. The Consolidated Financial Statements have been prepared on the following basis:
 - (i) The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard 21 ‘Consolidated Financial Statement; issued by the Institute of Chartered Accountants of India.
 - (ii) The financial statements of the Subsidiary Companies used in the consolidation are drawn upto the same reporting date as that of the Company, i.e. 31 March 2009.
 - (iii) The excess of cost to the Company of its investment in the subsidiary companies over the Company's portion of equity is recognized in the financial statements as Goodwill adjusted against General Reserve as prescribed by Accounting Standard ‘21’.
 - (iv) All the Subsidiary Companies are fully owned subsidiary companies of Graviss Hospitality Limited.
 - (b) The list of Subsidiary Companies which are included in the consolidation with their respective country of incorporation are as given below:

Name of Company	Country of Incorporation	Holding %
Graviss Catering Private Limited	India	100
Graviss Hotels & Resorts Limited	India	99.98

3. The Company is contingently liable in respect of:
 - (a) Bank Guarantees given to the extent of Rs. 530.80 lacs (previous year Rs. 506.70 lacs).
 - (b) The Company is contingently liable for approximately Rs. 976.12 Lacs (previous year Rs. 452.50 Lacs) in respect of estimated amount of professional service contracts on capital account not provided for against advances of Rs. 146.85 Lacs have been made
4. Amounts if any due to Micro Enterprises, Small Enterprises and Medium Enterprises under Micro Enterprises, Small Enterprises and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
5. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard (AS)11 notified by Government of India on March 31, 2009. Accordingly the effect of exchange difference of Rs 321.55 Lacs (loss) on long term loan in foreign currency has been recognized during the year by transferring to Foreign Currency Monetary Items Translation Difference Account which is to be amortized in subsequent period. Exchange difference of Rs 120.68 Lacs (profit) recognized in the Profit and Loss Account of the previous financial year i.e. 2007-08 relating to said long term loan in foreign currency has been adjusted against General Reserve as provided in the rules.

Notes to the Account — (Contd.)

6. Retirement benefit

The following tables summaries the components of the net benefit expenses recognized in the profit and loss account, the fund status and amount recognized in the balance sheet for the gratuity and leave encashment benefit plans.

(a) Gratuity

(i) Profit and loss account	(Rs. in lacs)
Net employee benefit expenses (recognized in employee cost)	—
Current service cost	19.44
Interest on defined benefit obligation	5.08
Expected return on plan assets	—
Net actuarial losses/(gains) recognized in the year	—
Past service cost	—
Actuarial (gain)/losses	0.72
Total included in 'employee benefit expenses'	25.24
(ii) Balance Sheet	
Details of provision for gratuity	
Liability at the end of the year	93.95
Fair value of plan assets at the end of the year	(58.40)
Difference	35.55
Unrecognized past service cost	0.00
Unrecognized transition liability	0.00
Amount in Balance Sheet	35.55
(iii) Changes in the present value of the defined benefit obligation are as follows:	
Liability at the beginning of the year	74.40
Interest cost	5.08
Current service cost	19.44
Past service cost (non vested benefit)	—
Past service cost (vested benefit)	—
Benefits paid	(5.69)
Actuarial (gain)/loss	0.72
Liability at the end of the year	93.95

(b) Leave Encashment

(i) Profit and loss account	
Current service cost	23.90
Interest Cost	0.20
Expected return on plan assets	—
Net Actuarial (Gain)/Loss recognized for the period	(12.46)
Expenses recognized in the statement of P&L A/c	11.64
(ii) Balance Sheet	
Opening Net Liability	4.51
Adjustment to opening balance	—
Expenses as above	11.64
Contribution paid	(3.54)
Closing net liability	12.61

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Notes to the Account — (Contd.)

(iii) Change in present value of obligations

PVO at beginning of period	4.51
Interest cost	0.20
Current Service Cost	23.90
Benefits Paid	(3.54)
Actuarial (gain)/loss on obligation	(12.46)
PVO at end of period	12.61

7. (a) Finance Lease:

The Company has taken on finance lease, cost of assets having an aggregate value of Rs.73.35 lacs (previous year Rs. 68.48 lacs) upto March 2009 against which the future obligations aggregate to Rs. 38.39 lacs (previous year Rs.47.32 lacs) excluding the lease charge Rs. 4.84 lacs (previous year Rs. 8.41 lacs) and the same are payable as under:

Period	2008-2009		2007-2008	
	Minimum Lease Payment (Rs. in lacs)	Present Value (Rs. in lacs)	Minimum Lease Payment (Rs. in lacs)	Present Value (Rs. in lacs)
Not later than 1 year	20.44	16.97	21.61	17.18
Later than 1 year but not later than 5 years	22.79	21.42	34.12	30.14

(b) Operating Lease:

The Company has taken on operating lease, certain assets, the minimum future lease rentals payable on which are as follows:

Period	2008-09	2007-08
	Minimum Lease Payment (Rs. in lacs)	Minimum Lease Payment (Rs. in lacs)
Not later than 1 year	232.84	440.08
Later than 1 year but not later than 5 years	804.92	1,885.93
Later than 5 years	322.77	2,013.83

8. The unsecured loans from Others includes:

In case of Subsidiary Companies:

- Rs. 204.90 lacs (previous year Rs. 208.83 lacs) loan from Graviss Holdings Private Limited, a company under the same management. The amount repayable as installments (principal) within one year is Rs. 4.40 lacs (previous year Rs. 3.93 lacs).
- Rs. 100,000 loan from a Director. The terms of repayment of this loan have not been specified and hence the amount repayable as installments within one year is not ascertainable.

Notes to the Account — (Contd.)

9. Remuneration paid to the Managing Director and Joint Managing Director		2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Salary		54.00	53.36
Contribution to provident fund		6.48	6.16
Other Perquisites		14.10	11.85
		74.58	71.37
		2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
10. Payment to Auditors			
Audit fee (inclusive of Service Tax)		4.35	4.14
Certification charges and fee		2.75	4.44
		7.10	8.58
		2008-2009	2007-2008
11. Earning per Share:			
Weighted average number of equity shares (Basic)	Nos.	86,571,572	15,818,858
Weighted average number of equity shares (Diluted)	Nos.	86,571,572	16,043,792
Net profit after taxation	(Rs. in lacs)	1,061	1,219
Earning per share-Basic	Rs.	1.23	7.71
Earning per share-Diluted	Rs.	1.23	7.60
Nominal value per equity share	Rs.	2	10
		2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
12. The deferred tax liability /(asset) as on 31 March 2009 is as follows:			
Deferred tax asset due to			
(a) Unabsorbed depreciation and carried forward business loss under the Income-tax Act, 1961		(249.90)	(78.00)
(b) Items covered under section 43B of Income-tax Act, 1961		(19.07)	(21.10)
Deferred tax liability due to			
Depreciation		396.12	432.35
Net deferred tax liability		127.15	333.25
13. The provision for current tax during the year is made on the basis of Minimum Alternate Tax (MAT) in accordance with section 115JB of the Income Tax Act, 1961. Considering the future profitability and taxable position in the subsequent years, the Company has recognized MAT Credit entitlement of Rs. 225 lacs as an asset by crediting Profit and Loss Account and disclosed under Loans and Advances (Schedule 'G') in accordance with the Guidance note on "Accounting for Credit Available in respect of Minimum Alternate Tax" under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India.			
14. Amalgamation expenses amounting to Rs. 41.423 lacs to be written off over a period of five years. Accordingly, Rs. 8.29 lacs (previous year Rs. 8.29 lacs) has been written off during the year and the balance of Rs. 16.57 lacs (previous year Rs. 24.86 lacs) carried forward.			
15. The Company's operations at Bangalore and Gurgaon which commenced during the year were discontinued during the year ended 31 March 2009. Loss of Rs. 519.24 lacs charged in the profit and loss account due to discontinuance of these operations is on account of write off of cost of improvements and other assets on the leased premises at these units as shown below:			
		(Rs. in lacs)	
Cost of improvement on leased premises and electrical installations		612.39	
Depreciation upto 31 March 2009		93.16	
Net Loss on discontinuance of operations		519.23	

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Notes to the Account — (Contd.)

- 16 (a) Particulars of Sundry Debtors and Loans and Advances for debts due from companies under the same management are as follows:

	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Sundry Debtors:		
Graviss Holdings Private Limited	144.71	228.74
Rich Graviss Products Private Limited	1.69	6.13
Mahaniya Investments Pvt Ltd	–	2.48
Graviss Foods Private Limited	1.73	0.81
	148.13	238.16
Loans and Advances:		
Security Deposits:		
Graviss Holdings Private Limited	200	200
Cross Word Beverages Private Limited	800	900
	1,000	1,100

- (b) Confirmations of amounts due from sundry debtors are not available for verification.

17. (a) 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.
- (b) In case of Graviss Hotels and Resorts Limited, a subsidiary company, some of the confirmations of Advance on Capital Account against Development Work are not available for verification.
18. In respect of Graviss Hotels and Resorts Limited (subsidiary company), the expenditure amounting to Rs. 1.41 lacs (previous year 2.10 lacs) as detailed below incurred during the year not related to hotel development projects are treated as Miscellaneous Expenditure to be written off over a period to be decided by the Management.

	2008-2009 (Rs. in lacs)	2007-2008 (Rs. in lacs)
Audit fee	0.75	0.25
Fees and Taxes	–	1.66
Depreciation	0.66	0.19
Preliminary expenses written off	–	0.01
	1.41	2.10

19. In respect of Graviss Hotels and Resorts Limited (subsidiary company), expenses pending capitalization incurred during the period 1 April 2007 to 31 March 2009 relating to hotel project is as follows:

	2007-08 (Rs. in lacs)	Addition during the year (Rs. in lacs)	2008-09 (Rs. in lacs)
Pre-commencement Expenses during development:			
Salaries, Dearness Allowance, Bonus, Gratuity	5.08	19.41	24.49
Staff Welfare Expenses	0.03	0.07	0.10
Rent	–	20.22	20.22
Brokerage	–	2.00	2.00
Advertisement and Publicity	5.41	0.11	5.52
Insurance	0.23	0.20	0.43
Fees	0.36	2.11	2.47
Legal and Professional charges	94.12	223.48	317.60
Administrative and other service charges reimbursed	144.45	–	144.45
Travelling and Conveyance	17.93	30.96	48.89
Postage and Telephone expenses	0.48	1.06	1.54
Other expenses	9.92	0.49	10.41
	278.01	300.11	578.12

Notes to the Account — (Contd.)

20. Information relating to Related Party Disclosures as per Accounting Standard issued by the Institute of Chartered Accountants of India, is given below:

A List of Related Parties (relied on the details provided by the management):

I Shareholders/Directors

Mr Ravi Ghai, Mrs Krishana Ghai, Maharani Prithvibir Kaur, Mr Gaurav Ghai, *Mr RKP Shankardass, Mr Sunil Parda
(*no transactions during the year)

ii Other related parties where the common control exists

Graviss Holdings Pvt Ltd., Rich Graviss Products Pvt Ltd, Graviss Foods Pvt Ltd., Mahaniya Investments Pvt Ltd., Crossword Beverages Pvt. Ltd., Great Indian Cigar Co. Pvt. Ltd. *Idar Hotels Pvt. Ltd., *Gaylord Pvt. Ltd., *Oregaon Realtys Pvt Ltd,* Perfect Livestock Pvt. Ltd., *Satinetta Finelease & Investments Pvt. Ltd.,* Kquality Walls Fanatasy Ltd.

(*no transactions during the year)

iii Managing Director and Joint Managing Director

Mr Ravi Ghai and Mr Gaurav Ghai

B. Transactions with Related Parties:	(Rs. in lacs)	2008-2009 (Rs. in lacs)	2007-08 (Rs. in lacs)
I Sale			
Other related parties where the common control exists		910.68	920.64
ii Expenditure, other services, administrative and other service charges reimbursed			
Shareholders/Directors/Managing Director	13.40		33.02
Other related parties where the common control exists	142.91	156.31	135.70
iii Managerial Remuneration			
Managing Director and Joint Managing Director		74.58	71.37
iv Loans /Advances/ Deposits given			
Other related parties where the common control exists		1,000.00	1,100.00
v Debtors			
Other related parties where the common control exists		148.12	238.17
vi Loans/Advances/Deposits received			
Other related parties where the common control exists		204.90	208.83
vii Outstanding payables			
Other related parties where the common control exists		8.41	60.70

21. As the turnover of the Company includes Room sales and sale of food and beverages, it is not possible to give quantitative details of the turnover and food and beverages consumed.

22. Value of raw materials and stores consumed:

	2008-2009		2007-2008	
	Percentage of total consumption	Amount (Rs. in lacs)	Percentage of total consumption	Amount (Rs. in lacs)
Raw Materials:				
Imported	0.25	2.66	0.90	7.28
Indigenous	99.75	1,058.04	99.10	803.96
Stores:				
Imported	31.82	9.27	2.97	0.91
Indigenous	68.18	19.87	97.03	29.66

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Notes to the Account — (Contd.)

23. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segment Reporting'.
24. The Company has granted 50,000 share options under the Company's Employees Stock Option Scheme 2007 and these share options were outstanding as on 31 March 2009. Out of these options 10,000 options will vest in November 2010, 20,000 options in November 2011 and balance 20,000 options in November 2012.
25. Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current year's groupings.
26. Significant Accounting Policies:
- (a) The financial statements have been prepared under the historical cost convention on an accrual basis.
 - (b) Revenue has been recognized on accrual basis. Sales comprise of sale of goods and services and are net of Value Added Tax and Service Tax.
 - (c) Fixed Assets are stated at cost of acquisition including attributable expenses and are stated at cost less depreciation.
 - (d) Depreciation has been charged in the accounts on straight line method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except as follows:
 - (i) In case of Leman International Private Limited (subsidiary company) where depreciation has been charged in the accounts on written down value method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
 - (ii) Licence Fee is depreciated at the rate of 25%
 - (iii) Leased premises at the rate of 20%
 - (e) Investments are stated at cost of acquisition.
 - (f) Stocks and Stores are valued at cost. (Cost being the purchase price and other related expenses to bring the materials into present location and condition).
 - (g) The retirement benefits of the employees are provided for by way of payment to Provident Fund and Group Gratuity Scheme. The Company's contribution in respect of Provident Fund and Group Gratuity Scheme is charged against revenue.
 - (h) Leases:
 - (i) Assets acquired under finance leases are capitalized at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at constant periodic rate of interest on the remaining balance of liability.
 - (ii) Operating lease expense is recognized in the Profit and Loss Account on a straight line basis over the lease term.
 - (i) Taxation:

Provision for income tax comprises current tax and fringe benefit tax based on the liability computed after considering tax allowances and exemptions. Deferred tax recognized, subject to consideration of prudence in respect of deferred tax assets, at the rate of income tax prevailing on the balance sheet date on timing difference, being the difference between the taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.
 - (j) Transactions in foreign exchange are accounted for at exchange rates prevailing on the date of transaction or on the date of remittance/realization of the amount during the year. Current assets and current liabilities in foreign currency are stated at the exchange rate prevailing at the year end.
 - (k) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Signature to Schedules 'A' to 'N'

For **S. P. CHOPRA & CO.**
Chartered Accountants

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 29th April, 2009

RAJESH PATHAK
Company Secretary

GRAVISS HOSPITALITY LIMITED

Consolidated Cash Flow Statement for the Year Ended 31st March, 2009

	(Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	691.93	2,206.44
Adjusted for		
Depreciation	650.78	475.42
Pre-commencement expenses written off	-	100.75
Amalgamation expenses written off	8.29	8.29
Interest paid	363.14	439.82
Interest received	(59.55)	(10.99)
Dividend received	(421.34)	(313.15)
Profit on sale of investments	(29.22)	(46.16)
Loss on sale of fixed assets	12.30	-
	524.40	653.98
Operating profit before working capital changes	1,216.33	2,860.42
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	137.66	(98.72)
(Increase)/Decrease in Inventories	(112.51)	(13.75)
(Increase)/Decrease in Loans and Advances	50.09	(1,720.95)
Increase/(Decrease) in Current Liabilities	(367.75)	427.85
	(292.51)	(1,405.57)
Cash generated from operations	923.82	1,454.85
Interest paid	(363.14)	(439.82)
Direct Taxes paid...(net of refund)	(233.65)	(310.67)
NET CASH FROM OPERATING ACTIVITIES	327.03	704.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to fixed assets	(3,261.62)	(6,028.14)
Amalgamation expenses	-	-
Other Expenditure	(0.75)	(1.91)
Advance on capital account adjusted	720.04	135.72
Sale of fixed assets	32.37	-
Loss on discontinuing of operations	519.24	-
Investments during the year (net)	1,473.15	(6,530.29)
Sale of Investments	-	-
Dividend received	421.34	313.15
Profit on sale of investments	29.22	46.16
Interest received	59.55	10.99
NET CASH USED IN INVESTMENT ACTIVITIES	(7.46)	(12,054.32)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	441.05
Share Premium Account	-	12,059.09
Expenses for raising additional capital	-	(473.96)
Share Application money	-	850.01
Net proceeds from long term borrowings	(496.60)	(1,310.65)
Proposed Dividend	-	(259.34)
Tax on Proposed Dividend	-	(44.07)
NET CASH USED IN FINANCING ACTIVITIES	(496.60)	11,262.13
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(177.03)	(87.83)
Cash and cash equivalents - Opening balance	538.58	626.41
Cash and cash equivalents - Closing balance	361.55	538.58

Notes: (1) Figures in brackets are outflows/deductions.

(2) Previous year's figures have been regrouped where necessary.

Auditors' Report to the Members of Graviss Hospitality Limited

As per our separate report of even date

For **S. P. CHOPRA & CO.**

Chartered Accountants

RAVI GHAI

Chairman and Managing Director

R.K.P. SHANKARDASS

Director

Y. K. SHANKARDASS

Partner

RAMAN MEHRA

Chief Executive Officer

AMIT JAIN

Chief Financial Officer

Mumbai,

Dated: 29th April, 2009

RAJESH PATHAK

Company Secretary

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Schedule VI, Part IV of the Companies Act, 1956

(1) Registration Details

Registration No:	L55101PN1959PLC012763		
Balance Sheet Date	31	03	2009
	Date	Month	Year

State Code	11
(Refer Code List)	

(2) Capital Raised during the year (Amount in Rs. lacs)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Preferential Allotment	0

(3) Position of Mobilisation and Deployment of Funds (Amount in Rs. lacs)

SOURCES OF FUND	Total Liabilities	State Application Money	Total Assets
	30597	0	30597
	Paid-up Capital		Reserves and Surplus
	1729		25618
	Secured Loans		Unsecured Loans
	2839		284
	Deferred Tax Liability (Net)		
	127		
APPLICATION OF FUNDS	Net Fixed Assets		Expenditure Pending Capitalisation
	21675		578.13
	Investments		Net Current Assets
	5442		2881
	Deferred Tax Assets (Net)		Misellaneous Expenditure
	Nil		20
	Accumulated Losses		
	Nil		

(4) Performance of Company (Amount in Rs. lacs)

Turnover	7764	Total Expenditure	7072
(Please tick appropriate box + for Profit, - for Loss)		+/- Profit/Loss after deferred tax credit	
+/- Profit/Loss before tax	+ 692	+ 1061	
Earning per share (Rs.)		Dividend Rate %	-
Basic	+ 1.23		
Diluted	+ 1.23		

(5) Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	NA
Product Description	HOSPITALITY INDUSTRY

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 29th April, 2009

RAJESH PATHAK
Company Secretary

Statement Pursuant to Section 212 of the Companies Act, 1956

(1) Name of the Subsidiary Company	Graviss Catering Private Limited
Date on which it became subsidiary	April 1, 2006
Financial year of the Subsidiary company	31st March, 2009
Total issued and paid up capital of the Subsidiary Company	76,502 Equity Shares of Rs. 10 each
Extent of interest of Graviss Hospitality Limited in Graviss Catering Private Limited	76,422 Equity Shares of Rs. 10 each
Net Aggregate amount of Profits (Loss) of	Graviss Catering Private Limited has made a loss before tax of Rs. 15.46 lacs (Previous Year loss of Rs. 125.70 lacs) The total accumulated loss carried to its Balance Sheet as on 31st March, 2009 amounted to Rs. 410.73 lacs (Previous year accumulated loss of Rs. 398.91 lacs)
(2) Name of the Subsidiary Company	Graviss Hotels & Resorts Limited
Date on which it became subsidiary	November 24, 2006
Financial year of the Subsidiary Company	31st March, 2009
Total issued and paid up capital of the Subsidiary Company	50,010 Equity Shares of Rs. 10 each
Extent of interest of The Graviss Hospitality Limited in Graviss Hotels & Resorts Limited	50,000 Equity Shares of Rs. 10 each
Net Aggregate amount of Profits (Loss) of	Graviss Hotels & Resorts Limited has made a profit/loss before tax of Rs. NIL (Previous Year loss of Rs. NIL) The total accumulated loss carried to its Balance Sheet as on 31st March 2009 amounted to Rs. 1.69 lacs (Previous year accumulated loss of Rs. 0.59 lacs)

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

AMIT JAIN
Chief Financial Officer

Mumbai, dated: 29th April, 2009

GRAVISS CATERING PRIVATE LIMITED

(FORMERLY LEMAN INTERNATIONAL PRIVATE LIMITED)

BOARD OF DIRECTORS

Mr. Raman Mehra

Mr. Vikram Seth

Mr. Sunil Pardal

Mr. V. P. Garg

BANKERS

AXIS Bank Ltd.

AUDITORS

M/s. S.P. Chopra & Co.

REGISTERED OFFICE

N-25, Panchsheel Park, New Delhi 110 017

ADMINISTRATIVE OFFICE

254-C, Dr. Annie Besant Road, Worli, Mumbai-400 030.

Phone No. 022-40501111 Fax No. 022-24915555

UNIT

Qutub Minar Rest Complex, Near Qutub Minar Mehrauli,
New Delhi-110 030.

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Directors' Report To The Members

The Board of Directors of your Company presents the Thirty-Second Annual Report of the Company with the Audited Statement of Accounts for the financial year ended 31st March, 2009.

BUSINESS OPERATIONS:

During the period under review the Company has incurred a loss of Rs.15.46 Lacs as against previous year Loss of Rs.125.70 Lacs.

CHANGE IN THE NAME OF THE COMPANY:

During the year under review, the Company has changed its name from "Leman International Private Limited" to "Graviss Catering Private Limited" in pursuance of shareholders' approvals and in compliance with all the requirements of Companies Act, 1956. The new name of the company truly and adequately reflects the nature of business being carried on or proposed to be carried on by it.

The change of name will not affect any of the rights of the Company or of the shareholders of the Company and all the existing contracts, agreements, licenses, approvals, certificates bearing the old name of the Company will, after the change of name, continue to be valid for all purposes.

DIVIDEND:

Your Directors do not recommend any dividend on equity shares for the year under review

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Mr. Vikram Seth and Mr. V. P. Garg, Directors of the company retire by rotation and being eligible, offer themselves for reappointment.

FIXED DEPOSIT:

The Company has not accepted any fixed deposits from any one.

PARTICULARS OF EMPLOYEES:

The Company has not employed any person who was in receipt of remuneration of:

1. Rs.24 Lacs or above in case employed for full year OR
2. Rs.2 Lacs per month or above in case employed for part of the year OR
3. An amount at a rate which is in excess of that drawn by the Managing Director or Whole time Director, ex-Manager and holds by himself or along with his spouse and dependent children not less than two percent of the equity shares of the Company.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGOINGS:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding the conservation of energy and technology and absorption are not given as the company has not undertaken any manufacturing activity.

FOREIGN EXCHANGE EARNING AND OUT GO:

The Company has not earned or spent any foreign exchange during the year under review.

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RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm that:

- (i) in the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2009, and of the losses of the Company for the year ended 31st March, 2009;
- (iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

21. AUDITORS:

The present Auditors of the Company M/s. S.P. Chopra & Co., Chartered Accounts, Mumbai have not offered themselves for reappointment as statutory Auditors of the Company on their retirement at the forthcoming Annual General Meeting. The Board records its appreciation for the assistance and guidance provided by them during their long tenure with the company. The Board recommends the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants Mumbai as Statutory Auditors of the Company from the conclusion of 48th Annual General Meeting until the conclusion of 49th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

22. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and co-operation of all those concerned and for valuable contributions made by the employees of the company.

On Behalf of the Board of Directors

Place: Mumbai
Dated: 28th April, 2009

RAMAN MEHRA
Chairman

Auditors' Report

To the Members of Graviss Catering Private Limited (Formerly Leman International Private Limited)

1. We have audited the attached Balance Sheet of Graviss Catering Private Limited (formerly Leman International Private Limited) as at 31 March 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditors Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India, in terms of sub-section (4A) of section 227 of the Companies Act, 1956, as the Company is not covered by the said order.
4. Further to our comments referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors, as on 31 March 2009, and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on 31 March 2009 from being appointed as a director in terms clause (g) of sub-section (1) of the section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2009;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. P. CHOPRA & CO.
Chartered Accountants

Y. K. SHANKARDASS.
Partner.
Membership No. F-5106

Place: Mumbai
Dated : 28th April, 2009

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Balance Sheet

as at 31st March, 2009

	Schedule	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	A	7.65	7.65
		<u>7.65</u>	<u>7.65</u>
Loan Funds:			
Unsecured Loans	B	607.33	605.43
		<u>607.33</u>	<u>605.43</u>
TOTAL		<u>614.98</u>	<u>613.08</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	C	167.00	167.00
Less: Depreciation		<u>88.81</u>	<u>75.44</u>
Net Block		<u>78.19</u>	<u>91.56</u>
Deferred Tax Assets (Note '5')		<u>69.30</u>	<u>64.97</u>
Current Assets, Loans and Advances:			
Inventories	D	–	–
Sundry Debtors		7.49	8.75
Cash and Bank Balances		15.34	28.97
Loans and Advances		<u>42.70</u>	<u>34.73</u>
		<u>65.53</u>	<u>72.45</u>
Less: Current Liabilities and Provisions:			
Current Liabilities	E	8.78	14.81
Provisions		<u>–</u>	<u>–</u>
		<u>8.78</u>	<u>14.81</u>
Net Current Assets		<u>56.75</u>	<u>57.64</u>
Profit and Loss Account			
As per Accounts annexed		<u>410.74</u>	<u>398.91</u>
TOTAL		<u>614.98</u>	<u>613.08</u>

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES J

As per our separate report of even date

For **S. P. CHOPRA & CO.**
Chartered Accountants

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai,
Dated: 28th April, 2009

GRAVISS CATERING PRIVATE LIMITED

Profit and Loss Account for the year ended 31st March, 2009

	Schedule	Year ended 31/03/2009 (Rs. in lacs)	Year ended 31/03/2008 (Rs. in lacs)
INCOME			
Sales and Other Services (Note "4")		168.50	5.37
Other Income	F	–	5.67
TOTAL		168.50	11.04
EXPENDITURE			
Consumption of Food and Beverages	G	–	3.58
Employees' Remuneration and Benefits	H	7.10	24.31
Operating and General Expenses	I	130.95	52.62
Interest		32.54	39.86
Depreciation		13.37	16.37
TOTAL		183.96	136.74
LOSS BEFORE TAX		15.46	125.70
Provision for Taxation:			
Current Tax		–	–
Deferred Tax Credit		(4.34)	(43.24)
Fringe Benefit Tax		0.15	0.15
Short provision of Fringe Benefit Tax of earlier years		0.55	–
Loss after Taxation		11.82	82.61
Excess Provision of Deferred Tax Assets		–	–
		11.82	82.61
Balance brought forward (Loss)		398.91	316.30
Balance carried to Balance Sheet (Loss)		410.73	398.91
Basic and Diluted Earning per Share (Note '6')		(15.45)	(107.98)

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES J

As per certificate appended to the Balance Sheet

For **S. P. CHOPRA & CO.**
Chartered Accountants

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai,
Dated: 28th April, 2009

32ND ANNUAL REPORT

Schedules

forming part of the Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'A' – SHARE CAPITAL		
Authorised:		
100,000 Equity shares of Rs. 10 each	10.00	10.00
Issued, Subscribed and Paid up:		
76,502 Equity shares of Rs. 10 each fully paid up (Note "2")	7.65	7.65
	7.65	7.65

SCHEDULE 'B' – UNSECURED LOANS

(a) From Shareholders	77.75	96.98
(b) From Holding Company:	323.68	298.62
(c) From Others	205.90	209.83
	607.33	605.43

SCHEDULE 'C' – FIXED ASSETS

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/04/2008	Additions	Sales/ Adjustments	As at 31/3/2009	Upto 31/03/2008	For the Year	Adjust ments	Upto 31/3/2009	As at 31/03/2009	As at 31/03/2008
Premises (see note below)	74.41	–	–	74.41	27.01	4.74	–	31.75	42.66	47.40
Plant and Machinery	42.30	–	–	42.30	19.19	3.21	–	22.40	19.90	23.11
Furniture and Fixtures	46.02	–	–	46.02	26.60	5.02	–	31.62	14.40	19.42
Other Equipment	1.49	–	–	1.49	0.50	0.14	–	0.64	0.85	0.99
Computer	2.78	–	–	2.78	2.14	0.26	–	2.40	0.38	0.64
TOTAL	167.00	–	–	167.00	75.44	13.37	–	88.81	78.19	91.56
Total (previous year)	167.00	–	–	167.00	59.07	16.37	–	75.44	91.56	

Note: This amount represents the cost of improvement to the premises at New Delhi taken on lease.

Schedules

forming part of the Balance Sheet as at 31st March, 2009

	Year ended 31/03/2009 (Rs. in lacs)	Year ended 31/03/2008 (Rs. in lacs)
SCHEDULE 'D' – CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
(a) Inventories - At cost (as valued and certified by the Management):		
Food and Beverages	—	—
	—	—
(b) Sundry Debtors (Unsecured, considered good):		
Outstanding over six months	—	8.75
Other debts	7.49	—
	7.49	8.75
(c) Cash and Bank Balances:		
Cash on hand (as confirmed by a Director)	10.64	0.42
Balances with scheduled Banks in:		
Current Accounts	4.70	28.55
	15.34	28.97
(d) Loans and Advances:		
Advances recoverable in cash or in kind or value to be received	18.23	0.98
Security and other deposits	19.86	29.46
Advance Income-tax (including tax deducted at source)	4.61	4.29
	42.70	34.73
TOTAL	65.53	72.45
SCHEDULE 'E' – CURRENT LIABILITIES		
Sundry Creditors (Note '3')	7.58	13.28
Other Liabilities	1.20	1.53
	8.78	14.81

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Schedules

forming part of the Profit and Loss Account for the year ended 31st March, 2009

	Year ended 31/03/2009 (Rs. in lacs)	Year ended 31/03/2008 (Rs. in lacs)
SCHEDULE 'F' – OTHER INCOME		
Sales of Scrap	–	0.05
Unclaimed Credit balances written off (net)	–	5.62
	–	5.67
SCHEDULE 'G' – CONSUMPTION OF FOOD AND BEVERAGES		
Stock at Commencement	–	2.33
Purchase during the year	–	1.25
	–	3.58
Less: Stock at close	–	–
	–	3.58
SCHEDULE 'H' – EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	6.46	21.74
Company's contribution to Provident and other Funds	0.55	2.36
Staff Welfare expenses	0.09	0.21
	7.10	24.31
SCHEDULE 'I' – OPERATING AND GENERAL EXPENSES		
Operating Expenses:		
Power, Fuel and Water	0.11	0.56
Repairs and Maintenance:	–	–
Other Assets	0.08	0.15
Stores and supplies including linen and uniforms	–	0.95
Washing and Laundry Expenses	–	0.01
Business Operating expenses	0.99	1.44
Hall Decoration	84.51	–
Hire charges and outdoor expenses	7.63	0.24
General Expenses:		
Rent	1.20	1.46
Rates and Taxes	10.05	10.39
Insurance	0.11	0.37
Commission of Sales	2.25	–
Traveling and Conveyance	4.03	9.25
Printing and Stationery	0.07	1.16
Postage and Telephones	0.43	1.37
Other expenses	1.74	5.69
Audit fees	0.30	0.34
Legal and Professional charges	10.42	13.55
Bad Debts written off	7.03	5.69
	130.95	52.62

Schedules

Notes to the Accounts

SCHEDULE 'J' – NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

A. Notes on Accounts :

1. The name of the Company has been changed from “Leman International Private Limited” to “Graviss Catering Private Limited” as per the fresh certificate of incorporation issued by the Registrar of Companies New Delhi 15 May 2008.
2. 76,422 Equity shares of Rs. 10 each fully paid up are held by the holding company, Graviss Hospitality Limited.
3. Amounts if any due to Micro Enterprises, Small Enterprises and Medium Enterprises under Micro Enterprises, Small Enterprises and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
4. Sales recorded during the year are from decoration income
5. The Company has recognised deferred tax asset/(liability) arising on account of timing difference, being tax impact there on as on March 31,2009.

	2008-09	2007-08
	Rs. in lacs	Rs. in lacs
Deferred tax Assets:		
Carried forward Loss	66.90	63.49
Depreciation	2.40	1.48
Net Deferred Tax Asset	69.30	64.97

	2008-09	2007-08
	Rs. in lacs	Rs. in lacs
6. Earning Per Share:		
Weighted average number of equity Shares	76,502	76,502
Loss after tax (Rs. in lacs)	11.82	82.61
Earning per share Basic and Diluted (in Rs.)	(15.45)	(107.98)
Nominal value per equity share (in Rs.)	10	10

7. Previous years figures have been rearranged/regrouped wherever necessary to conform to this year's classifications.
8. The Company has taken on operating lease an asset, the minimum future lease rentals payable on which are as follows:

	(Rs. in lacs)	
Period	2008-09	2007-08
	Minimum Lease Payment	Minimum Lease Payment
Not later than 1 year	9.60	9.60
Later than 1 year but not later than 5 years	9.60	28.80

9. List of Related Parties (relied on the details provided by the management):

(i) Shareholders/Directors

Graviss Hospitality Limited, *Mr Ravi Ghai,* Mrs Krishana Ghai, *Maharani Prithvibir Kaur, *Mr Gaurav Ghai Sumita Ghai* Mr Sunil Pardal, *Mr RKP Shankardass
(*no transactions during the year)

(ii) Other related parties where the common control exists

Graviss Holdings Pvt Ltd, *Rich Graviss Products Pvt Ltd, *Graviss Foods Pvt Ltd., *Mahaniya Investments Pvt Ltd.,*Crossword Beverages Pvt. Ltd., *Great Indian Cigar Co. Pvt. Ltd. *Idar Hotels Pvt. Ltd., *Gaylord Pvt. Ltd., *Oregaon Realtys Pvt Ltd,* Perfect Livestock Pvt. Ltd., *Satinetta Finelease & Investments Pvt. Ltd.,* Kwaliti Walls Fanatasy Ltd.
(* no transactions during the year)

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Notes to the Account — (Contd.)

(Rs. in lacs)

Expenditure and other services fees paid

Other related parties where the common control exists 21.93

Loans /Advances/ Deposits received

Other related parties where the common control exists 538.37

B Significant Accounting Policies

- (a) The financial statements have been prepared under historical cost convention on accrual basis.
- (b) Revenue has been recognized on accrual basis. Sales comprise of sales of goods and services and net of Value Added Tax and Service Tax.
- (c) Fixed Assets are stated at cost of acquisition including attributable expenses and are stated at cost less depreciation.
- (d) Depreciation has been charged in the accounts on written down value method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- (e) Inventories are valued at cost. Cost is the actual cost of purchases and other expenses to bring the materials to present location and condition.
- (f) Retirement benefits are accounted on accrual basis. The gratuity liability and leave encashment are provided on the actuarial valuation wherever applicable.
- (g) Provision is made for Income tax comprise of current tax and fringe benefit tax based on the liability computed after considering tax allowances and exemptions. Deferred tax recognized, subject to consideration of prudence in respect of deferred tax asset

Signature to Schedules 'A' to 'J'

As per our separate report of even date

For S. P. CHOPRA & CO.

Chartered Accountants

Y. K. SHANKARDASS

Partner

Raman Mehra

Director

VIKRAM SETH

Director

Mumbai, dated: 28th April, 2009

GRAVISS CATERING PRIVATE LIMITED

Cash Flow Statement for the Year Ended 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax and extra ordinary items	15.46	125.70
Adjusted for		
Depreciation	13.37	16.37
Interest paid	32.54	39.86
	45.91	56.23
Operating profit before working capital changes	30.45	(69.47)
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	1.26	2.82
(Increase)/Decrease in Inventories	-	2.33
(Increase)/Decrease in Loans and Advances	(7.65)	12.07
Increase/(Decrease) in Current Liabilities	(6.03)	(33.39)
	(12.42)	(16.17)
Cash generated from operations	18.03	(85.64)
Interest paid	(32.54)	(39.86)
Direct Taxes paid...(net of refund)	(1.02)	(0.52)
NET CASH FROM OPERATING ACTIVITIES	(15.53)	(126.02)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to fixed assets	-	-
NET CASH USED IN INVESTMENT ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings (net)	1.90	147.90
NET CASH USED IN FINANCING ACTIVITIES	1.90	147.90
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(13.63)	21.88
Cash and cash equivalents - Opening balance	28.97	7.09
Cash and cash equivalents - Closing balance	15.34	28.97

Notes:

1. Figures in brackets are outflows/deductions.

Auditors' Report to the Members of Graviss Catering Private Limited

As per our separate report of even date

For S. P. CHOPRA & CO.

Chartered Accountants

Y. K. SHANKARDASS

Partner

Raman Mehra

Director

VIKRAM SETH

Director

Mumbai, dated: 28th April, 2009

32ND ANNUAL REPORT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Schedule VI, Part IV of the Companies Act, 1956

(1) Registration Details

Registration No:	U74899DL1978PLC008829		
Balance Sheet Date	31	03	2009
	Date	Month	Year

State Code
(Refer Code List)

(2) Capital Raised during the year (Amount in Rs. lacs)

Public Issue	<input type="text" value="NIL"/>	Right Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="NIL"/>

(3) Position of Mobilisation and Deployment of Funds (Amount in Rs. lacs)

	Total Liabilities	<input type="text" value="615"/>	Total Assets	<input type="text" value="615"/>
SOURCES OF FUND	Paid-up Capital	<input type="text" value="765"/>	Reserves and Surplus	<input type="text" value="NIL"/>
	Secured Loans	<input type="text" value="NIL"/>	Unsecured Loans	<input type="text" value="607"/>
APPLICATION OF FUNDS	Net Fixed Assets	<input type="text" value="78"/>	Fixed Capital Expenditure	<input type="text" value="NIL"/>
	Investments	<input type="text" value="NIL"/>	Net Current Assets	<input type="text" value="57"/>
	Deferred Tax Assets (Net)	<input type="text" value="69"/>	Misllaneous Expenditure	<input type="text" value="NIL"/>
	Accumulated Losses	<input type="text" value="411"/>		

(4) Performance of Company (amount in Rs. lacs)

	Turnover	<input type="text" value="169"/>	Total Expenditure	<input type="text" value="184"/>
(Please tick appropriate box + for Profit, - for Loss)				
	+/- Profit/Loss before tax	<input type="text" value="15"/>	+/- Profit/Loss after tax	<input type="text" value="12"/>
	Earning per share (Rs.)		Dividend Rate %	<input type="text" value="NIL"/>
	Basic	<input type="text" value="(15.47)"/>		
	Diluted	<input type="text" value="NIL"/>		

(5) Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	NA
Product Description	HOSPITALITY INDUSTRY

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai,
Dated: 28th April, 2009

GRAVISS HOTELS & RESORTS LIMITED

(FORMERLY KWALITY RESORTS AND HOSPITALITY LIMITED)

BOARD OF DIRECTORS

Mr. Raman Mehra

Mr. Vikram Seth

Mr. Sunil Pardal

Mr. Arun Todarwal

Mr. Amit Jain (appointed w.e.f. 24th October 2008)

BANKERS

AXIS Bank

AUDITORS

M/s. S.P. Chopra & Co.

REGISTERED & ADMINISTRATIVE OFFICE

254-C, Dr. Annie Besant Road, Worli, Mumbai-400 030.

Phone No. 022-40501111 Fax No. 022-24915555

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13TH ANNUAL REPORT

Directors' Report To The Members

The Board of Directors of your Company present the 13th Annual Report together with the Audited Statements of Accounts for the financial year ended 31st March, 2009.

BUSINESS OPERATIONS:

The Company did not have any income during the year. The Company proposes to built and run hotels and have purchased land at variouls places for hotels development projects.

CHANGE IN NAME OF THE COMPANY:

During the year under review, the Company has changed its name from "Kwality Resorts and Hospitality Limited" to "Graviss Hotels & Resorts Limited" in pursuance of shareholders' approvals and in compliance with all the requirements of Companies Act, 1956. The new name of the company truly and adequately reflects the nature of business being carried on or proposed to be carried on by it.

The change of name will not affect any of the rights of the Company or of the shareholders of the Company and all the existing contracts, agreements, licenses, approvals, certificates bearing the old name of the Company will, after the change of name, continue to be valid for all purposes.

DIVIDEND:

The Directors do not recommend any dividend on equity shares of the company for the year under review.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association Mr. Raman Mehra, Director of the company retires by rotation and being eligible, offers himself for reappointment.

Mr. Ravi Ghai and Mr. Gaurav Ghai, Directors of the company had resigned during the year.

Mr. Amit Jain was appointed as an Additional Director of the Company by the Board of Directors on 24th October 2008. Brief resume of Mr. Amit Jain, his experience in specific functional area and name of the companies in which he holds directorship, number of shares held in the company and membership/Chairmanship of the Board Committees are provided in explanatory statement attached to notice convening the annual general meeting.

FIXED DEPOSITS:

The Company has not accepted any Fixed Deposits from any one.

PARTICULARS OF EMPLOYEES:

During the year under review, the Company has not employed any person who was in receipt of remuneration of

- (1) Rs.24 Lacs or above per annum in case employed for full year;
- (2) Rs. 2 Lacs or above per month, in case employed for part of the year;

AUDITORS' REPORT:

The observations of the statutory auditors in their reports read with their Annexure in paragraph (i) (b) are self-explanatory.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy and technology is not given as the Company has not undertaken any manufacturing activities.

GRAVISS HOTELS & RESORTS LIMITED

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company has not earned or spent any foreign exchange during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors hereby confirm the following:

- (i) In the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the Loss of the Company for the year ended 31st March 2009.
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

AUDITORS

The present Auditors of the Company M/s. S.P. Chopra & Co., Chartered Accounts, Mumbai have not offered themselves for reappointment as statutory Auditors of the Company on their retirement at the forthcoming Annual General Meeting. The Board records its appreciation for the assistance and guidance provided by them during their long tenure with the company. The Board recommends the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants Mumbai as Statutory Auditors of the Company from the conclusion of 48th Annual General Meeting until the conclusion of 49th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and co-operation of all those concerned and for valuable contributions made by the employees of the company.

On Behalf of the Board of Directors

Place: Mumbai
Dated: April 29, 2009.

RAMAN MEHRA
Chairman

13TH ANNUAL REPORT

Auditors' Report

To the Members of Graviss Hotels & Resorts Limited (Formerly Kwality Resorts and Hospitality Limited)

1. We have audited the attached Balance Sheet of Graviss Hotels & Resorts Limited (formerly Kwality Resorts and Hospitality Limited) as at 31 March 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (the 'Order') as amended by Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (The 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors, as on 31 March 2009, and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on 31 March 2009 from being appointed as a director in terms clause (g) of sub-section (1) of the section 274 of the Companies Act, 1956.

GRAVISS HOTELS & RESORTS LIMITED

(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2009;
- (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For S. P. CHOPRA & CO.

Chartered Accountants

Y. K. SHANKARDASS.

Partner.

Membership No.F-5106

Place: Mumbai

Dated : 29th April, 2009

13TH ANNUAL REPORT

Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of The Auditors' Report of even date to the Members of Graviss Hotels & Resorts Limited (formerly Kwalty Resorts and Hospitality Limited)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification. The title of the Agricultural land at Shirdi and Alibaug are not in the name of the Company but in the name of the Managing Director and the Joint Managing Director of the Holding Company, respectively. (Refer Note ' 6 ' on Schedule-F).
- (c) During the year, the Company has not disposed off any of the fixed assets.
- (ii) Clause (ii) of the Order regarding inventories is not applicable to the Company.
- (iii) (a) The Company has not granted any secured or unsecured loan during the year to any parties covered in the registered maintained under Section 301 of the Act.
- (b) The Company has taken interest free unsecured loans from a company (Holding Company), covered in the register maintained under Section 301 of the Act. The terms and conditions of these loans have not been stipulated. The amount involved during the year was Rs.6,617.94 lacs and the year-end balance is Rs.6,617.94 lacs.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not come across any continuing failure to correct major weakness in internal control system.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under this section.
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices for which prevailing market prices at the relevant time are not available.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from public which come within purview of the provisions of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) Clause (vii) of the Order regarding internal audit system is not applicable to the Company.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) (a) According to the records maintained by the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were in arrears as at 31 March 2009 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- (x) Clause (x) of the Order regarding cash loss is not applicable to the Company as the Company did not have any business income during the year.
- (xi) According to the information and explanations given to us, there are no dues to a financial institution or bank
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

GRAVISS HOTELS & RESORTS LIMITED

- (xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a chit fund company or nidhi/mutual benefit fund/society.
- (xiv) Clause (xiv) of the Order regarding dealing and trading in shares etc. is not applicable to the Company.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) As per information and explanations given to us, no term loans were raised during the year and hence clauses (xvi) and (xvii) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xviii) The Company has not issued any debenture during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xix) The Company has not raised any money by way of public issues during the year.
- (xx) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. P. CHOPRA & CO.
Chartered Accountants

Y. K. SHANKARDASS.
Partner.
Membership No.F-5106

Place: Mumbai
Dated : 29th April, 2009

13TH ANNUAL REPORT

Balance Sheet

as at 31st March, 2009

	Schedule	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	A	5.00	5.00
		<u>5.00</u>	<u>5.00</u>
Loan Funds:			
Unsecured Loans	B	6,617.94	4,859.90
TOTAL		<u>6,622.94</u>	<u>4,864.90</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	C	5,750.82	4,363.14
Less : Depreciation		0.85	0.19
Net Block		<u>5,749.97</u>	<u>4,362.95</u>
Expenditure Pending Capitalisation	C-1	578.13	278.00
Capital Work in Progress		—	—
Current Assets Loans and Advances:			
Cash and Bank Balances	D	56.47	107.49
Loans and Advances		243.76	170.50
		<u>300.23</u>	<u>277.99</u>
Less : Current Liabilities and Provisions			
Current Liabilities	E	7.74	56.58
Provisions		3.00	0.30
		<u>10.74</u>	<u>56.88</u>
Net Current Assets		<u>289.49</u>	<u>221.11</u>
Miscellaneous Expenditure			
(To the extent not written off or Adjusted)			
Other Expenditure (Note "2(iii)")		3.66	2.25
Profit and Loss Account			
As per Account annexed		1.69	0.59
TOTAL		<u>6,622.94</u>	<u>4,864.90</u>
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	F		

As per our separate report of even date

For **S. P. CHOPRA & CO.**
Chartered Accountants

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai, dated: 29th April, 2009

GRAVISS HOTELS & RESORTS LIMITED

Profit and Loss Account for the year ended 31st March, 2009

	Schedule	Year ended 31/03/2009 (Rs. in lacs)	Year ended 31/03/2008 (Rs. in lacs)
INCOME (Note "2(i)")		-	-
TOTAL		<u>-</u>	<u>-</u>
 EXPENDITURE (Note "2(ii)")			
Auditors Remuneration			
Audit fee	0.50	-	-
Other Services	0.25	0.75	0.25
	<u> </u>		
Fees and Taxes		-	1.66
Depreciation		0.66	0.18
Preliminary Expenses written Off		-	0.01
TOTAL		<u>1.41</u>	<u>2.10</u>
Less : Transferred to Miscellaneous Expenditure (Note '2'ii)		<u>1.41</u>	<u>2.10</u>
		<u>-</u>	<u>-</u>
 PROFIT BEFORE TAX			
Provision for Taxation:			
Fringe Benefit Tax		(1.10)	(0.30)
 PROFIT/(LOSS) AFTER TAX		<u>(1.10)</u>	<u>(0.30)</u>
Balance brought forward		<u>(0.59)</u>	<u>(0.29)</u>
Balance carried to Balance Sheet		<u>(1.69)</u>	<u>(0.59)</u>

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

F

As per certificate appended to the Balance Sheet

For **S. P. CHOPRA & CO.**
Chartered Accountants

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai, dated: 29th April, 2009

13TH ANNUAL REPORT

Schedules

forming part of the Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'A' – SHARE CAPITAL		
Authorised:		
1,000,000 Equity shares of Rs. 10 each	100.00	100.00
Issued, Subscribed and Paid up (Note '3'):		
50,010 Equity shares of Rs. 10 each fully paid up	5.00	5.00
	5.00	5.00
SCHEDULE 'B' – UNSECURED LOANS		
From Holding Company	6,617.94	4,859.89
	6,617.94	4,859.89

SCHEDULE 'C' - FIXED ASSETS

Depreciation as per schedule XIV of the Companies Act, 1956

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01/04/2008	Additions	Sales/ Adjustments	As at 31/03/2009	Upto 31/03/2008	For the Year	Upto 31/03/2009	As at 31/03/2009	As at 31/03/2008
Land (Note '6' on Schedule 'F')	2,951.58	257.00	–	3,208.58	–	–	–	3,208.58	2,951.58
Office Equipment	1.00	–	–	1.00	0.02	0.04	0.06	0.94	0.98
Computers	3.39	1.02	–	4.41	0.17	0.62	0.79	3.62	3.22
Advances on Capital Account against									
Purchase of Land and Building	898.20	775.00	–	1,673.20	–	–	–	1,673.20	898.20
Development expenses	508.97	354.66	–	863.63	–	–	–	863.63	508.97
Total	4,363.14	1,387.68	–	5,750.82	0.19	0.66	0.85	5,749.97	4,362.95
Total (previous year)	–	4,363.14	–	4,363.14	–	0.19	0.19	4,362.95	–

SCHEDULE 'C-1' – EXPENDITURE PENDING CAPITALISATION (Note '7')

PARTICULARS	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)
Other Expenditure during development	578.13	278.00
	578.13	278.00

GRAVISS HOTELS & RESORTS LIMITED

Schedules

forming part of the Balance Sheet as at 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
SCHEDULE 'D' – CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
Cash and Bank Balances:		
Cash on hand (as confirmed by a Director)	1.31	28.89
Balances with scheduled Banks in:		
Current Accounts	55.16	78.60
	56.47	107.49
Loans and Advances (unsecured considered good):		
Advances recoverable in cash or in kind or value to be received	55.51	22.76
Security and other Deposits	18.25	12.00
Due from Kquality Ice Cream	–	0.74
Advance against purchase of investments (Note "4")	170.00	135.00
	243.76	170.50
TOTAL	300.23	277.99
SCHEDULE 'E' – CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors	4.92	50.79
Other Liabilities	2.82	5.79
	7.74	56.58
Provisions:		
Fringe Benefit Tax	1.40	0.30
Provision for Gratuity	1.60	–
	3.00	0.30
TOTAL	10.74	56.88

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Schedules

Notes to the Accounts

SCHEDULE 'F' – NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

A. Notes on Accounts :

1. The name of the Company has been changed from “Kwality Resorts and Hospitality Limited” to “Graviss Hotels & Resorts Limited” as per the fresh certificate of incorporation issued by the Registrar of Companies Maharashtra, Mumbai on 28 May 2008.
2. (i) The Company did not have any income during the year. The Company proposes to built and run hotels and have purchased land at various places for hotels development projects.
(ii) The expenditure amounting to Rs. 1.41 lacs incurred during the year not related to hotel development projects are treated as Miscellaneous Expenditure to be written off over a period to be decided by the management.
(iii) Miscellaneous expenditure of Rs. 3.66 lacs is arrived as follows:

	(Rs. in lacs)
Expenditure upto 31 March 2008	2.25
Expenditure during the year	1.41
	<u>3.66</u>

3. 49,950 Equity shares of Rs. 10 each fully paid up are held by the holding company, Graviss Hospitality Limited and 50 Equity Shares of Rs. 10 each fully paid up are held by holding Company jointly with third parties.
4. Advance of Rs. 170 lacs (previous year 135 lacs) is given against the acquisition of the entire share holding of 245,000 equity shares of Rs. 10 each of Hotel Kankeshware Private Limited as per the agreement dated 25 July 2007 for purchase of these shares.
5. The Company is contingently liable for approximately Rs. 976 lacs (previous year Rs. 453 lacs) in respect of estimated amount of professional service contracts on capital account not provided for against advances of Rs. 147 lacs have been made.
6. (a). 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 the holding company respectively.
(b) Some of the confirmations of Advance on Capital Account against Development Work are not available for verification.
7. Expenses pending capitalisation incurred during the period 1 April 2007 to 31 March 2009 relating to hotel project are as follows:

	2007-2008 Rs. in lacs	Addition during the year Rs. in lacs	2008-2009 Rs. in lacs
Other Expenditure during development:			
Salaries, Dearness Allowance, Bonus, Gratuity	5.08	19.41	24.49
Staff Welfare Expenses	0.03	0.07	0.10
Rent	–	20.22	20.22
Brokerage	–	2.00	2.00
Advertisement and Publicity	5.41	0.11	5.52
Insurance	0.23	0.20	0.43
Fees	0.36	2.11	2.47
Legal and Professional charges	94.12	223.48	317.60
Administrative and other service charges reimbursed	144.45	–	144.45
Travelling and Conveyance	17.93	30.96	48.89
Postage and Telephone expenses	0.48	1.06	1.54
Other expenses	9.92	0.49	10.41
	<u>278.01</u>	<u>300.11</u>	<u>578.12</u>

Notes to the Accounts – (Contd.)

8. Retirement benefit

The following tables summaries the components of the net benefit expenses recognized in the profit and loss account, the fund status and amount recognized in the balance sheet for the gratuity plan. Since the current year being the first year of adoption of Accounting Standard 15 (revised 2005) by the Company, the previous years comparative information has not been furnished.

Gratuity

(i) Profit and loss account	(Rs. in lacs)
Net employee benefit expenses (recognized in employee cost)	
Current service cost	0.53
Interest on defined benefit obligation	0.07
Expected return on plan assets	–
Net actuarial losses/(gains) recognized in the year	0.17
Past service cost	–
Actuarial (gain)/losses	–
Total included in ‘employee benefit expenses’	0.77
(ii) Balance Sheet	
Details of provision for gratuity	
Liability at the end of the year	1.60
Fair value of plan assets at the end of the year	–
Difference	1.60
Unrecognized past service cost	–
Unrecognized transition liability	–
Amount in Balance Sheet	1.60
(iii) Changes in the present value of the defined benefit obligation are as follows:	
Liability at the beginning of the year	0.83
Interest cost	0.07
Current service cost	0.53
Past service cost (non vested benefit)	–
Past service cost (vested benefit)	–
Benefits paid	–
Actuarial (gain) / loss	0.17
Liability at the end of the year	1.60

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Notes to the Accounts – (Contd.)

9. List of Related Parties (relied on the details provided by the management):

(i) Shareholders/Directors

Graviss Hospitality Limited, *Mr Ravi Ghai, *Mrs. Krishna Kumari Ghai, *Maharani Prithvibir Kaur, *Mr. Gaurav Ghai, *Mr. RKP Shankardass
(*no transactions during the year)

(ii) Other related parties where the common control exists

Graviss Holdings Pvt. Ltd., *Rich Graviss Products Pvt. Ltd., *Graviss Foods Pvt. Ltd., *Graviss Brands Pvt. Ltd., *Crossword Beverages Pvt. Ltd., *Great Indian Cigar Co. Pvt. Ltd., *Idar Hotels Pvt. Ltd., *Gaylord Pvt. Ltd., *Oregon Realities Pvt. Ltd., *Perfect Livestock Pvt. Ltd., *Satinetta Finelease & Investments Pvt. Ltd., *Kwality Walls Fanatasy Ltd., *Graviss Catering Pvt. Ltd.,

(* no transactions during the year)

	2008-09	2007-08
	(Rs. in lacs)	(Rs. in lacs)
Administrative and other service charges reimbursed		
Shareholders	–	162.30
Outstanding payables		
Other related parties where the common control exists	–	50.39
Loans/Advances/Deposits received		
Other related parties where the common control exists	1,758.04	4,859.89

10. Previous years figures have been rearranged/regrouped wherever necessary to conform to this year's classifications.

B. Significant Accounting Policies

- (a) The financial statements have been prepared under historical cost convention on accrual basis.
- (b) Fixed Assets are stated at cost of acquisition including attributable expenses and are stated at cost less depreciation.
- (c) Depreciation has been charged in the accounts on written down value method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- (d) Retirement benefits are accounted on accrual basis. The gratuity liability and leave encashment are provided on the actuarial valuation wherever applicable.

As per our separate report of even date

For **S. P. CHOPRA & CO.**
Chartered Accountants

Y. K. SHANKARDASS
Partner

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai,
dated: 29th April, 2009

GRAVISS HOTELS & RESORTS LIMITED

Cash Flow Statement for the Year Ended 31st March, 2009

	As at 31/03/2009 (Rs. in lacs)	As at 31/03/2008 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	—	—
Adjusted for Depreciation	—	—
Preliminary expenses written off	—	—
Interest paid	—	—
Operating profit before working capital changes	—	—
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	—	—
(Increase)/Decrease in Inventories	—	—
(Increase)/Decrease in Loans and Advances	(72.89)	(169.76)
Increase/(Decrease) in Current Liabilities	(46.14)	43.62
	(119.03)	(126.14)
Cash generated from operations	(119.03)	(126.14)
Interest paid	—	—
Direct Taxes paid...(net of refund)	(1.47)	(0.30)
NET CASH FROM OPERATING ACTIVITIES	(120.50)	(126.44)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,687.81)	(4,549.69)
Miscellaneous Expenditure	(0.75)	(1.91)
Advance on Capital Account	—	—
NET CASH USED IN INVESTMENT ACTIVITIES	(1,688.56)	(4,551.60)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	—	4.00
Proceeds from borrowings	1,758.04	4,781.26
NET CASH USED IN FINANCING ACTIVITIES	1,758.04	4,785.26
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(51.02)	107.22
Cash and cash equivalents - Opening balance	107.49	0.26
Cash and cash equivalents - Closing balance	56.47	107.49

Notes: (1) Figures in brackets are outflows/deductions.

As per our separate report of even date

For S. P. CHOPRA & CO.

Chartered Accountants

Y. K. SHANKARDASS

Partner

RAMAN MEHRA

Director

VIKRAM SETH

Director

Mumbai, dated: 29th April, 2009

13TH ANNUAL REPORT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Schedule VI, Part IV of the Companies Act, 1956

(1) Registration Details

Registration No:	U15200MH1996PLC096973		
Balance Sheet Date	31	03	2009
	Date	Month	Year

State Code	11
(Refer Code List)	

(2) Capital Raised during the year (amount in Rs. lacs)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Preferential Allotment	NIL

(3) Position of Mobilisation and Deployment of Funds (amount in Rs. lacs)

SOURCES OF FUND	Total Liabilities		Total Assets
	6623		6623
	Paid-up Capital	Share Application Money	Reserves and Surplus
	5	NIL	NIL
	Secured Loans		Unsecured Loans
	NIL		6618
	Deferred Tax Liability (net)		
	NIL		
APPLICATION OF FUNDS	Net Fixed Assets		Expenditure Pending Capitalization
	5750		578
	Investments		Net Current Assets
	NIL		289
	Deferred Tax Assets (Net)		Miscellaneous Expenditure
	NIL		4
	Accumulated Losses		
	2		

(4) Performance of Company (amount in Rs. lacs)

Turnover	NIL	Total Expenditure	NIL
(Please tick appropriate box + for Profit, - for Loss)		+/- Profit/Loss after tax	
+/- Profit/Loss before tax	NIL	tax	110
<input type="checkbox"/> + <input type="checkbox"/> -		Dividend Rate %	-
Earning per share (Rs.)			
Basic	NIL		
<input type="checkbox"/> + <input type="checkbox"/> -			
Diluted	NIL		
<input type="checkbox"/> + <input type="checkbox"/> -			

(5) Generic names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	NA
Product Description	HOSPITALITY INDUSTRY

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai, dated: 29th April, 2009

TEAR HERE

GRAVISS HOSPITALITY LIMITED
(FORMERLY THE GL HOTELS LIMITED)

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

PROXY FORM

I/We _____
of _____
_____ being a member/members of the above named Company hereby appoint
_____ of _____
or failing him _____
of _____

as my/our proxy to vote for me/us on my/our behalf at the 48th ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 25th June, 2009 at 1.00 P.M. and at any adjournment thereof.

Affix
Revenue
Stamp of
50 paise

Signature _____

Date _____

Member's Folio No. _____

Note : Proxy Form must reach the Company's Registered Office not less than 48 hours before the meeting.

GRAVISS HOSPITALITY LIMITED
(FORMERLY THE GL HOTELS LIMITED)

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

ATTENDANCE SLIP

I hereby record my presence at the 48th ANNUAL GENERAL MEETING of the Company held on Thursday, the 25th June, 2009 at 1.00 P.M. at the Registered Office of the Company at "Dairy Tops", Plot No. J-177, MIDC, Bhosari, Pune-411 026.

Name of the attending Member(s) (In Block Letters)
Name of the Proxy (In Block Letters) [To be Filled in if the Proxy attends instead of the Member(s)]

No. of Shares held _____ Member's Folio No. _____

Member's/Proxy's Signature
(To be signed at the time of handing over this slip)

For Office Use :

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