

# GRAVISS HOSPITALITY LIMITED

## 2019-20



# GRAVISS

HOSPITALITY

QUALITY • PASSION • INNOVATION



# GRAVISS HOSPITALITY LIMITED

(CIN: L55101PN1959PLC012761)

## BOARD OF DIRECTORS

Mr. Ravi Ghai : *Chairman & Managing Director*  
Mr. Gaurav Ghai : *Joint Managing Director*  
Ms. Tina Pardal : *Non-Executive  
Non-Independent Director*  
Mr. Mahendra Doshi : *Independent Director*  
Mr. Harindra Pal Singh : *Independent Director*  
Mr. Gulshan Bijlani : *Independent Director*

## CHIEF EXECUTIVE OFFICER

Mr. Romil R. Ratra – with effect from 1st April, 2020

## CHIEF FINANCIAL OFFICER

Mr. Farangilal B. Goyal

## COMPANY SECRETARY

Mrs. Kainaaz F. Bharucha

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited  
C-101, 247 Park, LBS Marg  
Vikhroli (West), Mumbai – 400 083  
Contact No. 022-4918 6000, Fax: 022-4918 6060

## BANKERS

Axis Bank  
Ground Floor, Bengal Chemical, Veer Savarkar Marg  
Prabhadevi, Mumbai – 400 030

## AUDITORS

M/s. A. T. Jain & Co.  
Chartered Accountants

## REGISTERED OFFICE

“Dairy Tops” Plot No. J-177, MIDC, Bhosari, Pune – 411 026  
Maharashtra  
Phone No.: 020-30681102, Fax No.: 020-30681139

## ADMINISTRATIVE OFFICE

Strand Cinema Building, 1st Floor, C. S. No. 506  
Arthur Bunder Road, Colaba, Mumbai – 400 005  
Phone No.: 022-6251 3131, Fax No.: 022-6251 3157

## UNIT

Hotel Inter-Continental, Marine Drive, Mumbai – 400 020  
Phone No.: 022-3987 9999, Fax No.: 022-3987 9600

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# 59TH ANNUAL REPORT

## Notice to Members

NOTICE is hereby given that the 59th Annual General Meeting (AGM) of the members of GRAVISS HOSPITALITY LIMITED will be held on Tuesday, 18th August, 2020 at 12:00 noon through video conferencing/other audio visual means to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Tina Pardal (DIN: 07148874) who retires by rotation, and being eligible, offers herself for re-appointment.

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

Place: Mumbai  
Dated: June 30, 2020

**Gaurav Ghai**  
*Joint Managing Director*  
(DIN: 00074857)

### Registered Office:

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

## Notes:

- (a) Details as stipulated under Listing Regulations in respect of the Directors being appointed/re-appointed are annexed.
- (b) In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the MCA & Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 59th AGM of the Company shall be conducted through VC/ OAVM. The Central Depository Services (India) Limited ('CDSL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM as explained at Note f) below.
- (c) As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- (d) Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at [investors.relations@gravissgroup.com](mailto:investors.relations@gravissgroup.com).

(e) **Electronic Dispatch of Annual Report:**

In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

(f) **Procedure for Joining the AGM through VC/OAVM:**

- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned hereinbelow. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access at [www.evotingindia.com](http://www.evotingindia.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
- Shareholders are encouraged to join the Meeting through Laptops / iPads/ Tabs for better experience. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

(g) **Procedure to Raise Questions / Seek Clarification with Respect to Annual Report:**

- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, Demat Account number / folio number, mobile number along with their queries to [investors.relations@gravissgroup.com](mailto:investors.relations@gravissgroup.com) latest by 5 p.m. on Friday 14th August, 2020. Questions / queries received by the Company till this time shall only be considered and responded during the AGM.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

(h) **Voting through Electronic means:**

In compliance with provisions of Section 108 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer E-Voting facility as an alternate, for its shareholders to enable them to cast their

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votes electronically at the 59th Annual General Meeting (AGM) through e-voting service provided by Central Depository Services(India) Limited. E-Voting is optional. The procedure and instructions for the same are as follows:

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

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

- v. After entering these details appropriately, click on “SUBMIT”.
- vi. Shareholders can also cast their vote using CDSL’s mobile app ‘m-Voting’ available for android-based mobiles. The m-Voting app can be downloaded from Google Play Store/Apple Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- vii. Members holding shares in Physical form will then reach directly to the voting screen.
- viii. Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- xi. For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
- xii. On the voting page, you will see Resolution Description and against the same the option ‘YES/NO’ for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- xiii. Click on the Resolution File Link if you wish to view the entire Annual General Meeting Notice.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- xvi. Corporate/Institutional Members (corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and the Scrutinizer’s email id [mferraocs@yahoo.com](mailto:mferraocs@yahoo.com). The file scanned image of the Board Resolution should be in the naming format “Corporate name\_EVSN”.
- xvii. If you wish to provide feedback on the e-voting system click on ‘Suggestions’. In case you have any queries or issues regarding e-voting, please contact [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [investors.relations@gravissgroup.com](mailto:investors.relations@gravissgroup.com).

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- (i) The remote E-voting period commences on 15th August, 2020 (9.00 a.m.) and ends on 17th August, 2020 (5.00 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11th August, 2020 ('Cut off Date'), may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution has been cast by a shareholder, the same shall not be allowed to be changed subsequently or allowed to cast a vote again.
- (j) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. 11th August, 2020. A Person, whose name is recorded in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of remote e-voting or voting at the Annual General Meeting. Mr. Martinho Ferrao, of M/s. Martinho Ferrao & Associates, Company Secretaries (CoP no. 5676) has been appointed as the Scrutinizer to scrutinize the e-voting process and voting at the AGM in a fair and transparent manner.
- (k) The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, would first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and shall make and submit, not later than 3 (three) working days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (l) **The Instructions for Members for E-voting on the day of the AGM are as under:**
- (a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (b) Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting shall be eligible to vote through e-voting system during the AGM.
- (c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (d) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 022-23058542/43.
- (m) The results of entire e-voting along with Scrutinizer's report shall be placed on the Company's website [www.gravishhospitality.com](http://www.gravishhospitality.com) within 2 days of passing resolutions at the AGM of the Company and communicated to stock exchanges, where the shares of the Company are listed.
- (n) **Procedure for Inspection of Documents:**
- The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and any other documents referred to in the accompanying Notice and Explanatory Statements, shall be made available for inspection through electronic mode, basis the request being sent on [investors.relations@sgravissgroup.com](mailto:investors.relations@sgravissgroup.com).

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

**Gaurav Ghai**  
Joint Managing Director  
(DIN: 00074857)

Place: Mumbai  
Dated: June 30, 2020

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

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## ANNEXURE TO AGM NOTICE

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

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

1.	Name of the Director DIN	Tina Pardal 07148874
2.	Date of Birth	16/01/1959
3.	Age	61 years
4.	Qualification	Bachelor of Arts
5.	Experience & Expertise	Mrs. Tina Pardal has over two decades of experience as a Designer and Executor of wedding décor and an event planner.
6.	The last drawn remuneration	₹ 1,70,000 as sitting fee for attending Board Meetings during the F. Y. 2019-2020
7.	Date of first appointment on the Board	17/05/2018
8.	Shareholding of the Director in the Company	Nil
9.	Relationships with other Directors, Manager and other Key Managerial Personnel of the Company	She is not related to any Director and Key Managerial Personnel of the Company.
10.	Number of Board Meetings attended during the year	4 out of 4 meetings
11.	Other Directorships	Nil
12.	Committee Chairmanships / Memberships	Nil



## **Management Discussion and Analysis**

### **Economic Environment – An Overview**

#### **Global Economy:**

The year 2019 has been a year of challenges for the global economy, with GDP declining to 2.9%, below the previous projections of 3.3% in January 2020, and its slowest since the global financial crisis in 2009, as per the International Monetary Fund (IMF). The contraction in growth is majorly attributed to the rising trade rift and geopolitical tensions, leading to uncertainty in global trade and adversely affecting business investments and investor confidence. While China, India and the ASEAN-5 performed better than other economies, the US and the UK registered a GDP growth of 2.3% and 1.4% respectively, while countries like Sri Lanka, Nepal and the Maldives were at 2.3%, 7.1% and 5.7%, respectively. The early signs of recovery evident in January 2020 on account of reduced trade tensions between the US and China as well as a softer Brexit, however, dissipated due to the onset of the Novel Coronavirus disease from February 2020, derailing economic growth significantly. Declared a pandemic by the World Health Organisation (WHO), governments across the world, in an effort to curtail the rapid spread of the infection, severely restricted travel, mandated extreme 'social distancing' measures and reduced supply chains to the movement of 'essentials'.

#### **Outlook:**

As the COVID-19 pandemic continues to impact human health, responses to arrest this pandemic across countries are severely impairing economic activity. The global economy is projected to contract sharply by 3% in 2020. Several countries have announced large fiscal stimulus packages to support marginalised and working-class families, whose sustenance has been impacted unexpectedly by the prevailing conditions. Countries reliant on tourism, travel, hospitality, and entertainment for their growth are experiencing particularly large disruptions. Emerging markets and developing economies face additional challenges with unprecedented reversals in capital flows as global risk appetite wanes, currency pressures build up and weaker health systems and limited fiscal space fall short in supporting the increasing number of afflicted people. (Source: World Economic Outlook, April 2020: The Great Lockdown).

For the year 2020, IMF has projected only China and India among the larger nations, to have a positive GDP growth. It projects US GDP to contract by 5.9%, UK by 6.5%, the Euro Area by 7.5% and South Africa by 5.8%. Countries like the Maldives could be impacted severely as they are heavily dependent on tourism, especially from China, the Middle East and Europe. Despite the flattening of the COVID-19 curve in major economies, the uncertainty looming around it, especially on how it could evolve in the future is a major concern since a fresh wave of infection would be disastrous for the global economy.

#### **Indian Economy:**

The Indian economy registered a growth rate of 4.2% in FY 2019-20, as against 6.1% in the previous financial year - the lowest in the last eight years. The slow growth is attributed largely to the decline in domestic consumption and private investment, besides the increased stress in the non-banking financial sector, which further weakened credit growth. The downside, a lagged effect of Q4 of FY 2018-19 on the domestic front, was led by weak consumption in the automobile and two-wheeler sector, reduction in credit funding of non-banking financial companies and impact on exports from moderating global demand. Inflation, as measured by the Consumer Price Index (CPI), remained modest for the major part of the year, largely due to the benign food inflation that is a major constituent of CPI. The Wholesale Price Index (WPI) inflation too remained in low single digits during the year on account of marginal increase in fuel prices.

Addressing the growth concerns, the government has, since then, taken a number of bold measures including lowering corporate tax rates and further reforms in the banking sector supported by the Reserve Bank of India's monetary policies entailing reduction in policy rates. These stimulatory measures, coupled with subdued oil prices, were expected to provide the required fillip to the slowing economy in end FY 2019-20. However, the outbreak of COVID-19 in India in March 2020, drastically changed the economic outlook for India, as it did for many other nations. A series of relief packages and subsidies were announced by the Indian government to minimise the economic impact of the lockdown on small and medium enterprises, farmers, migrant labourers, etc. The RBI announced a series of monetary measures including 6-month moratoriums on loans through banks, automatic collateral-free loans to small businesses, reduced withholding tax rates and extended payment due dates to mitigate the risk of a liquidity crisis in the Indian economy.

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## Outlook:

The outbreak of the COVID-19 pandemic and consequent nationwide lockdown and other restrictions imposed by the government on movement across the country since March 24, 2020 is expected to severely affect the economic growth during FY 2020-21, especially in the first quarter.

The short term economic recovery is expected to be accelerated by an increase in government expenditure in key sectors of the economy and the implementation of stimulus packages announced by the government as part of its response to mitigate the hardships faced by both the economy and the people.

Over the long term, a healthy saving culture among Indians, higher proportion of a young working population and policy reforms are expected to drive India's economic growth. The soft food inflation trend is expected to continue, given the increased agricultural productivity in the country.

The challenges posed by the COVID-19 pandemic are expected to be short term under the existing scenario, where severe infection is limited to certain geographies, with many states already experiencing a flat curve in terms of infection rate. However, uncertainty on how the infectivity would evolve in the future would largely dictate the time required for the economic growth to regain normalcy.

## Indian Hospitality and Tourism Industry:

The travel and tourism industry contributed 6.8% to India's GDP and registered a growth of 4.9% in 2019. The industry supports close to 40 million jobs in the country (8% of total employment). The inbound travels consist of a mixed bag with arrival from Bangladesh (12%) topping the chart, followed by the United States (9%) and United Kingdom (6%). The leisure segment continues to be the major revenue contributor (94%) with majority of the tourists (83%) belonging to the domestic category (Source: World Travel and Tourism Council).

The hotel industry in India is predominantly unorganised, with more than half of the organised hotels in India comprising 3-star or higher categories. India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India ranked 34 in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum. In 2019, arrivals through e-Tourist Visa increased by 23.6% y-o-y to touch 2.9 million. (Source: India Brand Equity Foundation).

The introduction of a new category of visa-the medical visa or M visa-is expected to encourage medical tourism in India.

The COVID-19 pandemic has impacted all businesses, though in varying degrees a major impact of the pandemic has been felt by the travel and tourism sector consisting of airlines, hospitality, cruise liners, road and railway transportation, travel and tour operators, in addition to industries such as real estate, construction, passenger vehicles, luxury retail, etc. The COVID-19 pandemic, being highly infectious in nature, has impacted the tourism industry in an unprecedented manner, more so as the industry is highly people-centric in nature, and service delivery involves close interactions between service providers and guests.

The industry has been further impacted by the government's responses to contain the virus, including social distancing, travel advisories, suspension of visas, prohibition against mass gatherings, cancellation of sporting and cultural events, stoppage of inter-state transport, railways, etc.

The hospitality and tourism industry is facing a dire and hitherto-unknown situation that has thrown up new challenges and taken the industry by surprise. Even though the government and the RBI announced stimulatory measures to mitigate the immediate challenges faced by the industries and businesses, considering the diverse nature of the hospitality and tourism industry, especially the fact that it is one of the major contributors to the GDP and also a major employment provider, the industry feels that specific measures from the government are extremely crucial for its survival in these challenging times. In this regard, the Federation of Associations in Indian Tourism & Hospitality (FAITH), has made a representation to the task force set up by the government for relief and bailout packages for the industry.

Despite the challenges posed by the pandemic, the hospitality industry is taking all possible measures to survive in the short term, revive in the short-to medium-term and thrive in the long term. The new challenges will assist the industry in preparing for a 'new

normal', where there will be a sea-change in customer perceptions, with hygiene and safety gaining top priority, both amongst businesses and customers, and an exponential increase in the usage of digital solutions, as the world deals with the concept of 'contact-less' interchanges between people. The travel industry, worth around US\$ 1.6 trillion globally, accounts for one-tenth of the world's GDP. More importantly, the industry creates greater indirect employment opportunities, thereby helping multiply economic growth. The revival of this sector would largely depend on effective containment measures and treatments.

## Key Financial Ratios:

<b>Standalone</b>			
<b>Ratios</b>	<b>2019-20</b>	<b>2018-19</b>	<b>Explanation for changes</b>
Debtors Turnover Ratio	5.67	6.08	Due to recovery of receivables
Inventory Turnover Ratio (On cost of goods sold)	3.54	4.98	Due to decrease of inventory
Interest Coverage Ratio	(5.95)	(2.43)	Due to increase in expenses (before finance cost)
Current Ratio	0.29	0.51	Due to decrease in current assets
Debt Equity Ratio	0.15	0.14	No major change
Operating Margin Ratio	(0.24)	(0.08)	Due to increase in expenses and static turnover
Net Profit Margin	(0.22)	(0.04)	Due to decrease in net profit and static turnover
Return on Net Worth (RON)	-4.28%	-0.85%	Due to decrease in RON as compared to previous year

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## Directors' Report

The Members of Graviss Hospitality Limited

Dear Shareholders,

Your Directors have pleasure in presenting the Fifty Ninth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2020.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2020 is summarized below:

(₹ in Lacs)

Particulars (Standalone basis)	2019-2020	2018-2019
Gross Income	4,016	4,755
<b>Profit Before Interest &amp; Depreciation</b>	<b>(361)</b>	140
Finance Charges	163	150
<b>Gross Profit</b>	<b>(524)</b>	(10)
Provision for Depreciation	609	504
<b>Net Loss Before Tax</b>	<b>(1,133)</b>	(514)
Provision for Tax	(255)	333
<b>Net Loss After Tax</b>	<b>(878)</b>	(181)
Balance of Profit brought forward	(1,693)	(1,511)
Balance available for appropriation	0	0
Proposed Dividend on Equity Shares	0	0
Tax on proposed Dividend	0	0
<b>Balance carried forward</b>	<b>(2,570)</b>	(1,693)

### OVERVIEW OF OPERATIONAL VIS-À-VIS FINANCIAL PERFORMANCE

During the financial year, the total revenue was Rs. 4,016 Lacs as compared to Rs. 4,755 Lacs in the last year. The Net Loss after tax stood at Rs. 878 Lacs as against loss of Rs. 181 Lacs in the previous year.

### COVID-19

The novel coronavirus outbreak in the last quarter of financial year 2019-2020 has significantly affected the hospitality industry across the globe. We at Godrej Hospitality Limited, have been working on a safety first principle, ensuring that our employees and business partners are safe, and taking all necessary precautions to control the spread of Coronavirus. In view of the lockdown in many of the States/Union Territories across India, operations in Hotel InterContinental, Marine Drive, Mumbai had to be shut down from the second half of March 2020. While this has adversely impacted the sales performance, we continue to closely monitor the situation and take appropriate action, as necessary to scale-up operations, in due compliance with the applicable regulations. As per our current assessment, other than the impairment recorded in the financial statements, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of the financial statements.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2019-20, together with the Auditors' Report form part of this Annual Report.

# GRAVISS HOSPITALITY LIMITED

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Graviss Catering Private Limited and Hotel Kanakeshwar Private Limited continue to be the wholly owned subsidiary of your Company.

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

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

(₹ in Lacs)

Sr. No.	Name of the Subsidiary Company	Turnover		Profit / (Loss) Before Tax		Profit / (Loss) After Tax	
		Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
1.	Graviss Hotels and Resorts Limited	0	0	8.10	2.27	5.85	1.47
2.	Graviss Catering Private Limited	7.11	78.73	(0.28)	2.24	(0.35)	2.24
3.	Hotel Kanakeshwar Private Limited	0	0.93	(10.05)	(11.09)	(10.05)	(11.09)

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

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

## DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2020.

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund ) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided on the Investors Relations page of the Company's website, viz. [www.gravisshospitality.com](http://www.gravisshospitality.com).

## TRANSFER TO RESERVES

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2019-20 are given in the Corporate Governance Report which forms a part of this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Tina Pardal, Non- Executive Non-Independent Director, retires by rotation and being eligible offers herself for re-appointment to the Board.

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

## (b) KEY MANAGERIAL PERSONNEL:

Mr. Romil Ratra was appointed as the Chief Executive Officer (CEO) of the Company with effect from 1st April, 2020. Mr. Ravi Ghai is the Managing Director (DIN: 00074612), Mr. Gaurav Ghai is the Joint Managing Director (DIN: 00074857), Mr. Farangilal Goyal is the Chief Financial Officer and Mrs. Kainaaz Bharucha is the Company Secretary of the Company, and as such, they are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

## (c) DECLARATION OF INDEPENDENCE FROM INDEPENDENT DIRECTORS:

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

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

## (d) FAMILIARISATION PROGRAMME:

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

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

## (e) PERFORMANCE EVALUATION:

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

## (f) DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this Report. The Managing Director & CEO of your Company does not receive remuneration from any of the subsidiaries of your Company.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in Annexure A to this Report.

## AUDIT COMMITTEE

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

## EXTRACT OF ANNUAL RETURN

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

## CORPORATE GOVERNANCE

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

## LISTING OF SHARES

The Company's equity shares are listed on BSE Limited (BSE). Further, the applicable listing fees for the financial year 2020-2021 have been paid to the BSE Limited.

## AUDITORS AND THEIR REPORT

### (a) STATUTORY AUDITORS:

At the 58th Annual General Meeting of the Company held on 26th July, 2019, M/s. A. T. Jain & Co., Chartered Accountants (FRN: 103886W), were appointed as Statutory Auditors of the Company for a period of five consecutive years, i.e. from the conclusion of the ensuing 58th Annual General Meeting of the Company till the conclusion of the 63rd Annual General Meeting of the Company to be held in the year 2024.

The Statutory Auditors of the Company have issued an unmodified opinion on the Financial Statements for the financial year ended 31st March 2020. The Auditor's Report for the financial year ended 31st March, 2020 does not contain any qualification, reservation or adverse remarks.

### (b) COST AUDITORS:

As the Companies (Cost Records and Audit) Rules, 2013 are not applicable to your Company, the Company has not appointed any Cost Auditor for the financial year 2019-20.

### (c) INTERNAL AUDITORS:

M/s. Pipalia Singhal & Associates, Chartered Accountants, Mumbai were re-appointed as the Internal Auditors of the Company for the financial year 2019-20.

At the Meeting of the Board of Directors of the Company held on 30th June, 2020, M/s. Pipalia Singhal & Associates, Chartered Accountants, Mumbai have been re-appointed as Internal Auditors for the financial year 2020-2021.

The Audit Committee of the Board of Directors, Statutory Auditors and the Management are periodically apprised of the Internal Audit findings and corrective actions are taken.

### (d) SECRETARIAL AUDITORS:

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on 30th June, 2020 has appointed M/s. Martinho Ferrao & Associates, Company Secretaries (Certificate of Practice No. 5676), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2020-2021. Your Company has received consent from M/s. Martinho Ferrao & Associates to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st March, 2021. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed as **Annexure D**.

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

## NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, Independence of a Director and other matters provided under Section 178(3) of the Act. During the year under review, the Company has revised the Nomination and Remuneration Policy, in accordance with the amendments to Section 178 of the Act and Listing Regulations.

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

[http://www.gravisshospitality.com/pdf/Policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.gravisshospitality.com/pdf/Policies/Nomination_and_Remuneration_Policy.pdf)

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

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

The Company has not received any complaint of sexual harassment during the financial year 2019-2020.



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## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a 'Vigil Mechanism Policy' in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations, with an objective to conduct its affairs in a fair and transparent manner and by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Company has established mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, violation of our Code of Conduct and Ethics.

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

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

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

Foreign Exchange earned during the Financial Year 2019-2020 in terms of actual inflows: Rs.768 lacs

Foreign Exchange outgo during the Financial Year 2019-2020 in terms of actual outflows: Rs.129 lacs

## **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year under review, no amount was transferred by the Company to the Investor Education and Protection Fund.

## **PUBLIC DEPOSITS**

During the financial year 2019-20, your Company has not accepted any deposit within the meaning of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2020, are set out in Note Nos. 6 and 7 to the Standalone Financial Statements forming part of this report. The Members are requested to refer to the said Notes for details in this regard.

## **RELATED PARTY TRANSACTIONS**

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

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

All Related Party Transactions which were entered during the financial year 2019-20 were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with related party(s) as defined under Section 2(76) of the Companies Act, 2013 which may have a potential conflict with the interest of the Company at large. All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and Materiality of Related Party Transactions, formulated by the Company. There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. There are no person(s) or entities forming part of the Promoter(s)/Promoter(s) Group which individually hold 10% or more shareholding in the Company.

The details of the related party transactions of the Company as required under Accounting Standard - 18 are set out in Note No. 40 to the Standalone Financial Statements forming part of this Annual Report.

The Form AOC - 2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure E** to this Report.

## **INTERNAL FINANCIAL CONTROLS**

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

## **RISK MANAGEMENT**

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



## **SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS**

There were no significant/material orders passed by any of the Regulators or Courts or Tribunals impacting the going concern status of your Company or its operations in future during the financial year 2019-20.

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2019-2020 and the date of this report.

## **CHANGE IN NATURE OF BUSINESS**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2020 and of the loss of the Company for the financial year ended 31st March, 2020;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively and;
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

## **ACKNOWLEDGEMENTS**

Your Directors wish to express their appreciation and gratitude to all the employees at all levels for their hard work, dedication and cooperation during the year.

Your Directors wish to express their sincere appreciation for the excellent support and co-operation extended by the Company's shareholders, customers, bankers, suppliers, regulatory and Government authorities and all other stakeholders.

For and on behalf of the Board of Directors

For **GRAVISS HOSPITALITY LIMITED**

Place: Mumbai  
Dated: June 30, 2020

**Gaurav Ghai**  
*Jt. Managing Director*  
(DIN: 00074857)

**Mahendra Doshi**  
*Independent Director*  
(DIN: 00123243)

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

**A. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2019-20.**

Name of Directors drawing remuneration	Total Remuneration (in ₹)	Ratio
Mr. Ravi Ghai	45,45,000	12.66
Mr. Gaurav Ghai	29,13,000	8.11

Notes:

- Median Remuneration for the F. Y. 2019-20 is ₹3,58,980/-
- In the aforesaid calculation, remuneration is not considered of those permanent employees who worked for less than 12 months during the financial year 2019-20
- The remuneration of Directors excludes sitting fees paid to them for the F. Y. 2019-20

**B. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2019-20.**

Name	Remuneration (in ₹)		Increase / (Decrease) (in %)
	2019-20	2018-19	
Mr. Ravi Ghai – Chairman & Managing Director	45,45,000	45,45,000	0
Mr. Gaurav Ghai – Joint Managing Director	29,13,000	29,13,000	0
Mr. Farangilal Goyal – Chief Financial Officer	37,75,000	22,25,000	78%
Mrs. Kainaaz Bharucha – Company Secretary	10,32,796	8,04,804	28%

**C. The percentage increase in the median remuneration of employees in the financial year 2019-20: 2%**

**D. The number of permanent employees on the rolls of company: 165**

**E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2019-20 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

5-6%. The increase of remuneration of employees other than Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

**F. Affirmation that the remuneration is as per the Nomination & Remuneration Policy of the Company:**

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and other senior management is as per the Nomination and Remuneration policy of the Company.

# GRAVISS HOSPITALITY LIMITED

## ANNEXURE B TO THE DIRECTORS' REPORT

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Rs. in lacs)

Sl. No.	Particulars	Graviss Hotels & Resorts Limited	Graviss Catering Private Limited	Hotel Kanakeshwar Private Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	N.A.
3.	Share capital	5.00	7.65	24.50
4.	Reserves & surplus	(614.06)	(322.86)	3.44
5.	Total assets	6,731.04	22.37	223.19
6.	Total Liabilities	7,340.09	337.58	195.25
7.	Investments	0	0	0
8.	Turnover	0	7.11	0.00
9.	Profit before taxation	8.10	(0.28)	(10.05)
10.	Provision for taxation	2.25	0.07	0
11.	Profit after taxation	5.85	(0.35)	(10.05)
12.	Proposed Dividend	0	0	0
13.	% of shareholding	99.98%	100%	100%

1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

On behalf of the Board of Directors  
For **GRAVISS HOSPITALITY LIMITED**

Place: Mumbai  
Dated: June 30, 2020

**Gaurav Ghai**  
Joint Managing Director  
(DIN: 00074857)

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March, 2020

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

#### I. REGISTRATION AND OTHER DETAILS:

- (i) CIN:- L55101PN1959PLC012761
- (ii) Registration Date: 5th August, 1959
- (iii) Name of the Company: Graviss Hospitality Ltd.
- (iv) Category/Sub-Category of the Company: Company Limited by shares/ Indian Non-Government Company
- (v) Address of the Registered office and contact details  
Dairy Tops, Plot No. J-177, MIDC, Bhosari, Pune – 411 026, Maharashtra.  
Telephone Number : 020-30681102  
Fax Number : 020-30681139  
Email : [investors.relations@gravissgroup.com](mailto:investors.relations@gravissgroup.com)
- (vi) Whether shares listed on recognized Stock Exchange(s) Yes / BSE Limited (Scrip Code: 509546)
- (vii) Name, Address & contact details of the Registrar & Transfer Agent, if any.  
Link Intime India Private Limited  
C-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai – 400 083.  
Telephone Number : 022-49186270  
Fax Number : 022-49186060  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Short Term Accommodation activities	551	38.37
2	Restaurants and mobile food service activities	561	61.63

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Graviss Hotels and Resorts Limited Regd. Off. Address: 254-C, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	U15200MH1996PLC096973	Subsidiary	99.98	2(87)(ii)
2	Graviss Catering Private Limited Regd. Off. Address: 23-B, 1st Floor, Main Pusa Road, Near Karol Bagh, Metro Station, New Delhi.	U74899DL1978PTC008829	Subsidiary	100	2(87)(ii)
3	Hotel Kanakeshwar Private Limited Regd. Off. Address: Strand Cinema Bldg., 1st Floor, C.S. No. 506, Arthur Bunder Road, Colaba, Mumbai – 400 005.	U55109MH1989PTC053640	Subsidiary	100	2(87)(ii)

## IV. SHARE HOLDING PATTERN (Equity Share capital Breakup as percentage of total Equity)

### (i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/HUF	29,29,265	0	29,29,265	4.15	29,29,265	0	29,29,265	4.15	0
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt.	0	0	0	0	0	0	0	0	0
(d) Bodies Corporates	4,64,82,654	0	4,64,82,654	65.92	4,64,82,654	0	4,64,82,654	65.92	0
(e) Banks / FI	0	0	0	0	0	0	0	0	0
(f) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL: (A) (1)</b>	<b>4,94,11,919</b>	<b>0</b>	<b>4,94,11,919</b>	<b>70.07</b>	<b>4,94,11,919</b>	<b>0</b>	<b>4,94,11,919</b>	<b>70.07</b>	<b>0</b>
(2) Foreign									
(a) NRI-Individuals	33,24,791	0	33,24,791	4.71	33,24,791	0	33,24,791	4.71	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks/FI	0	0	0	0	0	0	0	0	0
(e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>33,24,791</b>	<b>0</b>	<b>33,24,791</b>	<b>4.71</b>	<b>33,24,791</b>	<b>0</b>	<b>33,24,791</b>	<b>4.71</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>5,27,36,710</b>	<b>0</b>	<b>5,27,36,710</b>	<b>74.78</b>	<b>5,27,36,710</b>	<b>0</b>	<b>5,27,36,710</b>	<b>74.78</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions	0	0	0	0	0	0	0	0	0
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks/FI	0	0	0	0	0	0	0	0	0
(c) Central Govt.	0	0	0	0	0	0	0	0	0
(d) State Govt.	0	0	0	0	0	0	0	0	0
(e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIIS	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2) Non Institutions									
(a) Bodies corporates									
(i) Indian	8,17,156	500	8,17,656	1.16	8,22,600	500	8,23,100	1.17	0
(ii) Overseas	36,16,932	0	36,16,932	5.13	36,16,932	0	36,16,932	5.13	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	9,38,115	6,36,720	15,74,835	2.23	9,51,715	6,24,720	15,76,435	2.24	0
(ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh	64,976	0	64,976	0.09	2,14,185	0	2,14,185	0.30	0.21
(c) NBFCS registered with RBI	75,000	0	75,000	0.11	0	0	0	0	-0.11
(d) Others (specify)	0	0	0	0	0	0	0	0	0
Foreign Companies	70,25,708	43,85,235	1,14,10,943	16.18	70,25,708	43,85,235	1,14,10,943	16.18	0
Hindu Undivided Family	60,173	0	60,173	0.09	70,242	0	70,242	0.10	0.01
Non Resident Indians (Non Repat)	9,600	0	9,600	0.01	11,600	0	11,600	0.02	0
Other Directors	57,350	0	57,350	0.0813	57,350	0	57,350	0.0813	0
Clearing Members	300	0	300	0	53	0	53	0	0
Trusts	94,660	0	94,660	0.13	94,660	0	94,660	0.13	0
<b>SUB TOTAL-(B) (2)</b>	<b>1,23,97,058</b>	<b>53,85,367</b>	<b>1,77,82,425</b>	<b>25.22</b>	<b>1,24,37,068</b>	<b>53,45,357</b>	<b>1,77,82,425</b>	<b>25.22</b>	<b>0</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>1,23,97,058</b>	<b>53,85,367</b>	<b>1,77,82,425</b>	<b>25.22</b>	<b>1,24,37,068</b>	<b>53,45,357</b>	<b>1,77,82,425</b>	<b>25.22</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>6,51,33,768</b>	<b>53,85,367</b>	<b>7,05,19,135</b>	<b>100.00</b>	<b>6,51,73,778</b>	<b>53,45,357</b>	<b>7,05,19,135</b>	<b>100.00</b>	

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## (ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1.	Mr. Ravi Ghai	33,24,791	4.71	0	33,24,791	4.71	0	0
2.	Mr. Gaurav Ghai	23,09,141	3.27	0	23,08,716	3.27	0	0
3.	Mrs. Geeta Ghai	6,20,124	0.88	0	6,20,124	0.88	0	0
4.	Graviss Holdings Private Limited	2,18,13,970	30.93	0	2,18,13,970	30.93	0	0
5.	Oregon Realtys Private Limited	1,91,000	0.27	0	1,91,000	0.27	0	0
6.	Amphitrite Investments Company Private Limited	15,09,840	2.14	0	15,09,840	2.14	0	0
7.	Satinetta Finlease & Investments Private Limited	2,29,67,844	32.57	0	2,29,67,844	32.57	0	0

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the shareholder	Shareholding		Date	Increase / (Decrease) in Promoters Shareholding		Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares (At the beginning of the year) / end of the year	% of total shares of the company		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
There was no change in the Promoters' shareholding during the F. Y. 2019-20.									

# GRAVISS HOSPITALITY LIMITED

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

Sl. No.	Shareholders' Name	Shareholding		Date	Transactions during the year		Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares (At the beginning of the year) / end of the year	% of total shares of the company		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	Duneam Investments (Mauritius) Pte. Ltd.	70,25,708	9.96	—	—	—	N.A.	70,25,708	9.96
2.	Inter-Continental Hotels Corporation	43,85,235	6.22	—	—	—	N.A.	43,85,235	6.22
3.	Tresad Limited	36,16,932	5.13	—	—	—	N.A.	36,16,932	5.13
4.	Food Toppers Private Limited	6,36,309	0.09	—	—	—	N.A.	6,36,309	0.09
5.	Swavin Business Consultants Private Limited	1,54,194	0.22	—	—	—	N.A.	1,54,194	0.22
6.	Mrs. Gayatri Daulet Singh	64,976	0.09	—	—	—	N.A.	64,976	0.09
7.	Ms. Kalpana Hemant Shroff	25,000	0.04	—	—	—	N.A.	25,000	0.04
				12/04/2019	1,500	0.00	Market purchase	26,500	0.04
				29/06/2019	3,500	0.00	Market purchase	30,000	0.04
				05/07/2019	5,000	0.00	Market purchase	35,000	0.05
				06/12/2019	1,014	0.00	Market purchase	36,014	0.05
				20/12/2019	13,986	0.02	Market purchase	50,000	0.07
				31/12/2019	400	0.00	Market purchase	50,400	0.07
				07/02/2020	600	0.00	Market purchase	51,000	0.07
				21/02/2020	2,224	0.00	Market purchase	53,224	0.08
		28/02/2020	1,325	0.00	Market purchase	54,549	0.08		
8.	Mr. Hitesh Ramji Javeri	50,000	0.07	—	—	—	N.A.	50,000	0.07
9.	Mrs. Ravina Bhojwani	49,651	0.07	—	—	—	N.A.	49,651	0.07
10.	Mrs. Gaurika Chandok	49,476	0.07	—	—	—	N.A.	49,476	0.07

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year (As on 01.04.2019)		Date	Increase / (Decrease) in Promoters Shareholding		Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares (At the beginning of the year) / end of the year	% of total shares of the company		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	Mr. Ravi Ghai	33,24,791	4.71	—	—	—	—	33,24,791	4.71
2.	Mr. Gaurav Ghai	23,08,716	3.27	—	—	—	—	23,08,716	3.27
3.	Mr. Mahendra Doshi	0	0	—	—	—	—	0	0
4.	Mr. Harindra Pal Singh	0	0	—	—	—	—	0	0
5.	Mr. Gulshan Bijlani	17,350	0.02	—	—	—	—	17,350	0.02
6.	Mrs. Tina Pardal	0	0	—	—	—	—	0	0
7.	Mr. Farangilal Goyal	0	0	—	—	—	—	0	0
8.	Mrs. Kainaaz Bharucha	0	0	—	—	—	—	0	0

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## (vi) Indebtedness

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

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1,381.94	3,745.43	0	5,127.37
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1,381.94</b>	<b>3,745.43</b>	<b>0</b>	<b>5,127.37</b>
Change in Indebtedness during the financial year				
— Addition	0	0	0	0
— Reduction (repayment)	(142.59)	(169.56)	0	(312.15)
<b>Net Change</b>	<b>(142.59)</b>	<b>(169.56)</b>	<b>0</b>	<b>(312.15)</b>
Indebtedness at the end of the financial year				
(i) Principal Amount	1,239.35	3,575.87	0	4,815.22
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1,239.35</b>	<b>3,575.87</b>	<b>0</b>	<b>4,815.22</b>

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. Ravi Ghai Managing Director (Rs. in Lacs)	Mr. Gaurav Ghai Joint Managing Director (Rs. in Lacs)
1.	Gross salary		
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.00	24.00
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	11.85	2.25
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission		
	— as % of profit	0	0
	— Others, please specify	0	0
5.	Others:		
	— Sitting Fees	0	0
	— Bonus/Performance Pay	0	0
	— Provident Fund	3.60	2.88
	<b>Total</b>	<b>45.45</b>	<b>29.13</b>
	<b>Ceiling as per the Act</b>	<b>10% of Net Profits</b>	



# GRAVISS HOSPITALITY LIMITED

## B. Remuneration to other directors:

### 1. Independent Directors

(Rs. in lacs)

Name of the Director	Fee for attending Board meetings	Commission	Others	Total
Mr. Mahendra V. Doshi	1,70,000	—	—	1,70,000
Mr. Gulshan M. Bijlani	1,70,000	—	—	1,70,000
Mr. Harindra Pal Singh	50,000	—	—	50,000
<b>Total (1)</b>	<b>3,90,000</b>	<b>—</b>	<b>—</b>	<b>3,90,000</b>

### 2. Non-Executive / Promoter Directors

Name of the Director	Fee for attending Board meetings	Commission	Others	Total
Mrs. Tina Pardal	1,70,000	—	—	1,70,000
<b>Total (2)</b>	<b>1,70,000</b>	<b>—</b>	<b>—</b>	<b>1,70,000</b>
<b>Total (1 + 2)</b>	<b>5,60,000</b>	<b>—</b>	<b>—</b>	<b>5,60,000</b>
<b>Overall Ceiling as per Act</b>	<b>1% of Net Profits</b>			

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

(Rs. in lacs)

Sr. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total Amount
		Mr. Farangilal Goyal	Mrs. Kainaaz Bharucha	
1.	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,75,000	10,32,796	48,07,796
	b. Value of perquisites u/s 17(2) Income-tax Act,1961	—	—	—
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	(i) As % of Profit	—	—	—
	(ii) Others, specify	—	—	—
5.	Others, please specify:			
	• Bonus / Performance Pay	—	—	—
	• Provident Fund & Gratuity	—	71,193	71,193
	<b>Total</b>	<b>37,75,000</b>	<b>11,03,989</b>	<b>48,78,989</b>

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## (vii) Penalties / Punishment / Compounding of Offences:

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013 during the financial year 2019-20.

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>COMPANY / DIRECTORS / OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

### SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2020

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

To,  
The Members,  
**Graviss Hospitality Limited**

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

Due to the current nationwide lockdown arising out of COVID-19 pandemic, we have examined the papers, minute books, forms, returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 provided to us through electronic mode. No physical verification of any document / record was possible. Based on our verification as aforesaid and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The Audit has been conducted for the Financial Year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014;
  - (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the financial year under review
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; – **Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – **Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review and**
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; – **Not applicable as the Company has not bought back any of its securities during the financial year under review.**

We have also examined the compliances of the provisions of the following other laws applicable specifically to the company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:

- (i) Standard Weights and Measures Act, 1976
- (ii) Food Safety and Standards Act, 2006
- (iii) The Legal Metrology Act, 2009

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

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

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

## **We further report that**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company has taken approval of shareholders in the 58th Annual General Meeting of the Company held on 26th July, 2019 for:

- (a) Approval for transaction with Related Party - Graviss Holdings Private Limited.
- (b) Approval of the borrowing limit under Section 180(1)(c) of the Companies Act, 2013.
- (c) Approval of the limit under Section 180(1)(a) of the Companies Act, 2013.
- (d) Approval of remuneration of Mr. Ravi Ghai, Managing Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment.
- (e) Approval of remuneration of Mr. Gaurav Ghai, Joint Managing Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment.
- (f) Approval to keep the Register and Index of Members at a place other than the Registered Office of the Company.
- (g) Approval for fees to be charged for Service of documents under Section 20 of the Companies Act, 2013.

For **Martinho Ferrao & Associates**  
*Company Secretaries*

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

Place: Mumbai  
Dated: June 30, 2020

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

To,  
The Members,  
**Graviss Hospitality Limited**

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. The minutes, documents, records and other information checked for the purpose of audit were received from the Company in soft copy and through electronic mail due to the nationwide lockdown caused pursuant to the outbreak of Covid-19 (Coronavirus).
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Martinho Ferrao & Associates**  
*Company Secretaries*

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

Place: Mumbai  
Dated: June 30, 2020

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## ANNEXURE E TO THE DIRECTORS' REPORT

### FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	NA
Nature of contracts/arrangements/transactions	
Duration of the contracts/arrangements/transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any	
Justification for entering into such contracts or arrangements or transactions	
Date(s) of approval by the Board	
Amount paid as advances, if any:	
Date on which the requisite resolution was passed in general meeting as required under first proviso to section 188 of the Companies Act, 2013	

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

<b>Name(s) of the related party and nature of relationship</b>	<b>Graviss Holdings Private Limited (GHPL) (common Directors)</b>	<b>Ice Hospitality Private Limited (Mr. Ravi Ghai is the Beneficial Owner of the Company)</b>
Nature of contracts / arrangements / transactions	Catering Agreement	Purchase and sale of raw materials.
Duration of the contracts / arrangements / transactions	3 years (from 1st November, 2017 to 31st October, 2020)	Varies from time to time
Salient terms of the contracts or arrangements or transactions including the value, if any:	Graviss Hospitality Limited (GHL) provides catering services at 254-C, Dr. Annie Besant Road, Worli, Mumbai 400 030 under their trading name "Mayfair Rooms" strictly in accordance with the directions of Graviss Holdings Private Limited (GHPL).  The Company shall pay to GHPL 1% (one percent) of total receipt of GHL from the function/parties organized at Mayfair Rooms, Worli, to GHPL. It shall be accounted and paid quarterly.	Selling and buying of raw materials at prevailing prices
Date(s) of approval by the Board, if any:	10th May, 2019	10th May, 2019
Amount paid as advances, if any:	Nil	Nil

For and on behalf of the Board of Directors

For **GRAVISS HOSPITALITY LIMITED**

**Gaurav Ghai**  
Joint Managing Director  
(DIN: 00074857)

Place: Mumbai  
Dated: June 30, 2020

## Report on Corporate Governance

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

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

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

### 2. Board of Directors:

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

The details of attendance of Directors at Board Meetings during the financial year 2019-20 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

Name of the Director & Director Identification Number (DIN)	Board Meeting Dates				AGM held on 26th July, 2019
	10th May, 2019	25th July, 2019	12th November, 2019	31st January, 2020	
Mr. Ravi Iqbal Ghai (DIN: 00074612)	X	X	✓	✓	X
Mr. Gaurav Ravi Ghai (DIN: 00074857)	✓	✓	✓	✓	✓
Mrs. Tina Sunil Pardal (DIN: 07148874)	✓	✓	✓	✓	✓
Mr. Mahendra Vasantrai Doshi (DIN: 00123243)	✓	✓	✓	✓	✓
Mr. Gulshan Mohan Bijlani (DIN: 01987683)	✓	✓	✓	✓	✓
Mr. Harindra Pal Singh (DIN: 00032181)	X	X	X	✓	X

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## Composition of the Board of Directors, Number of Shares held in the Company, Attendance Details and Other Directorship/Committee Details held as on 31st March, 2020

Sl. No.	Names of Directors and DIN	Category	Directorships in other listed entities	Number of Shares and Convertible Instruments held	Attendance at the Board Meetings held during the F.Y. 2019-2020	Attendance at the last AGM held on July, 26, 2019	No. of Directorships in other Companies*	Membership and Chairmanship of the Committees of the Board of other Companies**	
								Chairman	Member
1.	Mr. Ravi Iqbal Ghai (DIN: 00074612)	Promoter / Non Executive Chairman	Nil	33,24,791	2/4	No	Nil	Nil	Nil
2.	Mr. Gaurav Ravi Ghai (DIN: 00074857)	Promoter / Non Executive Director	Nil	23,08,716	4/4	Yes	Nil	Nil	Nil
3.	Mrs. Tina Sunil Pardal (DIN: 07148874)	Non Executive Non Independent Director	Nil	0	4/4	Yes	Nil	Nil	Nil
4.	Mr. Mahendra Vasantrai Doshi (DIN: 00123243)	Non Executive Independent Director	LKP Finance Limited – Executive Chairman & Promoter  Nilkamal Limited – Independent Director	0	4/4	Yes	6	1	2
5.	Mr. Gulshan Mohan Bijlani (DIN: 01987683)	Non Executive Independent Director	Nil	17,350	4/4	Nil	Nil	Nil	Nil
6.	Mr. Harindra Pal Singh (DIN: 00032181)	Non Executive Independent Director	Nil	0	1/4	Nil	2	Nil	Nil

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

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

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

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

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

[http://www.gravisshospitality.com/pdf/Policies/FAMILIARIZATION\\_PROGRAMMES\\_FOR\\_INDEPENDENT\\_DIRECTORS.pdf](http://www.gravisshospitality.com/pdf/Policies/FAMILIARIZATION_PROGRAMMES_FOR_INDEPENDENT_DIRECTORS.pdf)

### Key Board Qualifications, Expertise and Attributes

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

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

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



## 3. Audit Committee

The Board has constituted a well qualified Audit Committee. Majority members of the Committee are Independent Directors including its Chairman. The Audit Committee has played an important role in ensuring the financial integrity of the Company.

The composition and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rules made there under and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Mr. Gulshan Bijlani and Mr. Harindra Pal Singh, as the members are financially literate and Mr. Mahendra Doshi, Chairman has accounting and related financial management expertise / exposure.

The Audit Committee invites the Managing Director, Chief Financial Officer, Statutory Auditor and Internal Auditors to attend the Audit Committee Meeting(s). The Company Secretary of the Company acts as Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed at the next meeting of the Board.

### (i) The Terms of Reference role of the Audit Committee include the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Scrutiny of inter-corporate loans and investments;
5. Reviewing, with the management, the quarterly, half-yearly, nine monthly and annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
6. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Evaluation of internal financial controls and risk management systems.
9. Approval or any subsequent modification of transactions of the company with related parties;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company
12. Looking into the reasons for substantial defaults (if any), in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. To review the functioning of the Whistle Blower mechanism;
18. Reviewing the Management Discussion and Analysis for the financial condition and results of operation; and
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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The Audit Committee during the year has approved the overall framework for Related Party Transactions, the Policy on materiality and dealing with the Related Party Transactions and the criteria for granting omnibus approval in line with the policy of dealing with Related Party Transactions in accordance with provisions of the Companies Act, 2013 and Regulations 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- (ii) The details as to the date(s) on which the meetings were held during the financial year ended 31st March, 2020 are as follows:

Sl. No.	Dates of Meetings
1.	10th May, 2019
2.	25th July, 2019
3.	12th November, 2019
4.	31st January, 2020

- (iii) The composition of the Audit Committee of the Board of Directors of the Company along with details of the meetings attended during the financial year ended 31st March, 2020 are detailed below:

Sl. No.	Name	Category	Nature of Membership	Meetings Attended
1.	Mr. Mahendra V. Doshi	Non-Executive / Independent	Chairman	4
2.	Mr. Harindra Pal Singh	Non-Executive / Independent	Member	1
3.	Mr. Gulshan Bijlani	Non-Executive / Independent	Member	4

## 4. Nomination and Remuneration Committee

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

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

- (i) During the Financial Year ended 31st March, 2020, the meeting of the Nomination and Remuneration Committee was held once on 31st January, 2020.
- (ii) The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with details of the meetings attended during the financial year ended 31st March, 2020 are detailed below:

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

- (iii) The terms of reference of the Committee includes:

1. Formulation of criteria for qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on diversity of the Board of Directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Carry on the evaluation of every director's performance;
7. Any other matter as the Board may decide from time to time.

#### **(iv) Performance Evaluation Criteria for Independent Directors**

The performance of Independent Directors of the Company is evaluated by the entire Board of Directors (excluding the Director being evaluated). An Evaluation Form is filled by the Board of Directors, which, in addition to covering the parameters laid down for evaluation of all Directors, also covers criterion for evaluation of performance of Independent Directors.

Following are the criterion for performance evaluation of Independent Directors of the Company:

- Participation and contribution at Board and Committee meetings;
- Managing relationships with fellow Board members and senior management;
- Director upholds ethical standards of integrity and probity;
- The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization;
- Director exercises objective independent judgment in the best interest of Company;
- Director has effectively assisted the Company in implementing best corporate governance practice and then monitors the same;
- Director helps in bringing independent judgment during board deliberations on strategy, performance, risk management etc.;
- Director keeps himself/ herself well informed about the Company and external environment in which it operates;
- Director acts within his authority and assists in protecting the legitimate interest of the Company, Shareholders and employees;
- Director maintains high level of confidentiality;
- Director adheres to the applicable code of conduct for Independent Directors;
- The willingness and commitment to devote the extensive time necessary to fulfill his/her duties;
- Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings

#### **5. Remuneration of Directors:**

The Company's remuneration policy aims to attract and retain talent and is in accordance with the industry practices. The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance earmarked objectives.

Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance pay. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and the individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

#### **CHAIRMAN AND MANAGING DIRECTOR**

The Shareholders of the Company at the 55th Annual General Meeting held on 29th July, 2016 approved the reappointment of Mr. Ravi Ghai as Managing Director of the Company for a period of five (5) years commencing from 1st April, 2017, not liable to retire by rotation. The terms and conditions of his appointment including remuneration payable to him was approved at the said Annual General Meeting, which was in accordance with the provisions of Sections 197, 198 and Schedule V and subject to other provisions of the Companies Act, 2013, including any statutory modifications or any amendment or any substitution or any re-enactment thereof for the time being in force. The details of the remuneration paid to the Managing Director are given in the table regarding details of remuneration paid to Directors.

#### **JOINT MANAGING DIRECTOR**

The Shareholders of the Company at the 51st Annual General Meeting held on 10th July, 2012 approved the reappointment of Mr. Gaurav Ghai as Joint Managing Director of the Company for a period of five (5) years commencing from 11th May, 2012, not liable to retire by rotation. The terms and conditions of his appointment including remuneration payable to him was approved at the said Annual General Meeting, which was in accordance with the applicable provisions of the Companies Act, 1956, including any statutory modifications or any amendment or any substitution or any re-enactment thereof. The details of the remuneration paid to the Joint Managing Director are given in the table regarding details of remuneration paid to Directors.

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## NON-EXECUTIVE DIRECTORS

The Non-Executive/Independent Directors of the Company play a crucial role for ensuring the quality of corporate governance in a Company. They constitute a necessary component of a balanced Board structure where the in-depth knowledge of the executive directors is blended with the wider experience, unbiased opinions and knowledge of the Independent Directors. The Non-Executive Directors are paid sitting fees for attending the Meetings of the Board / Committees. The Company has not granted any Stock Options to any of its Directors.

**Details of Remuneration paid to the Directors of the Company for the Financial Year ended 31st March, 2020 are as follows:**

Figures in ₹

Name of the Director	Salary	Perquisites	Contribution to Provident Fund	Sitting Fees	Performance Linked Bonus	Commission	Total
Mr. Ravi Ghai	30,00,000	11,85,000	3,60,000	0	0	0	45,45,000
Mr. Gaurav Ghai	24,00,000	2,25,000	2,88,000	0	0	0	29,13,000
Mr. Mahendra Doshi	0	0	0	1,70,000	0	0	1,70,000
Mr. Gulshan Bijlani	0	0	0	1,70,000	0	0	1,70,000
Mr. Harindra Pal Singh	0	0	0	50,000	0	0	50,000
Mrs. Tina Pardal	0	0	0	1,70,000	0	0	1,70,000

### Criteria for making payments to non-executive directors:

The Criteria for making payments to non-executive Directors of the Company is available at the below web link:

[http://www.gravishshospitality.com/pdf/Policies/Criteria\\_of\\_making\\_payments\\_to\\_NEDs.pdf](http://www.gravishshospitality.com/pdf/Policies/Criteria_of_making_payments_to_NEDs.pdf)

## INDEPENDENT DIRECTORS

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

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

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

## 6. Stakeholders' Relationship Committee:

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

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

The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2020 is detailed below:

Dates on which meetings were held:	
30th April, 2019	31st October, 2019
31st May, 2019	29th November, 2019
28th June, 2019	31st December, 2019
31st July, 2019	31st January, 2020
30th August, 2019	28th February, 2020
30th September, 2019	

# GRAVISS HOSPITALITY LIMITED

Name	Category	Nature of Membership	Meeting Details	
			Held	Attended
Mr. Gulshan Bijlani	Non Executive / Independent	Chairman	11	10
Mr. Mahendra Doshi	Non Executive / Independent	Member	11	9
Mr. Harindra Pal Singh	Non Executive / Independent	Member	11	3

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

Number of Shareholders' Requests received so far:

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

Number not solved to the satisfaction of the shareholders: 0

Number of pending complaints: 0

## 7. General Body Meetings:

### (i) Location and Time where last three Annual General Meetings held:

Year	Meeting Date	Time	Venue	No. of Special Resolutions passed at the AGM
2018-2019	Friday, 26th July, 2019	12:30 p.m.	Dairy Tops, J-177, M.I.D.C., Bhosari, Pune – 411 026.	5
2017-2018	Friday, 27th July, 2018	12:30 p.m.	Dairy Tops, J-177, M.I.D.C., Bhosari, Pune – 411 026.	4
2016-2017	Friday, 28th July, 2017	12:30 p.m.	Dairy Tops, J-177, M.I.D.C., Bhosari, Pune – 411 026.	1

No Special Resolutions were passed during Financial 2019-2020 through Postal Ballot.

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

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## 8. Means of Communication

### (i) Quarterly Results:

Quarterly, Half-Yearly and Annual Financial Results of the Company were published in leading English and local language of the place where Registered Office of the Company is located, newspapers viz. the Financial Express, Mumbai, Financial Express, Pune and Loksatta, Pune (Marathi).

### (ii) Website:

The Company maintains a separate dedicated section viz. "Investor Relation" for the information of shareholders and other stakeholders of the Company on the Company's website [www.gravishhospitality.com](http://www.gravishhospitality.com).

Quarterly / Half-yearly / Annual Financial Results, Annual Reports, status of unclaimed dividend, various applicable policies of the Company and other required details are available on the Company's website.

(iii) There were no Presentations made do institutional investors or to the analysts during the Financial Year 2019-2020.

## 9. General Shareholder Information

The Company is registered with the Registrar of Companies, Maharashtra, Pune. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L55101PN1959PLC012761.

### (i) Annual General Meeting - Date, Time and Venue

Tuesday, 18th August, 2020 at 12:00 noon. through Video Conferencing / Other Audio Visual Means

(ii) Book Closure Dates: 9th August, 2020 to 18th August, 2020 (both days inclusive)

(iii) Financial Year - April, 2019 to March, 2020

(iv) Dividend Payment Date: The Directors of the Company do not recommend dividend for the Financial Year ended 31st March, 2020.

(v) The name and address of each Stock Exchange at which the Company's securities are listed and a confirmation about payment of annual listing fee to each such stock exchange:

The Company's shares are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The Company has paid the listing fees to BSE Ltd. for the year 2020-21.

(vi) Stock Code on BSE Ltd.: 509546

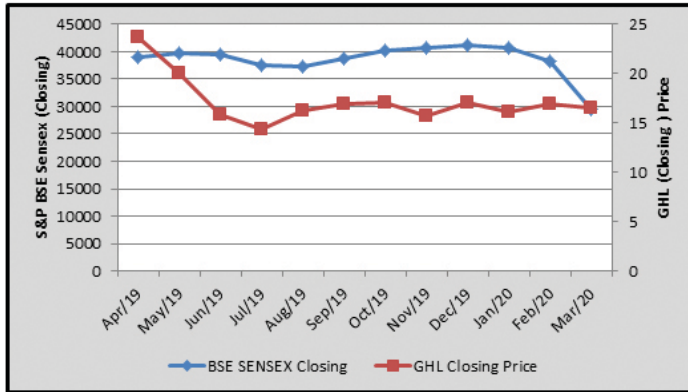
(vii) ISIN: INE214F01026

(viii) Market Price Data - High/ low, Number and Value of shares traded during each month in the financial year 2019-2020:

Month	High (in Rupees)	Low (in Rupees)	No. of Shares traded	No. of Trades	Total Turnover (in Rupees)
April, 2019	28.9	19.95	21,281	81	4,95,742
May, 2019	24.2	19.9	43,634	41	9,57,110
June, 2019	19	15.15	21,869	54	3,54,364
July, 2019	17.25	13.8	21,112	38	3,10,031
August, 2019	16.21	13	6,423	26	95,288
September, 2019	16.9	14.65	22,289	5	3,58,844
October, 2019	17.05	15.3	2,095	10	32,146
November, 2019	17	14.9	23,569	25	3,56,939
December, 2019	17.9	15.5	14,639	27	2,40,513
January, 2020	16.2	12.6	6,755	38	94,503
February, 2020	17.7	16.1	4,295	17	73,843
March, 2020	16.5	16.5	73	3	1,204

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

The chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2019-20 (based on month end closing).



(x) Registrar & Share Transfer Agent

Members may correspond with the Company's Registrars and Share Transfer Agent, Link Intime India Private Limited, quoting their folio numbers/ DP ID and Client ID at the following address:

**Link Intime India Private Limited**  
 C-101, 247 Park, L. B. S. Marg,  
 Vikhroli West, Mumbai - 400 083.  
 Telephone Number: 022-49186270  
 Fax Number: 022-49186060  
 Email: [nt.helpdesk@linkintime.co.in](mailto:nt.helpdesk@linkintime.co.in)

(xi) Share Transfer System:

Documents for transfer of shares in physical form can be lodged with Link Intime India Private Limited at its address given above. The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects.

(xii) Distribution of Shareholding

Holding of Nominal Value: ₹2/-

Range	Number of shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1 to 500	916	66.33	2,48,768	0.35
501 to 1000	213	15.42	2,00,096	0.28
1001 to 2000	88	6.37	1,55,150	0.22
2001 to 3000	39	2.82	1,00,949	0.14
3001 to 4000	14	1.01	53,577	0.08
4001 to 5000	45	3.26	2,04,178	0.30
5001 to 10000	26	1.88	1,86,525	0.26
Greater than 10000	40	2.90	6,93,69,892	98.37
<b>Total</b>	<b>1,381</b>	<b>100.00</b>	<b>7,05,19,135</b>	<b>100.00</b>

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(xiii) Shareholding Pattern:

Sr. No.	Category of Shareholders	Total Holding	Percentage
1.	Promoter & Promoter Group	5,27,36,285	74.78
2.	Overseas Bodies Corporate	36,16,932	5.13
3.	Other Bodies Corporate	1,22,34,043	17.35
4.	Trusts	0	0.00
5.	Hindu Undivided Family	70,242	0.10
6.	Non Resident Individuals	13,610	0.02
7.	Directors or Directors' Relatives	57,350	0.08
8.	Clearing Members	53	0.00
9.	Public	17,90,620	2.54
	<b>Total</b>	<b>7,05,19,135</b>	<b>100.00</b>

(xiv) Dematerialization of shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories, viz. NSDL and CDSL.

(xv) Percentage of shares held in physical and dematerialized form as on 31st March, 2020:

Physical form	:	50,10,455 (7.11%)
Electronic form with NSDL	:	6,52,37,331 (92.51%)
Electronic form with CDSL	:	2,71,349 (0.38%)

(xvi) Outstanding GDRs / ADRs or warrants or any convertible Instruments, conversion date and likely impact on Equity  
The Company does not have any outstanding ADRs/ GDRs/ Warrants or any convertible instruments.

(xvii) Commodity Price Risk or Foreign Exchange Risk and hedging activities

Not Applicable.

(xviii) Plant Locations:

The Company has one unit viz. Hotel Inter Continental, 135, Netaji Subhash Road, Marine Drive, Mumbai – 400 020.

(xix) Investor Correspondence Address:

**Graviss Hospitality Limited**

**Secretarial Department**

Corporate Office:  
Strand Cinema Building, 1st Floor,  
C. S. No. 506, Arthur Bunder Road,  
Colaba, Mumbai - 400 005.  
Telephone Number: 022-62513131

OR

**Link Intime India Private Limited**

C-101, 247 Park, L. B. S. Marg,  
Vikhroli West, Mumbai - 400 083.  
Telephone Number: 022-49186270  
Fax Number: 022-49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



**10. Other Disclosures****(i) Related Party Transactions**

All transactions entered into by the Company with related parties, during the financial year 2019-20, were in the ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

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

The Audit Committee, during the financial year 2019-20, has approved Related Party Transactions along with granting omnibus approval in line with the Policy of materiality of Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

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

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

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

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

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

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

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

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

**(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;**

The Company has complied with all mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Clauses (b) to (i) of Regulation 46(2) relating to dissemination of information on the website of the Company.

Adoption of Discretionary requirements under Part E of Schedule II to the SEBI Listing Regulations - the Internal Auditor reports directly to the audit committee.

**(v) Web link where policy for determining 'material' subsidiaries is disclosed;**

<http://www.gravishhospitality.com/pdf/Policies/POLICY FOR DETERMINING MATERIAL SUBSIDIARIES.pdf>

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

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

**(vii) Certificate from Practicing Company Secretary**

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

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

Total fees of ₹ 14,10,600/- (Rupees Fourteen Lacs Ten Thousand Six Hundred only) for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2019-20 are as under:

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

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## Annexure to Report on Corporate Governance for the Financial Year ended 31st March, 2020

To,  
The Members of Graviss Hospitality Limited

### Declaration by the Managing Director under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Gaurav Ghai, Joint Managing Director of Graviss Hospitality Limited, hereby confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2020.

Place: Mumbai  
Dated: June 30, 2020

**GAURAV GHAI**  
Joint Managing Director

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Board of Directors  
Graviss Hospitality Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief:

- (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (c) no transactions entered into during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct;
- (d) we accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (e) there have been no significant changes in internal control during this year;
- (f) there have been no significant changes in accounting policies during this year; and
- (g) there have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control systems.

Place: Mumbai  
Dated: June 30, 2020

**FARANGILAL GOYAL**  
Chief Financial Officer

**GAURAV GHAI**  
Joint Managing Director

## Certificate on Corporate Governance

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

We have examined the compliance of the conditions of Corporate Governance of **GRAVISS HOSPITALITY LIMITED** ('the Company') for the year ended on 31st March, 2020 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the year ended 31st March, 2020.

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

For and on behalf of

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

**Martinho Ferrao & Associates**  
Company Secretaries

Place: Mumbai  
Dated: June 30, 2020

## Independent Auditors' Report

### To the Members of Graviss Hospitality Limited

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of **Graviss Hospitality Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

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

##### Key Audit Matters

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

Key Audit Matter	Response to Key Audit Matter
<p><b>Investments in Subsidiaries</b></p> <p>The Company has investment in equity shares of two of its subsidiary and has also granted interest free loans to these two subsidiaries. Investments in subsidiaries are valued at cost adjusted for impairment losses. In line with "Ind AS 36 Impairment of assets", in case there is an indication of possible impairment, the Company carries out an impairment test by comparing the recoverable amount of the investments – determined according to the value in use method – and their carrying amount.</p> <p>We considered the impairment test of investments in subsidiaries as a key audit matter for our audit.</p>	<p>With reference to this key audit matter, we examined the assessment of the management that having regard to long term interest of the Company one of the subsidiaries will be able to get regular orders of decoration and earn sufficient margin to meet the fixed costs and that in the case of another subsidiary, the market value of the lands acquired would be more than the original cost and hence there is no diminution in the value of investment and recoverability of loan.</p> <p>Accordingly we considered the assessment of the management to be appropriate.</p>

##### Emphasis of Matter

Without qualifying our opinion, attention of the members is drawn to Note 49 & 50 to the standalone financial statement, in view of the matter stated therein relating to the accumulated losses of two subsidiaries as at 31st March, 2020,

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keeping in mind the factors stated in the Note, there is no diminution in the value of investments in the subsidiaries and the loans given to the subsidiaries are considered good of recovery.

We also draw attention to Note 54 to the standalone financial statement, which describe the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the Management. Our opinion is not modified in respect of the above matter.

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

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

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

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

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

## **Management's Responsibility for the Standalone Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses and unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No 35.A of the standalone financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **A.T. JAIN & CO.**  
*Chartered Accountants*  
Firm Registration No. 103886W

**SUSHIL JAIN**  
*Partner*  
Membership No.: 033809  
UDIN: 20033809AAAACR2413

Place: Mumbai  
Dated: June 30, 2020



**Annexure A to Auditor's Report****Annexure "A" to the Independent Auditor's Report of even date on the Financial Statements of GRAVISS HOSPITALITY LIMITED for the year ended 31st March, 2020**

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification as compared to the record of inventories.
- iii. According to the information and explanations given to us, the company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The company has not granted any loans, guarantees or security and has not made investments to which the provisions of section 185 and 186 of the Companies Act, 2013 apply.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act for the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records maintained by the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, goods and service tax, custom duty, excise duty, cess and other statutory dues where applicable.  
According to the information and explanations given to us, no undisputed amounts in respect of the aforesaid statutory dues were in arrears, as at 31st March, 2020, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company, there are no dues of sales tax / customs duty / wealth tax / goods and service tax / excise duty / cess, which have not been deposited on account of any dispute. In case of VAT, there is a disputed demand of tax and penalty of Rs. 88 lacs for the year 2010-11 which is contested before the Appellate Tribunal.
- viii. On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks. The company has not taken any loan from any financial institution or by way of issue of debentures.
- ix. In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer during the year. In our opinion, the term loans taken have been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us and based on audit procedures performed and representations obtained from the management, we report that no fraud on or by the company, has been noticed or reported during the year under audit.
- xi. According to the information and explanations given to us and based on verification of records, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence clause (xii) of the order is not applicable.
- xiii. According to the information and explanations given to us, the transactions with related parties were entered in to at reasonable rates and were approved by the Audit Committee or the Board of Directors in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by applicable Indian Accounting Standard.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us and based on verification of records, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **A.T. JAIN & CO.**  
*Chartered Accountants*  
Firm Registration No. 103886W

**SUSHIL JAIN**  
*Partner*

Place: Mumbai  
Dated: June 30, 2020

Membership No.: 033809  
UDIN: 20033809AAAACR2413

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## Annexure B

### Annexure “B” to the Independent Auditor’s Report of even date on the Financial Statements of GRAVISS HOSPITALITY LIMITED for the year ended 31st March, 2020

#### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Graviss Hospitality Limited as of March 31st, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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



## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on “the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For **A.T. JAIN & CO.**  
*Chartered Accountants*  
Firm Registration No. 103886W

**SUSHIL JAIN**

*Partner*

Membership No.: 033809

UDIN: 20033809AAAACR2413

Place: Mumbai

Dated: June 30, 2020

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## Balance Sheet

as at 31st March, 2020

Particulars	Note No.	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	5	5,506.09	15,930.39
Capital Work-in-Progress	5	—	124.91
Right of Use Asset	5.1	10,179.48	—
<b>Financial Assets</b>			
Investments	6	189.36	195.48
Trade receivables	11	38.25	38.25
Loans	7	8,216.70	8,480.36
Others	8	68.98	68.82
Income Tax assets (Net)		59.24	48.38
Other Non-current assets	9	300.00	300.00
<b>Total Non-current assets</b>		<b>24,558.10</b>	<b>25,186.59</b>
<b>Current assets</b>			
Inventories	10	172.13	153.48
<b>Financial Assets</b>			
Investments			
Trade receivables	11	436.10	879.00
Cash and cash equivalents	12	110.06	122.26
Other Balances with Banks	13	6.67	5.46
Loans	14	9.54	8.54
Other Financial Assets	15	1.48	0.28
Income Tax assets (Net)		25.13	30.52
Other current assets	16	67.83	159.31
<b>Total current assets</b>		<b>815.46</b>	<b>1,377.51</b>
<b>Total Assets</b>		<b>25,373.56</b>	<b>26,564.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	17	1,410.39	1,410.39
Other Equity	18	19,112.90	20,017.69
<b>Total Equity</b>		<b>20,523.29</b>	<b>21,428.08</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	238.78	383.49
Deferred tax liabilities (Net)	20	1,781.93	2,045.93
<b>Total Non-current liabilities</b>		<b>2,020.71</b>	<b>2,429.42</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	21	1,000.57	998.45
<b>Trade payables</b>	22	—	—
Total outstanding dues of Micro and Small Enterprises		—	—
Total outstanding dues of creditors other than Micro and Small Enterprises		855.40	872.40
Other Financial Liabilities	23	899.61	762.46
Other Current liabilities	24	38.93	64.65
Provisions	25	35.04	8.63
<b>Total current liabilities</b>		<b>2,829.56</b>	<b>2,706.59</b>
<b>Total Liabilities</b>		<b>4,850.26</b>	<b>5,136.01</b>
<b>Total Equity and Liabilities</b>		<b>25,373.56</b>	<b>26,564.09</b>

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

1 to 56

As per our separate report of even date

For **A.T. Jain & Co.**

Chartered Accountants

Firm Registration No. 103886W

**SUSHIL JAIN**

Partner (Membership No. 033809)

Place: Mumbai

Dated: June 30, 2020

**GAURAV GHAI**

Joint Managing Director

(DIN:00074857)

**F.L. GOYAL**

Chief Financial Officer

**M.V. DOSHI**

Director

(DIN:00123243)

**KAINAAZ BHARUCHA**

Company Secretary

**Statement of Profit and Loss Account**  
for the year ended 31st March, 2020

Particulars	Note No.	For the year ended 31/03/2020 (Rs. in lacs)	For the year ended 31/03/2019 (Rs. in lacs)
<b>INCOME</b>			
Revenue from operations	26	3,946.99	4,672.35
Other Income	27	69.23	82.58
<b>Total Income</b>		<b>4,016.22</b>	<b>4,754.93</b>
<b>EXPENSES</b>			
Food and Beverages consumed	28	586.03	811.25
Employee benefits expense	29	1,330.96	1,215.97
Finance costs	30	162.88	150.00
Depreciation and amortisation expenses	31	609.37	504.05
Other expenses	32	2,459.76	2,587.51
<b>Total Expenses</b>		<b>5,149.00</b>	<b>5,268.78</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(1,132.78)</b>	<b>(513.85)</b>
<b>Tax expense:</b>			
Deferred Tax (Net) (Refer Note "20")		254.94	117.63
<b>Excess Provision for Tax of earlier years reversed</b>		<b>—</b>	<b>214.95</b>
<b>Total Tax Expenses</b>		<b>254.94</b>	<b>332.58</b>
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>(877.84)</b>	<b>(181.27)</b>
<b>Other comprehensive income:</b>			
(i) Items that will not be reclassified to profit or loss	33	(36.01)	18.81
(ii) Income tax relating to items that will not be reclassified to profit or loss		9.06	(5.23)
(iii) Items that will be reclassified to profit or loss		—	—
(iv) Income tax relating to items that will be reclassified to profit or loss		—	—
<b>Other comprehensive income for the year</b>		<b>(26.95)</b>	<b>13.58</b>
<b>Total comprehensive income for the year</b>		<b>(904.80)</b>	<b>(167.69)</b>
<b>Earning per equity share – Rs.</b>			
(a) Basic	34	(1.28)	(0.24)
(b) Diluted		(1.28)	(0.24)

Summary of Significant Account Policies and  
Other Notes to the Financial Statements

1 to 56

As per our separate report of even date

For **A.T. Jain & Co.**

Chartered Accountants

Firm Registration No. 103886W

**SUSHIL JAIN**

Partner (Membership No. 033809)

Place: Mumbai

Dated: June 30, 2020

**GAURAV GHAI**

Joint Managing Director

(DIN:00074857)

**F.L. GOYAL**

Chief Financial Officer

**M.V. DOSHI**

Director

(DIN:00123243)

**KAINAAZ BHARUCHA**

Company Secretary

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## Cash Flow Statement for the Year Ended 31st March, 2020

Particulars	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit before taxation, and extraordinary item	(1,132.78)	(513.85)	
Less: Remeasurement of Employees Benefits Adjusted in OCI	(36.01)	18.81	
Net profit before Tax After Adjustment in OCI	(1,168.79)	(495.04)	
Adjustments for:			
<b>Non Cash Items</b>			
Depreciation and Amortisation Expenses	609.37	504.05	
Finance Cost	162.88	150.00	
Interest Income	(4.78)	(54.49)	
Dividend Income	(0.01)	(0.06)	
(Profit) / loss on sale of fixed assets	—	(26.18)	
	<b>767.46</b>	<b>573.32</b>	
<b>Operating profit before working capital changes</b>	<b>(401.33)</b>	<b>78.28</b>	
<b>Adjustments for:</b>			
Trade and other receivables	442.90	(298.23)	
Inventories	13.49	(18.66)	
Loans	263.66	25.68	
Other current assets	87.91	(12.16)	
Other Financial Liabilities	137.16	108.29	
Other Current Liabilities	0.68	(31.48)	
Trade and other payables	(17.00)	398.41	
	<b>928.82</b>	<b>171.85</b>	
<b>Cash generations from operations</b>	<b>527.49</b>	<b>250.13</b>	
Direct taxes paid	(5.48)	173.16	
<b>Net cash flow from Operating Activities</b>	<b>522.01</b>	<b>423.29</b>	
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(239.66)	(600.82)	
Sale of Fixed Assets	—	85.53	
(Purchase)/Sales of Investments	6.12	1.58	
Interest Income	4.78	54.49	
Dividend Income	0.01	0.06	
<b>Net cash used in Investing Activities</b>	<b>(228.74)</b>	<b>(459.16)</b>	
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Long-term borrowings	20.40	209.11	
Repayment of Long-term borrowings	(165.10)	(165.10)	
Short Term borrowings (Net)	2.12	118.53	
Finance Cost	(162.88)	(150.00)	
<b>Net cash used in financing activities (C)</b>	<b>(305.47)</b>	<b>12.54</b>	
<b>Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(12.20)</b>	<b>(23.33)</b>	
Opening Cash and Cash Equivalents	<b>122.26</b>	145.59	
Closing Cash and Cash Equivalents	<b>110.06</b>	122.26	
	<b>12.20</b>	<b>23.33</b>	
Breakup of Opening Cash and Cash Equivalents			
<b>Balances with Banks</b>			
In Current Accounts	<b>97.76</b>	136.60	
Cash on Hand	<b>24.50</b>	8.98	
Cash and Cash Equivalents	<b>122.26</b>	145.58	
Breakup of Closing Cash and Cash Equivalents			
<b>Balances with Banks</b>			
In Current Accounts	<b>78.87</b>	97.76	
Cash on Hand	<b>31.19</b>	24.50	
Cash and Cash Equivalents	<b>110.06</b>	122.26	
<b>Disclosure as per Ind AS -7 as below:</b>			
<b>Particulars</b>	01-04-19	Cash Flows	<b>31-03-2020</b>
Long Term Borrowings	383.49	(144.70)	<b>238.78</b>
Short Term Borrowings	998.45	2.12	<b>1,000.57</b>
Total Liabilities from financing activities	<b>1,381.93</b>	<b>(142.58)</b>	<b>1,239.36</b>

As per our separate report of even date

For **A.T. Jain & Co.**

Chartered Accountants

Firm Registration No. 103886W

**SUSHIL JAIN**

Partner (Membership No. 033809)

Place: Mumbai

Dated: June 30, 2020

**GAURAV GHAI**

Joint Managing Director

(DIN:00074857)

**F.L. GOYAL**

Chief Financial Officer

**M.V. DOSHI**

Director

(DIN:00123243)

**KAINAAZ BHARUCHA**

Company Secretary

# GRAVISS HOSPITALITY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

	Opening balance (Rs in lacs)	Changes during the year (Rs in lacs)	Closing balance (Rs in lacs)
<b>A. Equity Share Capital</b>			
As at 31st March 2020	1,410.39	—	1,410.39
As at 31st March 2019	1410.39	—	1,410.39

	Reserves and Surplus							Total
	Retained Earnings	General Reserve	Warrants Forfeited	Securities Premium Reserve	Capital Reserve	Capital Redemp- tion Reserve	Other Compre- hensive Income	
<b>B. Other Equity</b>								
Balance as at 01st April 2019	(1,692.61)	11,320.29	850.01	9,183.07	7.78	318.52	30.63	20,017.71
Additions during the year								—
Surplus in the Statement of profit and loss	(877.84)	—	—	—	—	—	(26.95)	(904.79)
<b>Balance as at 31 March 2020</b>	<b>(2,570.45)</b>	<b>11,320.29</b>	<b>850.01</b>	<b>9,183.07</b>	<b>7.78</b>	<b>318.52</b>	<b>3.68</b>	<b>19,112.93</b>

### C. Nature of reserves

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

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

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### NOTE NO 1

#### Company Overview

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

### NOTE NO. 2

#### Basis for preparation:

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

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

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 30-06-2020.

### NOTE NO. 3

#### Use of Judgement, Assumptions and Estimates

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

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

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

### NOTE NO. 4

#### SIGNIFICANT ACCOUNTING POLICIES

##### A. Property, plant & equipment

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

##### B Right of use asset

The company has leasehold land which is a finance lease. The carrying amount representing the fair value (revalued before the date of transition to Ind AS) of the leased land, is recognized under Right-of-Use asset and is treated as deemed cost on adoption of Ind AS. The Right-of-Use assets are stated at cost, less accumulated depreciation and accumulated impairment loss, if any.

## NOTES FORMING PART OF THE BALANCE SHEET

### C Depreciation

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

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

- b) Residual value of building and vehicles is estimated at 5% of the original cost and at nil value for all other assets.
- c) Items of property, plant and equipment costing not more than Rs.5,000 each are depreciated at 100 percent in the year in which they are capitalised.
- d) Expenditure on major repairs and overhauls which qualify for recognition in the item of Property, Plant and Equipment and which result in additional useful life, is depreciated over the extended useful life of the asset as determined by technical evaluation.
- e) Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.
- f) Leasehold Land is amortised over the lease term.

### D Accounting for Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" which replaces Ind AS – 17.

#### The Company as a Lessee

On Inception of a Contract, the Company (as a lessee) assesses whether a contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life. The Company applies Ind AS – 36 to determine whether a Right-of-Use asset is impaired and accounts for any identified impairment loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates that the Company would have to pay to borrow funds. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

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### **E Inventories**

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

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

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

### **F Revenue Recognition**

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

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

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

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

### **G Employee Benefits**

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

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

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

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

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

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

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

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

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

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

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

### **H Borrowing costs**

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

### **I Foreign Currency Transactions**

#### **Monetary items:**

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



## NOTES FORMING PART OF THE BALANCE SHEET

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

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

### **Non – Monetary items:**

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

### **J Provisions, Contingent Liabilities and Contingent assets**

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

### **K Fair Value measurement**

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

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

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

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

### **L Financial Instruments**

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

#### **Financial assets**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement**

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

Financial Assets at amortised cost

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

##### **Financial Assets at amortised cost**

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

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The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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

### **Financial assets at FVTPL**

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

### **Equity investments in subsidiaries**

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

### **Derecognition**

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

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

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

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

### **Financial liabilities**

#### **Initial recognition and measurement.**

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

#### **Subsequent measurement**

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

#### **Loans and borrowings**

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

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

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

This category generally applies to borrowings.

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

#### **Derecognition**

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

#### **Offsetting of financial instruments**

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

### **M Classification of Assets and Liabilities as Current and Non-Current:**

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

**NOTES FORMING PART OF THE BALANCE SHEET**

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**N Impairment****Financial Assets**

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

**Non-financial Assets**

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

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

**O Taxes on Income****Current Tax**

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

**Deferred tax**

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

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

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

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

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

**P Earnings per share**

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

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

**Q Cash and Cash equivalents**

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

**Cash Flows**

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

**R Government Grants**

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

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

### NOTE '5' – PROPERTY, PLANT AND EQUIPMENT:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	At fair value as on 01/04/2019	Additions and other transfers	Reclassified on account of adoption of Ind AS 116	Sales and other deductions	At fair value as on 31/03/2020	Opening Depreciation as on 01/04/2019	For the year	Dep on sold assets	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
Land	10,266.48	—	10,266.48	—	—	—	—	—	—	—	10,266.48
Building	4,871.40	141.63	—	—	<b>5,013.03</b>	542.68	205.64	—	<b>748.32</b>	<b>4,264.71</b>	4,328.72
Premises	43.93	—	—	—	<b>43.93</b>	43.93	—	—	<b>43.93</b>	—	—
Plant and Machinery	264.76	26.84	—	—	<b>291.60</b>	143.67	27.10	—	<b>170.77</b>	<b>120.83</b>	121.09
Furniture & Fixtures	1,327.50	111.53	—	—	<b>1,439.03</b>	445.27	216.15	—	<b>661.42</b>	<b>777.60</b>	882.23
Office Equipments	409.76	44.07	—	—	<b>453.82</b>	254.59	14.08	—	<b>268.67</b>	<b>185.16</b>	155.17
Vehicles	208.85	38.06	—	—	<b>246.91</b>	82.80	31.27	—	<b>114.08</b>	<b>132.83</b>	126.05
Computers	72.05	2.44	—	—	<b>74.49</b>	21.40	28.13	—	<b>49.53</b>	<b>24.96</b>	50.65
<b>Total</b>	<b>17,464.73</b>	<b>364.56</b>	<b>10,266.48</b>	<b>—</b>	<b>7,562.81</b>	<b>1,534.34</b>	<b>522.37</b>	<b>—</b>	<b>2,056.71</b>	<b>5,506.09</b>	<b>15,930.39</b>
Previous year	16,974.74	549.34	—	59.35	<b>17,464.73</b>	1,030.29	504.05	—	<b>1,534.34</b>	<b>15,930.39</b>	—

### NOTE '5.1' – RIGHT OF USE ASSET:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	At fair value as on 01/04/2019	Additions and other transfers	Reclassified on account of adoption of Ind AS 116	Sales and other deductions	At fair value as on 31/03/2020	Opening Depreciation as on 01/04/2019	For the year	Dep on sold assets	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
Land	—	—	10,266.48	—	<b>10,266.48</b>	—	87.00	—	<b>87.00</b>	<b>10,179.48</b>	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>10,266.48</b>	<b>—</b>	<b>10,266.48</b>	<b>—</b>	<b>87.00</b>	<b>—</b>	<b>87.00</b>	<b>10,179.48</b>	<b>—</b>
Previous year	—	—	—	—	—	—	—	—	—	—	—

## NOTES FORMING PART OF THE BALANCE SHEET

	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
<b>NOTE '6' – NON CURRENT INVESTMENT:</b>		
<b>TRADE INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE):</b>		
<b>Unquoted equity instruments:</b>		
Investment in subsidiaries		
50,000 of Graviss Hotels and Resorts Limited of Rs. 10 each	5.00	5.00
76,422 (out of which 50 jointly held with third parties) of Graviss Catering Private Limited of Rs. 10 each	12.89	12.89
245,000 of Hotel Kankeshwar Private Limited of Rs. 10 each	170.00	170.00
<b>NON-TRADE INVESTMENTS:</b>		
<b>INVESTMENTS AT COST</b>		
Unquoted:		
530 Equity shares of The Saraswat Co-operative Bank Ltd., of Rs. 10 each	—	0.05
20 Shares of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each	0.01	0.01
<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
Quoted:		
3,820 Equity Shares of Edelweiss Capital Limited of Rs.1 each	1.46	7.53
	<b>189.36</b>	195.48
Aggregate value of unquoted investments	187.90	187.95
Aggregate value of quoted investments	1.46	7.53
Market value of quoted investments	1.46	7.53
<b>NOTE '7' – LONG-TERM LOANS AND ADVANCES:</b>		
Security Deposits	1,095.24	1,096.34
<b>Loans to Related Parties:</b>		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	7,121.47	7,384.03
iii Which have significant increase in Credit Risk	—	—
iv Credit Impaired	—	—
	<b>8,216.70</b>	8,480.37
<b>NOTE '8' – OTHER NON-CURRENT FINANCIAL ASSETS:</b>		
Margin Money Deposit with Bank	68.98	68.82
	<b>68.98</b>	68.82
<b>NOTE '9' – OTHER NON-CURRENT ASSETS:</b>		
Capital advance	300.00	300.00
<b>NOTE '10' – INVENTORIES (Valued at lower of cost and net realisable value):</b>		
Food and Beverages	121.10	117.38
Stores and Other Operating Supplies	37.54	54.75
	<b>158.64</b>	172.13

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
<b>NOTE '11' – TRADE RECEIVABLES:</b>		
<b>Non Current:</b>		
(a) Trade receivable from others		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	38.25	38.25
iii Which have significant increase in Credit Risk	—	—
iv Unsecured, Considered Doubtful	—	—
	38.25	38.25
<b>Current:</b>		
(a) Trade receivable from others		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	46.22	66.52
iii Which have significant increase in Credit Risk	—	—
iv Unsecured, Considered Doubtful	—	—
	46.22	66.52
(b) Trade receivable from related parties		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	389.88	812.48
iii Which have significant increase in Credit Risk	—	—
iv Unsecured, Considered Doubtful	—	—
	389.88	812.48
	474.35	917.25
<b>NOTE '12' – CASH AND CASH EQUIVALENTS:</b>		
Current accounts	78.87	97.76
Cash on hand	31.19	24.50
	110.06	122.26
<b>NOTE '13' – OTHER BALANCES WITH BANKS:</b>		
Earmarked balances	—	0.99
Fixed Deposit with banks maturing within one year	6.67	4.46
	6.67	5.46
<b>NOTE '14' – SHORT-TERM LOANS AND ADVANCES:</b>		
<b>Advances to others:</b>		
<b>Loans to employees:</b>		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	9.54	8.54
iii Which have significant increase in Credit Risk	—	—
iv Credit Impaired	—	—
	9.54	8.54
<b>NOTE '15' – OTHER FINANCIAL ASSETS:</b>		
Other advances	1.48	0.28
	1.48	0.28

## NOTES FORMING PART OF THE BALANCE SHEET

	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
<b>NOTE '16' – OTHER CURRENT ASSETS:</b>		
Advance to suppliers	29.60	67.15
Prepaid expenses	38.23	92.16
	<b>67.83</b>	<b>159.31</b>
 <b>NOTE '17' – SHARE CAPITAL:</b>		
<b>a Authorised :</b>		
230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company	230.00	230.00
113,500,000 Equity shares of Rs. 2 each	2,270.00	2,270.00
	<b>2,500.00</b>	<b>2,500.00</b>
 <b>b Issued, Subscribed and fully paid-up :</b>		
70,519,135 Equity shares of Rs. 2 each for cash	1,410.39	1,410.39
70,519,135	1,410.39	1,410.39
(705,19,135)		
 <b>c Reconciliation of the number of equity shares at the beginning and end of the year</b>		
Opening	70,519,135	70,519,135
Less: : Buyback of Shares	—	—
Issued during the year	—	—
Closing	<b>70,519,135</b>	<b>70,519,135</b>
 <b>d Shares held by each shareholder holding more than 5% shares</b>		
<b>Equity shares of Rs. 2 each fully paid</b>		
Graviss Holdings Private Limited - 30.93% (30.93%)	21,813,970	21,813,970
Satinetta Finlease & Investments Private Limited- 32.57% (32.57%)	22,967,844	22,967,844
Dunearn Investments (Mauritius) Pte Limited- 9.96% (9.96%)	7,025,708	7,025,708
Inter Continental Hotels Corporation, USA- 6.22% (6.22%)	4,385,235	4,385,235

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

	<b>As at 31/03/2020 (Rs. in lacs)</b>	<b>As at 31/03/2019 (Rs. in lacs)</b>
<b>NOTE '18' – OTHER EQUITY:</b>		
<b>A Reserves and Surplus</b>		
i Capital Reserves:		
Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad - As per last account	<u>7.78</u>	<u>7.78</u>
ii Warrants Forfeited Account:		
As per last account	<u>850.01</u>	<u>850.01</u>
iii Securities Premium Account:		
As per last account	<u>9,183.07</u>	<u>9,183.07</u>
	<u>9,183.07</u>	<u>9,183.07</u>
iv Capital Redemption Reserve Account:		
As per last account	<u>318.52</u>	<u>318.52</u>
	<u>318.52</u>	<u>318.52</u>
v General Reserve:		
As per last account	<u>11,320.29</u>	<u>11,320.29</u>
	<u>11,320.29</u>	<u>11,320.29</u>
vi Retained Earnings:		
Opening balance	<u>(1,692.61)</u>	<u>(1,511.35)</u>
Add : Opening balance adjustment due to Ind AS	<u>—</u>	<u>—</u>
Add : Net profit after tax transferred from Statement of Profit and Loss	<u>(877.84)</u>	<u>(181.27)</u>
Balance in Profit and Loss account	<u>(2,570.45)</u>	<u>(1,692.61)</u>
	<u>19,109.22</u>	<u>19,987.06</u>
<b>B Other Comprehensive Income</b>		
As per last account	<u>30.63</u>	<u>17.05</u>
Addition during the year	<u>(26.95)</u>	<u>13.58</u>
Closing balance	<u>3.68</u>	<u>30.63</u>
	<u>19,112.90</u>	<u>20,017.69</u>



## NOTES FORMING PART OF THE BALANCE SHEET

## Non-current Liabilities:

## NOTE '19' – BORROWINGS:

## a) Term loans from Bank : (Refer Note "23")

## Axis Bank

— Term Loan (Secured) - II	13.37	84.08
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**Note:**

Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 60 monthly installments of Rs. 6.25 lacs each along with interest, from April 2016. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.

— Term Loan (Secured) - III	18.54	42.87
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**Note:**

Term loan from bank carries interest @ 12% p.a. The loan is repayable in 60 monthly installments of Rs. 1.67 lacs each along with interest, from March 2017. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.

— Term Loan (Secured) - IV	121.57	161.68
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**Note:**

Term loan from bank carries interest @ 11.15% p.a. The loan is repayable in 60 monthly installments of Rs. 3.33 lacs each along with interest, from April 2019. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.

b) Deferred payment liabilities:	85.30	94.86
(carry interest rates ranging from 10% to 12%, repayable in various EMIs and secured by hypothecation of vehicles. Last EMI maturing on March 2025)		
	238.78	383.49

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

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

(Rs. in lacs)

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

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
<b>For The Year Ended 31st March 2020</b>				
<b>Deferred Tax Liabilities</b>				
Difference between accounting and tax	151.30	5.81	—	157.11
On revaluation of leasehold land	2,393.04	(21.63)	—	2,371.41
<b>Total Deferred Tax Liabilities</b>	<b>2,544.34</b>	<b>(15.82)</b>	<b>—</b>	<b>2,528.52</b>
<b>Deferred Tax Assets</b>				
Expenses Allowed on Payment Basis	116.30	3.99	9.06	129.35
Unabsorbed Depreciation	382.11	235.13	—	617.24
<b>Total Deferred Tax Assets</b>	<b>498.41</b>	<b>239.12</b>	<b>9.06</b>	<b>746.59</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>2,045.93</b>	<b>(254.94)</b>	<b>(9.06)</b>	<b>1,781.93</b>
<b>For The Year Ended 31st March 2019</b>				
<b>Deferred Tax Liabilities</b>				
Difference between accounting and tax	126.12	25.18	—	151.30
On revaluation of leasehold land	2,393.04	-	—	2,393.04
<b>Total Deferred Tax Liabilities</b>	<b>2,519.16</b>	<b>25.18</b>	<b>—</b>	<b>2,544.34</b>
<b>Deferred Tax Assets</b>				
Expenses Allowed on Payment Basis	90.30	31.23	(5.23)	116.30
Unabsorbed Depreciation	270.53	111.58	—	382.11
<b>Total Deferred Tax Assets</b>	<b>360.83</b>	<b>142.81</b>	<b>(5.23)</b>	<b>498.41</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>2,158.33</b>	<b>(117.63)</b>	<b>5.23</b>	<b>2,045.93</b>

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

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

Particulars	2019-20	2018-19
Profit Before Tax	(1,132.78)	(513.85)
Applicable Tax Rate	25.17%	27.82%
Tax Using the Applicable Tax Rate	(285.10)	(142.95)
Tax Effect of:		
Add: Non-Deductible Tax Expenses	—	—
Add: Recognition of Tax Effect of Previously Unrecognized Tax Gains / (Losses)	(10.63)	30.55
Less: Rate Difference	31.73	—
Less: Investment Allowance Deduction	—	—
<b>Tax Expense Recognized in the Statement of Profit &amp; Loss</b>	<b>(264.00)</b>	<b>(112.40)</b>
<b>Weighted Average Tax Rate</b>	<b>23.31%</b>	<b>21.87%</b>

The tax rate of 25.168% is applicable to the next financial year as well.

## NOTES FORMING PART OF THE BALANCE SHEET

	For the Year ended 31/03/2020 (Rs. in lacs)	For the Year ended 31/03/2019 (Rs. in lacs)
Tax Expenses recognized in the Statement of Profit & Loss / Other Comprehensive Income (OCI) are as below:		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
A. Current Tax Expense	—	—
B. Deferred Tax Expense / (Asset) relating to		
— Origination and reversal of temporary differences	(295.73)	112.40
— Change in tax rates	31.73	—
— Recognition of previously unrecognized tax losses / (gains)	—	—
<b>Total</b>	<b>(264.00)</b>	<b>112.40</b>
Tax Expenses recognized in the Statement of Profit & Loss	(264.00)	112.40
Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI	9.06	5.23
	<b>As at 31/03/2020 (Rs. in lacs)</b>	<b>As at 31/03/2019 (Rs. in lacs)</b>
<b>Current Liabilities:</b>		
<b>NOTE '21' – SHORT-TERM BORROWINGS:</b>		
<b>Loans repayable on demand from Bank (secured):</b>		
Axis Bank	1,000.57	998.45
<b>Note:</b>		
Overdraft from bank carries interest @ 11.65% p.a. The loan is repayable on demand. The loan is secured by exclusive first charge by way of hypothecation over entire current assets and first charge on entire movable fixed assets of the company.		
	<b>1,000.57</b>	<b>998.45</b>
<b>NOTE '22' – TRADE PAYABLES:</b>		
Total outstanding dues of Micro and Small Enterprises	—	—
Total outstanding dues of creditors other than Micro and Small Enterprises	855.40	872.40
	<b>855.40</b>	<b>872.40</b>
<b>NOTE '23' – OTHER CURRENT FINANCIAL LIABILITIES:</b>		
Unpaid Dividends (Not due to be deposited into Investor Education and Protection Fund)	—	0.99
Expenses payable	418.05	403.08
Interest free security deposits	7.87	7.87
Advance from customers	79.69	31.05
Gratuity obligation	217.54	150.02
Others (Provident Fund, ESIC etc)	10.57	13.77
<b>Current maturities of long term debt: (Refer Note "19")</b>		
Term Loans repayable in 12 months		
— Indian Rupee Loan	135.04	135.96
— Deferred Payment Liability	30.86	19.72
	<b>899.61</b>	<b>762.46</b>

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

	<b>As at 31/03/2020 (Rs. in lacs)</b>	As at 31/03/2019 (Rs. in lacs)
<b>NOTE '24' – OTHER CURRENT LIABILITIES:</b>		
Statutory dues payable*	38.93	64.65
	<u>38.93</u>	<u>64.65</u>
*Statutory dues primarily include payables in respect of service tax, VAT, SGST,CGST, tax deducted at source)		
<b>NOTE '25' – SHORT-TERM PROVISIONS:</b>		
Provision for leave benefits	35.04	8.63
	<u>35.04</u>	<u>8.63</u>
	<b>For the Year ended 31/03/2020 (Rs. in lacs)</b>	For the Year ended 31/03/2019 (Rs. in lacs)
<b>NOTE '26' – REVENUE FROM OPERATIONS:</b>		
Sales-Rooms	1,514.37	1,666.74
Sales-Food and Beverages	2,302.25	2,798.90
Sale of services	130.37	206.71
	<u>3,946.99</u>	<u>4,672.35</u>
<b>NOTE '27' – OTHER INCOME:</b>		
Interest received on deposits with banks	4.78	54.49
Dividend income	0.01	0.06
Gain/(Loss) on sale of assets	—	26.18
Mark to Market gain /(loss) on equity shares	(6.07)	(1.58)
Unclaimed Credit balances written back	65.86	—
Miscellaneous receipts	4.65	3.43
	<u>69.23</u>	<u>82.58</u>
<b>NOTE '28' – FOOD AND BEVERAGES CONSUMED:</b>		
Opening stock	117.38	144.26
Add: Purchases	589.75	784.37
	<u>707.13</u>	<u>928.63</u>
Less: Closing stock	121.10	117.38
	<u>586.03</u>	<u>811.25</u>
<b>NOTE '29' – EMPLOYEE BENEFITS EXPENSE:</b>		
(refer Note "37")		
Salaries and wages (including bonus and gratuity)	1,227.97	1,108.52
Contributions to :		
Provident, Family Pension and other Funds	69.25	72.76
Staff welfare expenses	33.74	34.69
	<u>1,330.96</u>	<u>1,215.97</u>

## NOTES FORMING PART OF THE BALANCE SHEET

	<b>For the Year ended 31/03/2020 (Rs. in lacs)</b>	<b>For the Year ended 31/03/2019 (Rs. in lacs)</b>
<b>NOTE '30' – FINANCE COSTS:</b>		
Interest expense (Bank loans)	<u>162.88</u>	<u>150.00</u>
	<u><b>162.88</b></u>	<u><b>150.00</b></u>
<b>NOTE '31' – DEPRECIATION AND AMORTISATION EXPENSES:</b>		
Depreciation of tangible assets	<u>522.37</u>	<u>504.05</u>
Depreciation of right of use assets	<u>87.00</u>	<u>—</u>
	<u><b>609.37</b></u>	<u><b>504.05</b></u>
<b>NOTE '32' – OTHER EXPENSES:</b>		
<b>Operating Expenses:</b>		
Power, Fuel and Water	<u>320.45</u>	<u>321.76</u>
Repairs and Maintenance:		
Building	<u>63.86</u>	<u>63.03</u>
Machinery	<u>15.07</u>	<u>16.78</u>
Others	<u>185.94</u>	<u>182.45</u>
Stores and Supplies including Linen and Uniforms	<u>153.14</u>	<u>139.17</u>
Washing and Laundry expenses	<u>80.52</u>	<u>89.89</u>
Business Operating expenses	<u>274.99</u>	<u>254.66</u>
Music and other Operating expenses	<u>68.06</u>	<u>83.72</u>
<b>General Expenses:</b>		
Rent	<u>19.47</u>	<u>15.07</u>
Rates and Taxes	<u>129.67</u>	<u>142.21</u>
Insurance	<u>33.86</u>	<u>34.15</u>
Hire charges	<u>5.25</u>	<u>4.67</u>
Advertisement and Sales Promotion	<u>228.99</u>	<u>228.88</u>
Credit Card charges	<u>50.03</u>	<u>56.34</u>
Travelling and Conveyance	<u>207.59</u>	<u>232.18</u>
Printing and Stationery	<u>18.13</u>	<u>22.38</u>
Postage and Telephones	<u>31.75</u>	<u>31.60</u>
Other expenses	<u>200.26</u>	<u>168.44</u>
Payments to Auditors (Note "38")	<u>12.96</u>	<u>8.00</u>
Legal and Professional charges	<u>218.25</u>	<u>335.52</u>
Exchange Rate Difference	<u>(0.14)</u>	<u>0.24</u>
Franchise and Corporate Service fees	<u>105.34</u>	<u>153.88</u>
Directors Sitting fees	<u>5.81</u>	<u>2.49</u>
Service / Sales Tax Paid	<u>30.52</u>	<u>—</u>
	<u><b>2,459.76</b></u>	<u><b>2,587.51</b></u>

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

	<b>For the Year ended 31/03/2020 (Rs. in lacs)</b>	<b>For the Year ended 31/03/2019 (Rs. in lacs)</b>
<b>NOTE '33' – OTHER COMPREHENSIVE INCOME:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of Defined Benefit Plans	(36.01)	18.81
<b>Income tax relating to items that will not be reclassified to profit or loss</b>		
Remeasurement of Defined Benefit Plans	9.06	(5.23)
<b>NOTE '34' – EARNINGS PER EQUITY SHARE (BASIC AND DILUTED):</b>		
Net profit after Taxation (in Rs.)	(904.80)	(167.69)
Weighted average number of equity shares	70,519,135	70,519,135
Earnings per equity shares (in Rs.)	(1.28)	(0.24)
Nominal value per share (Rs.)	2.00	2.00
<b>NOTE '35' – A. CONTINGENT LIABILITIES:</b>		
i Bank Guarantees given to the extent of Rs. 13.61 lacs (previous year Rs. 13.61 lacs).		
ii In the matter of VAT demand and penalty of Rs. 88 lacs for the year 2010-11, the Company is hopeful of getting the order in its favour and hence has not made provision for the same in the financial statements.		
<b>B. Capital and Other Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account- Rs. NIL -(Previous year-Rs. NIL lacs)		
Note: Commitments which are material and which will result in a penalty disproportionate to the benefits involved, based on the judgement of the management are only disclosed.		

## NOTES FORMING PART OF THE BALANCE SHEET

### NOTE '36' – RETIREMENT BENEFIT:

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

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

#### a Defined Contribution Plans:

The company has recognized contribution to Provident Fund of Rs.54.55 lacs in the Profit & Loss Account.

#### b Defined Benefit Plans:

	<b>Gratuity Funded</b>	
	<b>2019-20</b>	2018-19
	<b>(Rs. in lacs)</b>	(Rs. in lacs)
<b>Changes in the Present Value of Obligation</b>		
Present Value of Obligation at beginning of period	193	176
Interest Cost	3	13
Current Service Cost	39	24
Benefits Paid	(48)	—
Actuarial (Gain)/Loss on obligation	34	(20)
Present Value of Obligation at end of period	221	193
<b>Amount Recognized in the Balance Sheet and statement of profit and loss account</b>		
Present Value of Obligation at end of period	221	193
Fair Value of Plan Assets at end of period	4	43
Funded Status	(218)	(150)
Net Asset/ (Liability) recognized in the balance sheet	(218)	(150)
<b>Expenses Recognized in the statement of Profit and Loss Account</b>		
Current Service Cost	39	24
Net Interest	3	13
<b>Expenses Recognized in the statement of Profit and Loss Account</b>	42	37
<b>Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognized for the period	34	(20)
Return on Plan Assets excluding net interest	2	1
<b>Total Actuarial (Gain)/Loss recognized in (OCI)</b>	36	(19)
<b>Assumptions as at</b>		
Mortality		IALM(2012-14) Ult
Interest / Discount Rate		5.67%
Rate of increase in compensation		10%
Employee Attrition Rate (Past Service(PS)		PS:0 to 40:1.20%
<b>Sensitivity Analysis on PVO</b>		
Delta effect of 1% increase in rate of discounting	(2)	(9)
Delta effect of 1% decrease in rate of discounting	3	10
Delta effect of 1% increase in rate of rate of salary escalation	2	9
Delta effect of 1% decrease in rate of rate of salary escalation	(2)	(9)
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	173	15
Sum of years 2 to 5	31	103
Sum of years 6 to 10	22	99

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

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

	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
Salary	54	54
Contribution to provident fund	6	6
Other Perquisites	14	14
	<u>75</u>	<u>75</u>

### NOTE '38' – PAYMENTS TO AUDITORS

	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
Audit Fee	7	7
Certification fee	2	2
Other service	5	—
	<u>13</u>	<u>8</u>

### NOTE '39'

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

	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
<b>Trade Receivables (Current)</b>		
Graviss Holdings Private Limited	336	761
Graviss Foods Private Limited	3	—
Ice Hospitality Pvt Ltd	51	52
	<u>390</u>	<u>813</u>
<b>Loans and Advances:</b>		
<b>Security Deposits: (Non Current)</b>		
Graviss Holdings Private Limited	250	250
Cross Word Beverages Private Limited	800	800
Graviss Brands Pvt Ltd.	2	3
	<u>1,052</u>	<u>1,053</u>

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

### NOTE '40'

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

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

##### i. Subsidiaries of the Company

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

##### ii Directors

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



## NOTES FORMING PART OF THE BALANCE SHEET

### iii Other Related parties:

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

### iv Key Managerial Personnel

Mr Ravi Ghai	Managing Director
Mr Gaurav Ghai	Joint Managing Director
Mr. F.L. Goyal	Chief Financial Officer
Ms. Kainaaz Bharucha	Company Secretary

## B. Transactions with Related Parties:

	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
<b>i Sales</b>		
Graviss Holding Private Limited & Ice Hospitality Pvt Ltd	302	1,093
<b>ii Expenditure and other services fees paid</b>		
<b>Directors (Non-Executives) Sitting Fee</b>		
Mr. Harindra Singh                      Independent	0.5	0.8
Ms Tina Pardal                              Non-Independent	1.7	0.6
Mr. Gulshan Bijlani                        Independent	1.7	0.2
Mr. Mahendra V Doshi                    Independent	1.7	0.8
Other related parties where the common control exists	31	99
<b>iii Managerial Remuneration</b>		
Managing Director and Joint Managing Director	75	75
Chief Financial Officer	38	21
Company Secretary	10	8
<b>iv Loans /Advances/ Deposits given</b>		
Other related parties where the common control exists	8,174	8,346
<b>v Debtors</b>		
Other related parties where the common control exists	390	812
<b>vi Outstanding payables</b>		
Other related parties where the common control exists	31	62

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

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

	2019-20		2018-19	
	Percentage of total consumption	Amount (Rs. in lacs)	Percentage of total consumption	Amount (Rs. in lacs)
<b>Raw Materials:</b>				
Imported	—	—	—	—
Indigenous	100	586	100	811
<b>Stores:</b>				
Imported	—	—	—	—
Indigenous	100	88	100	70

### NOTE '42' – EARNINGS IN FOREIGN EXCHANGE:

	2019-20	2018-19
a) Sale of Rooms and Food and Beverages Income	768	1,593
b) Encashment of Foreign Exchange	19	26

### NOTE '43' – EXPENDITURE IN FOREIGN CURRENCIES:

	2019-20	2018-19
a) Travelling - Directors	14	42
b) Travelling - Others	—	—
c) Agency Commission	26	11
d) Consultants Fees	—	18
e) Franchise Fees	84	100
f) Others	4	0

44. Amounts if any due to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.

45. The Company does not have any asset whose useful life if different from the significant part of that asset.

46. (i) Due to losses, no provision for current tax has been made.

(ii) Excess provision for tax of earlier years has been reversed based on the assessment / appellate orders received during the year.

47. Current and non-current classification of assets and liabilities in the balance sheet has been made based on the professional judgement of the management.

48. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Ind AS 108 Operating Segments.

49. The Company has an investment in the equity shares of Graviss Catering Private Limited, a subsidiary, with a share capital of Rs. 7.65 lacs and has also granted interest free loans to the said subsidiary of Rs. 329.31 lacs. The accumulated losses of the said subsidiary exceed its net worth. In the opinion of the management, having regard to the long term interest of the Company in the said subsidiary and considering that the subsidiary will be able to get regular orders of decoration and earn sufficient margin to meet the fixed costs, there is no diminution in the value of investments and the Company is also hopeful of recovering the loan.

50. The Company has an investment in the equity shares of Graviss Hotels and Resorts Limited, a subsidiary, with a share capital of Rs. 5 lacs and also has granted interest free loan to the said subsidiary of Rs. 6,779.49 lacs. The accumulated losses of the said subsidiary exceed its net worth. The said subsidiary had purchased lands at various places for developing hotels. Due to change in the business plans, the subsidiary is exploring to sell these lands alongwith the buildings constructed so far. In the assessment of the management, the market value of the lands acquired would be more than the original cost and hence there is no diminution in the value of investment and company is also hopeful of recovering the loan.

51. In the opinion of the management there are no indications that the assets of the company may be impaired as on the balance sheet date.

## NOTES FORMING PART OF THE BALANCE SHEET

## NOTE '52' – FAIR VALUE MEASUREMENTS:

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

(a) **Accounting classification and fair values**

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

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

<b>Financial Liabilities</b>	<b>Carrying amount at Amortised Cost</b>	Fair value	Fair value measurement hierarchy level
As on 31 March 2020			
Fixed Rate Borrowings	—	—	—
As on 31 March 2019			
Fixed Rate Borrowings	—	—	—

(b) **Measurement of fair values:**

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

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

**Financial risk management**

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

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

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

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

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

**Credit Risk**

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

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

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## NOTES FORMING PART OF THE BALANCE SHEET

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

	(Rs. in lacs)				
	Up to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Total
<b>As on 31 March 2020</b>					
Gross Carrying Amount	—	436	—	38	474
Specific Provision	—	—	—	—	—
Carrying Amount	—	436	—	38	474
<b>As on 31 March 2019</b>					
Gross Carrying Amount	—	67	812	38	917
Specific Provision	—	—	—	—	—
Carrying Amount	—	67	812	38	917

### Cash and cash equivalents:

The Company held cash and cash equivalents of Rs 110.06 lacs as at 31 March 2020 ( 31 March 2019-Rs. 122.26 lacs). The cash and cash equivalents are held with reputed banks.

### Liquidity Risk:

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

Rs in lacs

	Contractual cash flows					Total
	Carrying amount	Up to 1 year	1-2 years	2-5 years	More than 5 years*	
<b>As on 31 March 2020</b>						
Non-derivative financial liabilities						
Borrowings	1,405	1,166	135	104	—	1,405
Interest	—	—	—	—	—	—
Trade payables	855	855	—	—	—	855
<b>As on 31 March 2019</b>						
Non-derivative financial liabilities						
Borrowings	1,538	1,154	156	228	—	1,538
Interest	—	—	—	—	—	—
Trade payables	872	872	—	—	—	872

### Liquidity Risk:

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

### Interest rate risk:

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

## NOTES FORMING PART OF THE BALANCE SHEET

### Exposure to Interest rate risk:

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

Particulars	31st March 2020 (Rs. in lacs)	31st March 2019 (Rs. in lacs)
<b>Fixed-rate instruments</b>		
Financial liabilities - measured at amortised cost	—	—
<b>Variable-rate instruments</b>		
Financial liabilities - measured at amortised cost	239	383
<b>Total</b>	<b>239</b>	<b>383</b>

Cash flow sensitivity analysis for variable-rate instruments: A reasonably possible decrease by 100 basis points in interest rates at the reporting date would have positive impact (before tax) by Rs 2.38 lacs and Rs. 3.83 lacs for the outstanding balances as on 31st March 2020 and 31st March 2019. Similarly a reasonable possible increase by 100 basis points in interest would have negative impact (before tax) by same amounts.

### Currency risk:

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

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

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

### Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31st March 2020 and 31st March 2019 are as below:

	(Rs. in lacs)		
	Total	INR	USD
<b>As on 31 Mar. 2020</b>			
<b>Financial assets</b>			
Trade and other receivables	474	474	—
Loans	8,226	8,226	—
Other Non-current assets	69	69	—
Cash and Cash equivalents	110	110	—
Other Balances with Banks	7	7	—
Other Financial Assets	1	1	—
<b>Exposure for assets (A)</b>	<b>8,888</b>	<b>8,888</b>	<b>—</b>
<b>Financial liabilities</b>			
Long term borrowings	239	239	—
Short term borrowings	1,001	1,001	—
Trade and other payables	855	855	—
Other Current financial liabilities	900	900	—
<b>Exposure for liabilities (B)</b>	<b>2,994</b>	<b>2,994</b>	<b>—</b>
<b>Net exposure (B-A)</b>	<b>(5,893)</b>	<b>(5,893)</b>	<b>—</b>

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF THE BALANCE SHEET

(Rs. in lacs)

	Total	INR	USD
<b>As on 31 Mar. 2019</b>			
<b>Financial assets</b>			
Trade and other receivables	917	917	—
Loans	8,489	8,489	—
Other Non-current assets	69	69	—
Cash and Cash equivalents	122	122	—
Other Balances with Banks	5	5	—
Other Financial Assets	0	0	—
<b>Exposure for assets (A)</b>	<b>9,603</b>	<b>9,603</b>	<b>—</b>
<b>Financial liabilities</b>			
Long term borrowings	383	383	—
Short term borrowings	998	998	—
Trade and other payables	872	872	—
Other Current financial liabilities	762	762	—
<b>Exposure for liabilities (B)</b>	<b>3,017</b>	<b>3,017</b>	<b>—</b>
<b>Net exposure (B-A)</b>	<b>(6,586)</b>	<b>(6,586)</b>	<b>—</b>

### Sensitivity analysis:

A reasonably possible strengthening of the Indian Rupees against USD at March, 31 by Rs. NIL would have positive impact (before tax) by Rs NIL and Rs NIL for the net outstanding balance as on 31-03-2020 and 31-03-2019 respectively. Similarly a reasonably possible weakening of the Indian Rupee against USD would have a negative impact (before tax) by same amounts.

### Capital Management

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

### 53. Leases Ind AS 116

Effective April 1, 2019, the Company adopted Ind AS - 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

For leases previously classified as finance leases the Company recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS – 116 are only applied after that date.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' assets of Rs.10,266.48 lacs and a lease liability of Rs.NIL. The cumulative effect of applying the standard, amounting to Rs.NIL was debited/credited to retained earnings, net of taxes. Consequent to the application of this standard depreciation is higher by Rs.87 lacs and consequently Profit before tax is lower by Rs.87 lacs.

#### The following is the summary of practical expedients elected on initial application:

- i Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- ii Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- iii Excluded the initial direct costs from measurement of the right-to-use asset at the date of initial application.
- iv Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS – 116 is applied only to contracts that were previously identified as leases under Ind AS – 17.

The Company has leasehold land for a lease term of 99 years. The Company has right to renew the lease for indefinite terms.

## NOTES FORMING PART OF THE BALANCE SHEET

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54. On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the businesses of company and its subsidiaries.

Lockdown guidelines issued by Central/State governments mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies / shutdowns of our hotel and hospitality business during the lockdown phase as the Company was not part of Government denominated essential services. With the lifting of the partial lockdown restrictions, the Company is considering the re-opening of its hotel, after establishing thorough and well-rehearsed safety protocols. The Company expects its hotel to become operational in a phased manner after the lockdown is lifted and the confidence of travellers is restored. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel.

The Company has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. The Company has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

55. **Standards Issued but not yet effective**

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

56. **Previous year figures:**

Previous year's figures have been reclassified / regrouped wherever necessary to conform to current year's classification / grouping. Figures in brackets are in respect of the previous year.

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### Signature to Notes 1 to 56

As per our separate report of even date

For **A.T. Jain & Co.**

*Chartered Accountants*

Firm Registration No. 103886W

**SUSHIL JAIN**

*Partner (Membership No. 033809)*

Place: Mumbai

Dated: June 30, 2020

**GAURAV GHAI**

*Joint Managing Director*

(DIN:00074857)

**F.L. GOYAL**

*Chief Financial Officer*

**M.V. DOSHI**

*Director*

(DIN:00123243)

**KAINAAZ BHARUCHA**

*Company Secretary*

# 59TH ANNUAL REPORT

## Independent Auditors' Report To the Members of Graviss Hospitality Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Graviss Hospitality Limited** ("the Parent"), and its subsidiaries, (the parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statement of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated loss, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Emphasis of Matter

We draw attention to Note 58 to the consolidated financial statement, which describe the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the Management. Our opinion is not modified in respect of the above matter.

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

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

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

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

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

#### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation



and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statement by the Directors of the Parent, as aforesaid.

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statement of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters

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in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

We did not audit the financial statement of a subsidiary, whose financial statement reflects total assets of 223.19 Lakhs as at 31 March 2020, total revenues of Rs.5.05 lakhs and net loss after tax of Rs.10.05 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above, and our report on Other Legal Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors reports of the Parent and subsidiary companies incorporated in India. Our report expresses and unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its managing director during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No 37.A of the consolidated financial statements.
    - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - (iii) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Group.

For **A.T. JAIN & CO.**  
*Chartered Accountants*  
Firm Registration No. 103886W

**SUSHIL JAIN**  
*Partner*

Place: Mumbai  
Dated: June 30, 2020

Membership No.: 033809  
UDIN: 20033809AAAACU4197

## ANNEXURE “A”

### To the Independent Auditor’s Report of even date on the Consolidated Financial Statements of GRAVISS HOSPITALITY LIMITED for the year ended 31st March, 2020

#### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind As financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Graviss Hospitality Limited (hereinafter referred to as “Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are incorporated in India.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on “the criteria for internal financial control over financial reporting established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

#### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **A.T. JAIN & CO.**  
Chartered Accountants  
Firm Registration No. 103886W

**SUSHIL JAIN**  
Partner

Membership No.: 033809  
UDIN: 20033809AAAACU4197

Place: Mumbai  
Dated: June 30, 2020

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## Consolidated Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	6	6,599.63	17,030.32
Capital Work-in-Progress	6	999.39	1,282.64
Right of Use Asset	6.1	10,179.48	—
<b>Financial Assets</b>			
Investments	7	1.47	7.59
Trade receivables	12	38.25	38.25
Loans	8	1,101.08	1,102.08
Others	9	105.26	177.83
Income Tax assets (Net)		78.90	66.93
Other Non-current assets	10	300.00	300.00
<b>Total Non-current assets</b>		<b>19,403.46</b>	<b>20,005.64</b>
<b>Current assets</b>			
Inventories	11	4,416.78	4,407.46
<b>Financial Assets</b>			
Investments		—	—
Trade receivables	12	441.82	899.11
Cash and cash equivalents	13	294.32	132.61
Other Balances with Banks	14	374.74	5.45
Loans	15	9.54	8.54
Other Financial Assets	16	1.48	0.28
Income Tax assets (Net)		25.13	30.52
Other current assets	17	73.53	168.10
<b>Total current assets</b>		<b>5,637.34</b>	<b>5,652.07</b>
<b>Total Assets</b>		<b>25,040.80</b>	<b>25,657.71</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Equity Share capital	18	1,410.39	1,410.39
Other Equity	19	18,028.62	18,937.91
<b>Total Equity</b>		<b>19,439.01</b>	<b>20,348.30</b>
<b>Liabilities:</b>			
<b>Non-current Liabilities:</b>			
<b>Financial Liabilities:</b>			
Borrowings	20	260.25	492.15
Other non-current liabilities	21	170.90	18.06
Deferred tax liabilities (Net)	22	1,781.93	2,045.93
<b>Total Non-current liabilities</b>		<b>2,213.08</b>	<b>2,556.14</b>
<b>Current Liabilities:</b>			
<b>Financial Liabilities:</b>			
Borrowings	23	1,000.57	998.45
<b>Trade payables</b>	24		
Total outstanding dues of Micro and Small Enterprises		—	—
Total outstanding dues of creditors other than Micro and Small Enterprises		858.27	886.77
Other Financial Liabilities	25	1,447.26	794.21
Other Current liabilities	26	47.58	65.21
Provisions	27	35.04	8.63
<b>Total current liabilities</b>		<b>3,388.72</b>	<b>2,753.27</b>
<b>Total Liabilities</b>		<b>5,601.80</b>	<b>5,309.41</b>
<b>Total Equity and Liabilities</b>		<b>25,040.80</b>	<b>25,657.71</b>

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

1 TO 60

As per our separate report of even date

For **A.T. Jain & Co.**

Chartered Accountants

Firm Registration No. 103886W

**SUSHIL JAIN**

Partner (Membership No. 033809)

Place: Mumbai

Dated: June 30, 2020

**GAURAV GHAI**

Joint Managing Director

(DIN:00074857)

**F.L. GOYAL**

Chief Financial Officer

**M.V. DOSHI**

Director

(DIN:00123243)

**KAINAAZ BHARUCHA**

Company Secretary

**Consolidated Statement of Profit and Loss Account**  
for the year ended 31st March, 2020

Particulars		For the Year ended 31/03/2020 (Rs. in lacs)	For the Year ended 31/03/2019 (Rs. in lacs)
<b>INCOME</b>	<b>Note No.</b>		
Revenue from operations	28	3,954.11	4,752.00
Other Income	29	107.61	96.52
<b>TOTAL INCOME</b>		<b>4,061.72</b>	<b>4,848.52</b>
<b>EXPENSES</b>			
Food and Beverages consumed	30	586.32	835.06
Employee benefits expense	31	1,330.96	1,215.97
Finance costs	32	163.38	150.80
Depreciation and amortisation expenses	33	615.75	510.67
Other expenses	34	2,500.28	2,655.67
<b>TOTAL EXPENSES</b>		<b>5,196.69</b>	<b>5,368.17</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(1,134.97)</b>	<b>(519.65)</b>
<b>Tax expense:</b>			
Current tax		(2.25)	(1.60)
Short provision of tax of earlier years		(0.07)	—
Deferred tax (Net) (Refer Note "22")		254.94	117.63
Excess Provision for Tax of earlier years reversed		—	214.95
Total tax expenses		252.62	330.98
<b>PROFIT /(LOSS) AFTER TAX</b>		<b>(882.35)</b>	<b>(188.67)</b>
<b>Other comprehensive income:</b>	<b>35</b>		
(i) Items that will not be reclassified to profit or loss		(36.01)	18.81
(ii) Income tax relating to items that will not be reclassified to profit or loss		9.06	(5.23)
(iii) Items that will be reclassified to profit or loss		—	—
(iv) Income tax relating to items that will be reclassified to profit or loss		—	—
<b>Other comprehensive income for the year</b>		<b>(26.95)</b>	<b>13.58</b>
<b>Total comprehensive income for the year</b>		<b>(909.30)</b>	<b>(175.09)</b>
<b>Earning per equity share- Rs.</b>	<b>36</b>		
(a) Basic		(1.29)	(0.25)
(b) Diluted		(1.29)	(0.25)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS **1 TO 60**

As per our separate report of even date

For **A.T. Jain & Co.**

Chartered Accountants

Firm Registration No. 103886W

**SUSHIL JAIN**

Partner (Membership No. 033809)

Place: Mumbai

Dated: June 30, 2020

**GAURAV GHAI**

Joint Managing Director

(DIN:00074857)

**F.L. GOYAL**

Chief Financial Officer

**M.V. DOSHI**

Director

(DIN:00123243)

**KAINAAZ BHARUCHA**

Company Secretary

# 59TH ANNUAL REPORT

## Consolidated Cash Flow Statement for the Year Ended 31st March, 2020

Particulars	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit before taxation, and extraordinary item	(1,134.97)	(519.65)	
Less: Remeasurement of Employees Benefits Adjusted in OCI	(36.01)	18.81	
Net profit before Tax After Adjustment in OCI	(1,170.98)	(500.84)	
Adjustments for:			
<b>Non Cash Items</b>			
Depreciation and Amortisation Expenses	615.75	510.67	
Finance Cost	163.38	150.80	
Interest Income	(40.46)	(57.35)	
Dividend Income	(0.01)	(0.06)	
(Profit) / loss on sale of fixed assets	—	(33.68)	
Income Recognized Against Capital Grant	738.67	570.38	
<b>Operating profit before working capital changes</b>	<b>(432.32)</b>	<b>69.54</b>	
<b>Adjustments for:</b>			
Trade and other receivables	457.29	(313.24)	
Inventories	(9.32)	(23.66)	
Loans	1.00	51.09	
Other current assets	(204.34)	4.87	
Other Financial Liabilities	653.07	112.60	
Other Current Liabilities	(17.63)	(28.51)	
Other Non Current Liabilities	152.85	—	
Trade and other payables	(2.09)	407.48	
<b>Cash generations from operations</b>	<b>598.50</b>	<b>280.16</b>	
Direct taxes paid	(8.91)	170.08	
<b>Net cash flow from Operating Activities</b>	<b>589.59</b>	<b>450.25</b>	
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(81.32)	(631.19)	
Sale of Fixed Assets	—	94.53	
(Purchase)/Sales of Investments	6.12	1.58	
Interest Income	40.46	57.35	
Dividend Income	0.01	0.06	
<b>Net cash used in Investing Activities</b>	<b>(34.72)</b>	<b>(477.68)</b>	
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Long-term borrowings	(397.00)	(127.05)	
Repayment of Long-term borrowings	165.10	165.10	
Short Term borrowings (Net)	2.12	118.53	
Finance Cost	(163.38)	(150.80)	
<b>Net cash used in financing activities (C)</b>	<b>(393.16)</b>	<b>5.78</b>	
<b>Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)</b>	<b>161.71</b>	<b>(21.65)</b>	
Opening Cash and Cash Equivalents	132.61	154.26	
Closing Cash and Cash Equivalents	294.32	132.61	
	<b>(161.71)</b>	<b>21.65</b>	
Breakup of Opening Cash and Cash Equivalents			
<b>Balances with Banks</b>			
In Current Accounts	107.76	139.37	
Cash on Hand	24.85	14.89	
Cash and Cash Equivalents	132.61	154.26	
Breakup of Closing Cash and Cash Equivalents			
<b>Balances with Banks</b>			
In Current Accounts	231.72	107.76	
Cash on Hand	62.60	24.85	
Cash and Cash Equivalents	294.32	132.61	
<b>Disclosure as per Ind AS -7 as below:</b>			
<b>Particulars</b>	01/04/2019	Cash Flows	31/03/2020
Long Term Borrowings	492.15	(231.90)	260.25
Short Term Borrowings	998.45	2.12	1,000.57
Total Liabilities from financing activities	1,490.60	(229.78)	1,260.82

As per our separate report of even date

For **A.T. Jain & Co.**

Chartered Accountants

Firm Registration No. 103886W

**SUSHIL JAIN**

Partner (Membership No. 033809)

Place: Mumbai

Dated: June 30, 2020

**GAURAV GHAI**

Joint Managing Director

(DIN:00074857)

**F.L. GOYAL**

Chief Financial Officer

**M.V. DOSHI**

Director

(DIN:00123243)

**KAINAAZ BHARUCHA**

Company Secretary

# GRAVISS HOSPITALITY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

### A. Equity Share Capital

(Rs. in lacs)

	Opening balance	Changes during the year	Closing balance
As at 31st March 2020	1,410.39	—	1,410.39
As at 31st March 2019	1,410.39	—	1,410.39

### B. Other Equity

(Rs. in lacs)

	Reserves and Surplus						Goodwill on consolidation	Other Comprehensive Income	Total
	Retained Earnings	General Reserve	Warrants Forfeited	Securities Premium Reserve	Capital Reserve	Capital Redemption Reserve			
Balance as at 01st April 2019	(2,659.99)	11,320.29	850.01	9,183.07	7.78	318.52	(112.44)	30.63	18,937.91
Additions during the year	—	—	—	—	—	—	—	—	—
Surplus in the Statement of profit and loss	(882.35)	—	—	—	—	—	—	(26.95)	(909.30)
Balance as at 31 March 2020	(3,542.34)	11,320.29	850.01	9,183.07	7.78	318.52	(112.44)	3.68	18,028.63

### C. Nature of reserves

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



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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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### 1. Group Overview:

The consolidated financial statements relate to Graviss Hospitality Limited and its subsidiary companies (referred collectively as the "Group") as at 31st March, 2020. Graviss Hospitality Limited was incorporated in 1959. The Registered Office of the Group is located at Pune. Its shares are listed in Bombay Stock Exchange (BSE). The Group and its subsidiaries are engaged in the hospitality business.

### 2. Basis for preparation, Principles of Consolidation:

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

The Financial Statements of the Group have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating the intra group balances and intra group transactions and unrealized profits or losses resulting from intra group transactions. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Group's separate financial statements. The Financial Statements of the Subsidiary Companies used in the consolidation are drawn up to the same reporting date as that of the Group, i.e 31st March, 2020.

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

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on 30-06-2020.

### 3. Companies included in Consolidation:

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

### 4. Use of Judgement, Assumptions and Estimates:

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

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

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



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**5. SIGNIFICANT ACCOUNTING POLICIES****A. Property, plant & equipment**

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

**B Right of Use Asset**

The group has leasehold land which is a finance lease. The carrying amount representing the fair value (revalued before the date of transition to Ind AS) of the leased land, is recognized under Right-of-Use asset and is treated as deemed cost on adoption of Ind AS. The Right-of-Use assets are stated at cost, less accumulated depreciation and accumulated impairment loss, if any.

**C Depreciation**

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

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

- b) Residual value of building and vehicles is estimated at 5% of the original cost and at nil value for all other assets.
- c) Items of property, plant and equipment costing not more than Rs.5,000 each are depreciated at 100 percent in the year in which they are capitalised.
- d) Expenditure on major repairs and overhauls which qualify for recognition in the item of Property, Plant and Equipment and which result in additional useful life, is depreciated over the extended useful life of the asset as determined by technical evaluation.
- e) Depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.
- f) Leasehold Land is amortised over the lease term.

**D Accounting for Leases**

Effective April 1, 2019, the group has adopted Ind AS 116 "Leases" which replaces Ind AS – 17.

**The Group as a Lessee**

On Inception of a Contract, the Group (as a lessee) assesses whether a contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. The lease term includes periods subject to extension options which the Group is reasonably certain to exercise and excludes the effect of early termination options where the Group is not reasonably certain that it will exercise the option. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life. The Group applies Ind AS – 36 to determine whether a Right-of-Use asset is impaired and accounts for any identified impairment loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates that the Group would have to pay to borrow funds. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **The Group as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

## **E Inventories**

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

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

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

## **F Revenue Recognition**

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

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

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

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

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

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**G Employee Benefits**

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

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

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

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

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

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

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

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

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

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

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

**H Borrowing costs**

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

**I Foreign Currency Transactions****Monetary items:**

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

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

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

**Non – Monetary items:**

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

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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### **J Provisions, Contingent Liabilities and Contingent assets**

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

### **K Fair Value measurement**

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

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

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

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

### **L Financial Instruments**

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

#### **Financial assets**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement**

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

Financial Assets at amortised cost

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

##### **Financial Assets at amortised cost**

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,  
and

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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- b) Contractual terms of the asset give rise on specified dates to cash flows, if any, that are solely payments of principal and interest, if applicable (SPPI) on the principal amount outstanding.

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

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

### **Financial assets at FVTPL**

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

### **Equity investments in subsidiaries**

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

### **Derecognition**

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

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

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

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

### **Financial liabilities**

#### **Initial recognition and measurement.**

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

#### **Subsequent measurement**

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

#### **Loans and borrowings**

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

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

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

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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This category generally applies to borrowings.

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

### **Derecognition**

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

### **Offsetting of financial instruments**

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

## **M Classification of Assets and Liabilities as Current and Non-Current:**

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

## **N Impairment**

### **Financial Assets**

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

### **Non-financial Assets**

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

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

## **O Taxes on Income**

### **Current Tax**

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

### **Deferred tax**

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

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

### **P Earnings per share**

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

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

### **Q Cash and Cash equivalents**

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

### **Cash Flows**

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

### **R Government Grants**

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

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE '6' – PROPERTY, PLANT AND EQUIPMENT:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	At fair value as on 01/04/2019	Additions and other transfers	Reclassified on account of adoption of Ind AS 116	Sales and other deductions	At fair value as on 31/03/2020	Opening Depreciation as on 01/04/2019	For the year	Dep on sold assets	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
Land	11,219.61	—	10,266.48	—	<b>953.13</b>	—	—	—	—	<b>953.13</b>	11,219.61
Building	5,017.68	141.63	—	—	<b>5,159.31</b>	552.80	210.26	—	<b>763.07</b>	<b>4,396.25</b>	4,464.88
Premises	43.93	—	—	—	<b>43.93</b>	43.93	—	—	<b>43.93</b>	—	—
Plant and Machinery	264.76	26.84	—	—	<b>291.60</b>	143.67	27.10	—	<b>170.77</b>	<b>120.83</b>	121.09
Furniture & Fixtures	1,339.60	111.53	—	—	<b>1,451.11</b>	448.49	217.66	—	<b>666.16</b>	<b>784.96</b>	891.10
Office Equipments	410.94	44.07	—	—	<b>455.01</b>	254.87	14.31	—	<b>269.19</b>	<b>185.82</b>	156.06
Vehicles	209.72	38.06	—	—	<b>247.76</b>	82.80	31.27	—	<b>114.08</b>	<b>133.70</b>	126.93
Computers	73.38	2.44	—	—	<b>75.82</b>	22.74	28.13	—	<b>50.87</b>	<b>24.95</b>	50.65
<b>Total</b>	<b>18,579.62</b>	<b>364.56</b>	<b>10,266.48</b>	<b>—</b>	<b>8,677.68</b>	<b>1,549.30</b>	<b>528.73</b>	<b>—</b>	<b>2,078.05</b>	<b>6,599.63</b>	<b>17,030.32</b>
Previous year	18,096.97	550.87	—	68.23	<b>18,579.62</b>	1,046.01	510.67	7.38	<b>1,549.30</b>	<b>17,030.32</b>	

### NOTE '6.1' – RIGHT OF USE ASSET:

(Rs. in lacs)

DESCRIPTION OF ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	At fair value as on 01/04/2019	Additions and other transfers	Reclassified on account of adoption of Ind AS 116	Sales and other deductions	At fair value as on 31/03/2020	Opening Depreciation as on 01/04/2019	For the year	Dep on sold assets	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
Land	—	—	10,266.48	—	<b>10,266.48</b>	—	87.00	—	<b>87.00</b>	<b>10,179.48</b>	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>10,266.48</b>	<b>—</b>	<b>10,266.48</b>	<b>—</b>	<b>87.00</b>	<b>—</b>	<b>87.00</b>	<b>10,179.48</b>	<b>—</b>
Previous year	—	—	—	—	—	—	—	—	—	—	—



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
<b>NOTE '7' – NON CURRENT INVESTMENTS:</b>		
Trade Investments (valued at cost unless stated otherwise):		
Unquoted equity instruments		
<b>NON-TRADE INVESTMENTS:</b>		
<b>INVESTMENTS AT COST:</b>		
<b>Unquoted:</b>		
530 Equity shares of The Saraswat Co-operative Bank Ltd., of Rs. 10 each	—	0.05
20 Shares of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each	0.01	0.01
<b>INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS:</b>		
<b>Quoted:</b>		
3,820 Equity Shares of Edelweiss Capital Limited of Rs. 1 each	1.46	7.53
	1.47	7.59
Aggregate value of unquoted investments	0.01	0.06
Aggregate value of quoted investments	1.46	7.53
Market value of quoted investments	1.46	7.53
<b>NOTE '8' – LONG-TERM LOANS AND ADVANCES</b>		
Security Deposits	1,101.08	1,102.08
<b>Loans to Related Parties</b>		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	—	—
iii Which have significant increase in Credit Risk	—	—
iv Credit Impaired	—	—
	1,101.08	1,102.08
<b>NOTE '9' – OTHER NON-CURRENT FINANCIAL ASSETS:</b>		
Margin Money Deposit with Bank	105.10	102.67
Other receivables from related parties	0.16	75.16
	105.26	177.83
<b>NOTE '10' – OTHER NON-CURRENT ASSETS:</b>		
Capital advance	300.00	300.00
<b>NOTE '11' – INVENTORIES (Valued at lower of cost and net realisable value):</b>		
Food and Beverages	121.10	117.38
Stores and Other Operating Supplies	37.54	54.75
Stock in trade	4,258.13	4,235.33
	4,416.78	4,407.46

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
<b>NOTE '12' – TRADE RECEIVABLES:</b>		
<b>Non Current:</b>		
<b>(a) Trade receivable from others</b>		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	38.25	38.25
iii Which have significant increase in Credit Risk	—	—
iv Unsecured, Considered Doubtful	—	—
	<u>38.25</u>	<u>38.25</u>
<b>Current:</b>		
<b>(b) Trade receivable from others</b>		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	51.94	86.63
iii Which have significant increase in Credit Risk	—	—
iv Unsecured, Considered Doubtful	—	—
	<u>51.94</u>	<u>86.63</u>
<b>(c) Trade receivable from related parties</b>		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	389.88	812.48
iii Which have significant increase in Credit Risk	—	—
iv Unsecured, Considered Doubtful	—	—
	<u>389.88</u>	<u>812.48</u>
	<u>480.07</u>	<u>937.36</u>
<b>NOTE '13' – CASH AND CASH EQUIVALENTS:</b>		
Current accounts	231.72	107.76
Cash on hand	62.60	24.85
	<u>294.32</u>	<u>132.61</u>
<b>NOTE '14' – OTHER BALANCES WITH BANKS:</b>		
Earmarked balances	—	0.99
Fixed Deposit with banks maturing within one year	374.74	4.46
	<u>374.74</u>	<u>5.45</u>
<b>NOTE '15' – SHORT-TERM LOANS AND ADVANCES:</b>		
<b>Loans to employees:</b>		
i Secured, Considered Good	—	—
ii Unsecured, Considered Good	9.54	8.54
iii Which have significant increase in Credit Risk	—	—
iv Credit Impaired	—	—
	<u>9.54</u>	<u>8.54</u>
<b>NOTE '16' – OTHER FINANCIAL ASSETS:</b>		
Other advances	1.48	0.28
	<u>1.48</u>	<u>0.28</u>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
<b>NOTE '17' – OTHER CURRENT ASSETS:</b>		
Advance to suppliers	29.77	75.23
Prepaid expenses	38.23	92.16
Balances with statutory/government authorities	5.53	0.71
	<b>73.53</b>	<b>168.10</b>
<b>NOTE '18' – SHARE CAPITAL:</b>		
<b>a Authorised :</b>		
230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company	230.00	230.00
113,500,000 Equity shares of Rs. 2 each	2,270.00	2,270.00
	<b>2,500.00</b>	<b>2,500.00</b>
<b>b Issued, Subscribed and fully paid-up :</b>		
70,519,135 Equity shares of Rs. 2 each for cash	1,410.39	1,410.39
<u>70,519,135</u>	<b>1,410.39</b>	<b>1,410.39</b>
(70,519,135)		
<b>c Reconciliation of the number of equity shares at the beginning and end of the year</b>		
Opening	70,519,135	70,519,135
Less: : Buyback of Shares	—	—
Issued during the year	—	—
Closing	<b>70,519,135</b>	<b>70,519,135</b>
<b>d Shares held by each shareholder holding more than 5% shares</b>		
<b>Equity shares of Rs. 2 each fully paid</b>		
Graviss Holdings Private Limited - 30.93% (30.93%)	21,813,970	21,813,970
Satinetta Finlease & Investments Private Limited- 32.57% (32.57%)	22,967,844	22,967,844
Dunearn Investments (Mauritius) Pte Limited- 9.96% (9.96%)	7,025,708	7,025,708
Inter Continental Hotels Corporation, USA- 6.22% (6.22%)	4,385,235	4,385,235

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	<b>As at 31/03/2020 (Rs. in lacs)</b>	As at 31/03/2019 (Rs. in lacs)
<b>NOTE '19' – OTHER EQUITY:</b>		
<b>A Reserves and Surplus</b>		
i Capital Reserves:		
Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad - As per last account	<u>7.78</u>	<u>7.78</u>
ii Warrants Forfeited Account:		
As per last account	<u>850.01</u>	<u>850.01</u>
iii Securities Premium Account:		
As per last account	<u>9,183.07</u>	<u>9,183.07</u>
iv Capital Redemption Reserve Account:		
As per last account	<u>318.52</u>	<u>318.52</u>
	<u>318.52</u>	<u>318.52</u>
v General Reserve:		
As per last account	<u>11,320.29</u>	<u>11,320.29</u>
	<u>11,320.29</u>	<u>11,320.29</u>
vi Retained Earnings:		
Opening balance	<u>(2,659.95)</u>	<u>(2,471.31)</u>
Add : Net profit after tax transferred from Statement of Profit and Loss	<u>(882.35)</u>	<u>(188.64)</u>
Balance in Profit and Loss account	<u>(3,542.30)</u>	<u>(2,659.95)</u>
Goodwill on consolidation	<u>(112.44)</u>	<u>(112.44)</u>
	<u>18,024.94</u>	<u>18,907.29</u>
<b>B Other Comprehensive Income</b>		
As per last account	<u>30.63</u>	<u>17.05</u>
Addition during the year	<u>(26.95)</u>	<u>13.58</u>
Closing balance	<u>3.68</u>	<u>30.63</u>
	<u>18,028.62</u>	<u>18,937.93</u>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
<b>Non-current Liabilities:</b>		
<b>NOTE '20' – BORROWINGS:</b>		
<b>a) Term loans from Bank : (Refer Note "25")</b>		
<b>Axis Bank</b>		
— Term Loan (Secured) – II	13.37	84.08
<b>Note:</b>		
Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 60 monthly installments of Rs. 6.25 lacs each along with interest, from April 2016. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.		
— Term Loan (Secured) – III	18.54	42.87
<b>Note:</b>		
Term loan from bank carries interest @ 12% p.a. The loan is repayable in 60 monthly installments of Rs. 1.67 lacs each along with interest, from March 2017. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.		
— Term Loan (Secured) – IV	121.57	161.68
<b>Note:</b>		
Term loan from bank carries interest @ 11.15% p.a. The loan is repayable in 60 monthly installments of Rs. 3.33 lacs each along with interest, from April 2019. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company.		
<b>b) Deferred payment liabilities:</b>	<b>85.30</b>	94.86
(carry interest rates ranging from 10% to 12%, repayable in various EMIs and secured by hypothecation of vehicles. Last EMI maturing on March 2025)		
<b>c) Other non-current liabilities:</b>		
Loan from Famed Properties Pvt Ltd	—	33.50
Loan from Graviss Holdings Private Limited	—	—
<b>Unsecured- At Amortized cost</b>		
<b>18,35,000 (prev year-nil) Zero coupons unsecured optionally convertible debenture of Rs. 10 each</b>	<b>21.31</b>	—
<b>Note:</b> 18,35,000 (prev year- nil) Zero coupons unsecured optionally convertible debenture of Rs. 10 each issued on 14-01-2020. Debentures are redeemable / optionally convertible in equity shares at fair value on conversion within a period of 20 years from the date of issue.		
Other payables	0.16	75.16
	<b>260.25</b>	<b>492.15</b>
<b>NOTE '21' – OTHER NON-CURRENT LIABILITIES:</b>		
Deferred Income	18.06	18.06
Deferred liability / income on account of Zero coupon unsecured optionally convertible debentures	152.85	—
Deferred Income	170.90	18.06

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(Rs. in lacs)

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

Particulars	Opening Balance	Recognised in P&L	Recognised in OCI	Closing Balance
<b>For The Year Ended 31st March 2020</b>				
<b>Deferred Tax Liabilities</b>				
Difference between accounting and tax	151.30	5.81	—	157.11
On revaluation of leasehold land	2,393.04	(21.63)	—	2,371.41
Actuarial val of emp benefits	—	—	—	—
<b>Total Deferred Tax Liabilities</b>	<b>2,544.34</b>	<b>(15.82)</b>	<b>—</b>	<b>2,528.52</b>
<b>Deferred Tax Assets</b>				
Expenses Allowed on Payment Basis	116.30	3.99	9.06	129.35
Unabsorbed Depreciation	382.11	235.13	—	617.24
<b>Total Deferred Tax Assets</b>	<b>498.41</b>	<b>239.12</b>	<b>9.06</b>	<b>746.59</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>2,045.93</b>	<b>(254.94)</b>	<b>(9.06)</b>	<b>1,781.93</b>
<b>For The Year Ended 31st March 2019</b>				
<b>Deferred Tax Liabilities</b>				
Difference between accounting and tax	126.12	25.18	—	151.30
On revaluation of leasehold land	2,393.04	—	—	2,393.04
<b>Total Deferred Tax Liabilities</b>	<b>2,519.16</b>	<b>25.18</b>	<b>—</b>	<b>2,544.34</b>
<b>Deferred Tax Assets</b>				
Expenses Allowed on Payment Basis	90.30	31.23	(5.23)	116.30
Unabsorbed Depreciation	270.53	111.58	—	382.11
<b>Total Deferred Tax Assets</b>	<b>360.83</b>	<b>142.81</b>	<b>(5.23)</b>	<b>498.41</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>2,158.33</b>	<b>(117.63)</b>	<b>5.23</b>	<b>2,045.93</b>

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

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

Particulars	2019-20	2018-19
Profit Before Tax	(1,134.98)	(519.65)
Applicable Tax Rate	25.17%	27.82%
Tax Using the Applicable Tax Rate	(285.65)	(144.57)
Tax Effect of:		
Add: Non-Deductible Tax Expenses	—	—
Add: Recognition of Tax Effect of Previously Unrecognized Tax Gains / (Losses)	(12.40)	31.53
Less: Rate difference	31.73	—
<b>Tax Expense Recognized in the Statement of Profit &amp; Loss</b>	<b>(266.32)</b>	<b>(113.04)</b>
<b>Weighted Average Tax Rate</b>	<b>23.46%</b>	<b>21.75%</b>

The tax rate of 25.168% is applicable to the next financial year as well.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	2019-20	2018-19
A. Current Tax Expense	—	—
B. Deferred Tax Expense / (Asset) relating to		
— Origination and reversal of temporary differences	264.00	112.40
— Change in tax rates	—	—
— Recognition of previously unrecognized tax losses / (gains)	—	—
<b>Total</b>	<b>264.00</b>	<b>112.40</b>
Tax Expenses recognized in the Statement of Profit & Loss	<b>264.00</b>	<b>112.40</b>
Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI	<b>9.06</b>	<b>5.23</b>

As at 31/03/2020 (Rs. in lacs)	As at 31/03/2019 (Rs. in lacs)
--------------------------------------	--------------------------------------

**Current Liabilities:**

**NOTE '23' – SHORT-TERM BORROWINGS:**

**Loans repayable on demand from Bank (secured):**

Axis Bank	1,000.57	998.45
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**Note:**

Overdraft from bank carries interest @ 11.65% p.a. The loan is repayable on demand. The loan is secured by exclusive first charge by way of hypothecation over entire current assets and first charge on entire movable fixed assets of the company.

1,000.57	998.45
----------	--------

**NOTE '24' – TRADE PAYABLES**

Total outstanding dues of Micro and Small Enterprises

Total outstanding dues of creditors other than Micro and Small Enterprises

—	—
858.22	886.77
858.22	886.77

**NOTE '25' – OTHER CURRENT FINANCIAL LIABILITIES:**

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

Expenses payable

Interest free security deposits

Advance from customers

Gratuity obligation

Others (Provident Fund, ESIC etc)

Liability for capital expenditure

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

Term Loans repayable in 12 months

— Indian Rupee Loan

— Deferred Payment Liability

—	0.99
418.62	406.79
12.87	12.87
602.53	31.05
217.54	150.02
10.57	13.77
19.23	23.04
135.04	135.96
30.86	19.72
1,447.26	794.21

**NOTE '26' – OTHER CURRENT LIABILITIES:**

Deferred liability / income on account of Zero coupon unsecured optionally convertible debentures

Statutory dues payable\*

8.13	—
39.45	65.21
47.58	65.21

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

**NOTE '27' – SHORT-TERM PROVISIONS:**

Provision for leave benefits

35.04	8.63
35.04	8.63

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	<b>For the year ended 31/03/2020 (Rs. in lacs)</b>	<b>For the year ended 31/03/2019 (Rs. in lacs)</b>
<b>NOTE '28' – REVENUE FROM OPERATIONS:</b>		
Sales-Rooms	1,514.37	1,666.74
Sales-Food and Beverages	2,309.37	2,877.63
Sale of services	130.37	207.63
	<u>3,954.11</u>	<u>4,752.00</u>
<b>NOTE '29' – OTHER INCOME:</b>		
Interest received	40.46	57.35
Dividend income	0.01	0.06
Gain/(Loss) on sale of assets	—	33.68
Mark to Market gain on equity shares	(6.07)	(1.58)
Unclaimed Credit balances written back	66.85	—
Other financial liabilities carried at amortized costs	1.72	—
Miscellaneous receipts	4.65	7.01
	<u>107.61</u>	<u>96.52</u>
<b>NOTE '30' – FOOD AND BEVERAGES CONSUMED:</b>		
Opening stock	117.38	144.26
Add: Purchases	590.04	808.18
	<u>707.42</u>	<u>952.44</u>
Less: Closing stock	121.10	117.38
	<u>586.32</u>	<u>835.06</u>
<b>NOTE '31' – EMPLOYEE BENEFITS EXPENSE:</b>		
(refer Note "39")		
Salaries and wages (including bonus and gratuity)	1,227.97	1,108.52
Contributions to :		
Provident, Family Pension and other Funds	69.25	72.76
Staff welfare expenses	33.74	34.69
	<u>1,330.96</u>	<u>1,215.97</u>
<b>NOTE '32' – FINANCE COSTS:</b>		
Interest expense	162.88	150.80
Interest expenses on liabilities carried at amortized costs	0.50	—
	<u>163.38</u>	<u>150.80</u>
<b>NOTE '33' – DEPRECIATION AND AMORTISATION EXPENSES:</b>		
Depreciation of tangible assets	528.75	510.67
Depreciation of right of use assets	87.00	—
	<u>615.75</u>	<u>510.67</u>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	<b>For the year ended 31/03/2020 (Rs. in lacs)</b>	<b>For the year ended 31/03/2019 (Rs. in lacs)</b>
<b>NOTE '34' – OTHER EXPENSES:</b>		
<b>Operating Expenses:</b>		
Power, Fuel and Water	320.45	321.76
Repairs and Maintenance:		
Building	63.86	63.03
Machinery	15.07	16.78
Others	185.94	184.51
Stores and Supplies including Linen and Uniforms	153.14	139.17
Washing and Laundry expenses	80.52	89.89
Business Operating expenses	276.49	265.41
Music and other Operating expenses	68.06	83.72
<b>General Expenses:</b>		
Rent	19.47	15.07
Rates and Taxes	129.82	142.69
Insurance	33.86	34.86
Hire charges	5.25	7.70
Advertisement and Sales Promotion	228.99	228.88
Credit Card charges	46.70	56.34
Travelling and Conveyance	207.77	241.88
Printing and Stationery	18.17	23.92
Postage and Telephones	31.75	32.03
Other expenses	237.05	199.55
Payments to Auditors (Note "40")	14.11	9.15
Legal and Professional charges	222.33	342.72
Exchange Rate Difference	(0.14)	0.24
Franchise and Corporate Service fees	105.34	153.88
Directors Sitting fees	5.81	2.49
Service / Sales Tax Paid	30.52	—
	<b>2,500.28</b>	<b>2,655.67</b>

**NOTE '35' – OTHER COMPREHENSIVE INCOME:**

<b>Items that will not be reclassified to profit or loss</b>	—	—
Remeasurement of Defined Benefit Plans	(36.01)	18.81
<b>Income tax relating to items that will not be reclassified to profit or loss</b>	—	—
Remeasurement of Defined Benefit Plans	—	(5.23)
	<b>(36.01)</b>	<b>13.58</b>

**NOTE '36' – EARNINGS PER EQUITY SHARE (BASIC AND DILUTED):**

Net profit after Taxation (in Rs.)	(909.30)	(175.09)
Weighted average number of equity shares	70,519,135	70,519,135
Earnings per equity shares (in Rs.)	(1.29)	(0.25)
Nominal value per share (Rs.)	2.00	2.00

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE '37' – A. CONTINGENT LIABILITIES:

- i Bank Guarantees given to the extent of Rs. 33.49 lacs (previous year Rs. 33.49 lacs).
- ii In the matter of VAT demand and penalty of Rs. 88 lacs for the year 2010-11, the Company is hopeful of getting the order in its favour and hence has not made provision for the same in the financial statements.

### B. Capital and Other Commitments

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

Note: Commitments which are material and which will result in a penalty disproportionate to the benefits involved, based on the judgement of the management are only disclosed.

### NOTE '38' – RETIREMENT BENEFIT:

#### Disclosure pursuant to Indian Accounting Standard -19 (Revised) Employee Benefits:

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

#### Defined Contribution Plans:

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

#### Defined Benefit Plans:

	Gratuity Funded	
	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
<b>Changes in the Present Value of Obligation</b>		
Present Value of Obligation at beginning of period	193	176
Interest Cost	3	13
Current Service Cost	39	24
Benefits Paid	(48)	—
Actuarial (Gain)/Loss on obligation	34	(20)
Present Value of Obligation at end of period	221	193
<b>Amount Recognized in the Balance Sheet and statement of profit and loss account</b>		
Present Value of Obligation at end of period	221	193
Fair Value of Plan Assets at end of period	4	43
Funded Status	(218)	(150)
Net Asset/ (Liability) recognized in the balance sheet	(218)	(150)
<b>Expenses Recognized in the statement of Profit and Loss Account</b>		
Current Service Cost	39	24
Net Interest	3	13
<b>Expenses Recognized in the statement of Profit and Loss Account</b>	37	26
<b>Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognized for the period	34	(20)
Return on Plan Assets excluding net interest	2	1
<b>Total Actuarial (Gain)/Loss recognized in (OCI)</b>	36	(19)
<b>Assumptions as at</b>		
Mortality		IALM(2012-14) Ult
Interest / Discount Rate		6%
Rate of increase in compensation		10%
Employee Attrition Rate (Past Service(PS)		PS:0 to 40:1.20%
<b>Sensitivity Analysis on PVO</b>		
Delta effect of 1% increase in rate of discounting	(2)	(9)
Delta effect of 1% decrease in rate of discounting	3	10
Delta effect of 1% increase in rate of rate of salary escalation	2	9
Delta effect of 1% decrease in rate of rate of salary escalation	(2)	(9)
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	173	15
Sum of years 2 to 5	31	103
Sum of years 6 to 10	22	99

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
Salary	54	54
Contribution to provident fund	6	6
Other Perquisites	14	14
	75	75

**NOTE '40' – PAYMENTS TO AUDITORS**

	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
Audit Fee	8	8
Certification charges and fee	2	2
Other service	5	—
	14	9

**NOTE '41'**

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

	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
<b>Trade Receivables (Current)</b>		
Graviss Holdings Private Limited	336	761
Graviss Foods Private Limited	3	—
Ice Hospitality Pvt Ltd	51	52
	390	812
<b>Loans and Advances:</b>		
<b>Security Deposits: (Non Current)</b>		
Graviss Holdings Private Limited	250	250
Cross Word Beverages Private Limited	800	800
Graviss Brands Pvt Ltd	2	3
	1,052	1,053

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

**NOTE '42'**

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

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

**i. Holding Company**

Graviss Hospitality Limited

**ii Directors**

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

**iii Other Related parties:**

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

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### iv Key Managerial Personnel

Mr. Ravi Ghai	Managing Director
Mr. Gaurav Ghai	Joint Managing Director
Mr. F.L. Goyal	Chief Financial Officer
Ms. Kainaaz Bharucha	Company Secretary

### B. Transactions with Related Parties:

	2019-20 (Rs. in lacs)	2018-19 (Rs. in lacs)
<b>i Sales</b>		
Graviss Holdings Private Limited	302	1,093
<b>ii Expenditure and other services fees paid</b>		
Shareholders/Directors/Managing Director		
Mr. Harindra Singh Independent	0.50	0.80
Mr. Gulshan Bijlani Independent	1.70	0.20
Mr. Mahendra V Doshi Independent	1.70	0.80
Ms Tina Pardal Non-Independent	1.70	0.60
Other related parties where the common control exists	27	99
<b>iii Managerial Remuneration</b>		
Managing Director and Joint Managing Director	75	75
Chief Financial Officer	38	21
Company Secretary	10	8
<b>iv Loans /Advances/ Deposits given</b>	1,052	1,054
Other related parties where the common control exists		
<b>v Debtors</b>	390	812
Other related parties where the common control exists		
<b>vi Outstanding payables</b>	30	62
Other related parties where the common control exists		

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

	2019-20		2018-19	
	Percentage of total consumption	Amount (Rs. in lacs)	Percentage of total consumption	Amount (Rs. in lacs)
<b>Raw Materials:</b>				
Imported	—	—	—	—
Indigenous	100	586	100	811
<b>Stores:</b>				
Imported	—	—	—	—
Indigenous	100	88	100	70

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### NOTE '44' – EARNINGS IN FOREIGN EXCHANGE:

	2019-20	2018-19
a) Sale of Rooms and Food and Beverages Income	768	1,593
b) Encashment of Foreign Exchange	19	26

### NOTE '45' – EXPENDITURE IN FOREIGN CURRENCIES:

a) Travelling - Directors	14	42
b) Travelling - Others	—	—
c) Agency Commission	26	11
d) Consultants Fees	—	18
e) Franchise Fees	84	100
f) Others	4	0

46. (i) Provision for current tax during the year has been made on regular basis.  
(ii) Excess provision for tax of earlier years has been reversed based on the assessment / appellate orders received during the year.
47. Amounts if any due to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
48. The Company does not have any asset whose useful life if different from the significant part of that asset.
49. Current and non-current classification of assets and liabilities in the balance sheet has been made based on the professional judgement of the management.
50. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Ind AS 108 Operating Segments.
51. The accumulated losses of Graviss Catering Private Limited, a subsidiary, are more than the net worth. In the opinion of the management, having regard to the long term interest of the holding Company in the Company and considering that the Company will get regular orders of decoration and earns sufficient margin to meet the fixed costs which will enable the Company to recoup the losses incurred, the going concern assumptions are not affected.
- The accumulated losses of Graviss Hotels and Resorts Limited, another subsidiary, are more than the net worth. The subsidiary had purchased lands at various places viz. Shirdi and Alibaug for construction of hotels. Due to change in business plans, the subsidiary is exploring to sell these lands. In assessment of the management, the market value of the lands alongwith buildings constructed so far is more than the book values and therefore the preparation of financial statements of the subsidiary (included in the preparation of the consolidated financial statements) on going concern basis is not affected.
52. In the opinion of the management there are no indications that the assets of the company may be impaired as on the balance sheet date.
53. "Advances on Capital Account against Purchase of Land" includes an amount of Rs.185 lacs (previous year Rs. 270 lacs) being the advance paid to three parties for purchase of lands against a total consideration of Rs. 2,832 lacs. Since the lands were not capable of being developed, the company issued a notice of termination of agreements entered into with the parties and invoked Arbitration. The arbitrator has been appointed and the arbitration proceedings are pending. The company is hopeful of getting decision in its favour and hence considers the advance good of recovery.
54. The Conveyance of the Agricultural lands at Alibaug and Shirdi which were purchased in 2007 for the beneficial interest of the Company in terms of the resolutions of the Board of Directors of the Company, are in the name of Mr Gaurav Ghai the Joint Managing Director of Graviss Hospitality Limited, the holding company and Mr Ravi Ghai, the Chairman and Managing Director of Graviss Hospitality Limited, the holding company respectively.

# 59TH ANNUAL REPORT

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Sr. No.	Name of the Entity	Net Assets Total Assets minus Total Liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consoli- dated net assets	Amount (Rs. in lacs)	As % of consoli- dated profit or (loss)	Amount (Rs. in lacs)	As % of consoli- dated profit or (loss)	Amount (Rs. in lacs)	As % of consoli- dated profit or (loss)	Amount (Rs. in lacs)
1	Graviss Hospitality Limited - Parent	67.98%	13,213.90	99.49%	(877.84)	100.00%	(26.95)	99.51%	(904.80)
2	Graviss Catering Private Limited – Subsidiary	0.07%	14.09	0.04%	(0.35)	0.00%	—	0.04%	(0.35)
3	Graviss Hotels & Resorts Limited – Subsidiary	31.74%	6,170.43	-0.66%	5.85	0.00%	—	-0.64%	5.85
4	Hotel Kankeshwar Private Limited – Subsidiary	0.21%	40.59	1.13%	(10.00)	0.00%	—	1.10%	(10.00)
		<b>100%</b>	<b>19,439.01</b>	<b>100%</b>	<b>(882.34)</b>	<b>100%</b>	<b>(26.95)</b>	<b>100%</b>	<b>(909.30)</b>

### NOTE '56' – FAIR VALUE MEASUREMENTS:

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

#### (a) Accounting classification and fair values

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

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

Financial Liabilities	Carrying amount at Amortised Cost		Fair value	Fair value measurement hierarchy level
As on 31 March 2020				
Fixed Rate Borrowings	—	—	—	Level 2
As on 31 March 2019				
Fixed Rate Borrowings	—	—	—	Level 2

#### (b) Measurement of fair values:

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

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### Financial risk management

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

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

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

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

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

### Credit Risk

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

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

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

	(Rs. in lacs)				
	Up to 6 months	6 months to 1 year	1 year to 3 years	More than 3 years	Total
<b>As on 31 March 2020</b>					
Gross Carrying Amount	—	442	—	38	480
Specific Provision	—	—	—	—	—
Carrying Amount	—	442	—	38	480
<b>As on 31 March 2019</b>					
Gross Carrying Amount	—	87	812	38	937
Specific Provision	—	—	—	—	—
Carrying Amount	—	87	—	38	937

### Cash and cash equivalents:

The Company held cash and cash equivalents of Rs 294.32 lacs as at 31 March 2020 ( 31 March 2019-Rs. 132.62). The cash and cash equivalents are held with reputed banks.

### Liquidity Risk:

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

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Rs in lacs

	Contractual cash flows					Total
	Carrying amount	Up to 1 year	1-2 years	2-5 years	More than 5 years*	
<b>As on 31 March 2020</b>						
Non-derivative financial liabilities						
Borrowings	1,405	1,166	135	104	—	1,405
Interest	—	—	—	—	—	—
Trade payables	858	858	—	—	—	858
<b>As on 31 March 2019</b>						
Non-derivative financial liabilities	—	—	—	—	—	—
Borrowings	1,538	1,154	156	228	—	1,538
Interest	—	—	—	—	—	—
Trade payables	887	887	—	—	—	887

### Liquidity Risk:

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

### Interest rate risk:

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

### Exposure to Interest rate risk:

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

Particulars	31st March 2020 (Rs. in lacs)	31st March 2019 (Rs. in lacs)
<b>Fixed-rate instruments</b>		
Financial liabilities – measured at amortised cost	—	—
<b>Variable-rate instruments</b>		
Financial liabilities – measured at amortised cost	239	383
<b>Total</b>	<b>239</b>	<b>383</b>

Cash flow sensitivity analysis for variable-rate instruments: A reasonably possible decrease by 100 basis points in interest rates at the reporting date would have positive impact (before tax) by Rs 2.38 lacs and Rs. 3.83 lacs for the outstanding balances as on 31st March 2020 and 31st March 2019. Similarly a reasonable possible increase by 100 basis points in interest would have negative impact (before tax) by same amounts.

### Currency risk:

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

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

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



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

**Exposure to currency risk:**

The currency profile of financial assets and financial liabilities as on 31st March 2020 and 31st March 2019 are as below:

	(Rs. in lacs)		
	Total	INR	USD
<b>As on 31 March 2020</b>			
<b>Financial assets</b>			
Trade receivables	480	480	—
Cash and Cash Equivalents	294	294	—
Other Balances with Banks	375	375	—
Loans	1,111	1,111	—
Other Current / Non Current Assets	107	107	—
<b>Exposure for assets (A)</b>	<b>2,366</b>	<b>2,366</b>	<b>—</b>
<b>Financial liabilities</b>			
Long term borrowings	260	260	—
Short term borrowings	1,001	1,001	—
Trade and other payables	858	858	—
Other Current financial liabilities	1,447	1,447	—
<b>Exposure for liabilities (B)</b>	<b>3,566</b>	<b>3,566</b>	<b>—</b>
<b>Net exposure (B-A)</b>	<b>1,200</b>	<b>1,200</b>	<b>—</b>

	(Rs. in lacs)		
	Total	INR	USD
<b>As on 31 March 2019</b>			
<b>Financial assets</b>			
Trade receivables	937	937	—
Cash and Cash Equivalents	133	133	—
Other Balances with Banks	5	5	—
Loans	1,111	1,111	—
Other Current / Non Current Assets	178	178	—
<b>Exposure for assets (A)</b>	<b>2,364</b>	<b>2,364</b>	<b>—</b>
<b>Financial liabilities</b>			
Long term borrowings	492	492	—
Short term borrowings	998	998	—
Trade and other payables	887	887	—
Other Current financial liabilities	794	794	—
<b>Exposure for liabilities (B)</b>	<b>3,172</b>	<b>3,172</b>	<b>—</b>
<b>Net exposure (B-A)</b>	<b>807</b>	<b>807</b>	<b>—</b>

**Sensitivity analysis:**

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

**Capital Management**

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

**57. Leases Ind AS 116**

Effective April 1, 2019, the Company adopted Ind AS - 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

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## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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For leases previously classified as finance leases the Company recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS – 116 are only applied after that date.

On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' assets of Rs.10,266.48 lacs and a lease liability of Rs.NIL. The cumulative effect of applying the standard, amounting to Rs.NIL was debited/credited to retained earnings, net of taxes. Consequent to the application of this standard depreciation is higher by Rs.87 lacs and consequently Profit before tax is lower by Rs.87 lacs.

**The following is the summary of practical expedients elected on initial application:**

- i Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- ii Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- iii Excluded the initial direct costs from measurement of the right-to-use asset at the date of initial application.
- iv Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS – 116 is applied only to contracts that were previously identified as leases under Ind AS – 17.

The Company has leasehold land for a lease term of 99 years. The Company has right to renew the lease for indefinite terms.

58. On March 11, 2020, the World Health Organization declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the businesses of company and its subsidiaries.

Lockdown guidelines issued by Central/State governments mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies / shutdowns of our hotel and hospitality business during the lockdown phase as the Company was not part of Government denominated essential services. With the lifting of the partial lockdown restrictions, the Company is considering the re-opening of its hotel, after establishing thorough and well-rehearsed safety protocols. The Company expects its hotel to become operational in a phased manner after the lockdown is lifted and the confidence of travellers is restored. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel.

The Company has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. The Company has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

59. **Standards Issued but not yet effective**

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

60. **Previous year figures:**

Previous year's figures have been reclassified / regrouped wherever necessary to conform to current year's classification / grouping. Figures in brackets are in respect of the previous year.

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**Signature to Notes 1 to 60**

For **A.T. Jain & Co.**

*Chartered Accountants*

Firm Registration No. 103886W

**SUSHIL JAIN**

*Partner (Membership No. 033809)*

Place: Mumbai

Dated: June 30, 2020

**GAURAV GHAI**

*Joint Managing Director*

(DIN:00074857)

**F.L. GOYAL**

*Chief Financial Officer*

**M.V. DOSHI**

*Director*

(DIN:00123243)

**KAINAAZ BHARUCHA**

*Company Secretary*

# ·DOME·

HOTEL INTERCONTINENTAL, MARINE DRIVE



## GRAVISS

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QUALITY · PASSION · INNOVATION

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