

GRAVISS HOSPITALITY LIMITED

BOARD OF DIRECTORS

Ravi Ghai	: Chairman & Managing Director
Gaurav Ghai	: Joint Managing Director
R.K.P. Shankardass	: Director
Krishna Kumari Ghai	: Director
Mahendra V. Doshi	: Director
Harindra Singh	: Director
Gulshan Bijlani	: Director
Arun Todarwal	: Director

COMPANY SECRETARY

Chanda Behl

REGISTRAR & SHARE TRANSFER AGENTS

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

BANKERS

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

Axis Bank

Ground Floor, Aman Chambers, Opp. New Passport office,
Veer Savarkar Marg, Prabhadevi, Mumbai-400 025.

AUDITORS

M/s. V. Sankar Aiyar & Co.
Chartered Accountants

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

254-C, Dr. Annie Besant Road, Worli, Mumbai-400 030.
Phone No. 022-4050 1111, Fax No. 022-2491 5555

UNIT

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

MAYFAIR BANQUETS

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

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Notice

NOTICE is hereby given that the 49th Annual General Meeting of the members of GRAVISS HOSPITALITY LIMITED will be held as scheduled below:

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

Date : 30th June, 2010

Day : Wednesday

Time : 1.00 p.m.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at and Profit and Loss Account for the financial year ended 31st March, 2010 and the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Mahendra V. Doshi, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Harindra Singh, who retires by rotation and is eligible for re-appointment.
4. To re-appoint auditors, and in this regard to consider and, if thought fit, to pass with or without modification, as an ORDINARY RESOLUTION, the following:

"RESOLVED THAT Pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. V. Sankar Aiyer & Co., Chartered Accountant, be and are hereby re-appointed as the Auditors to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to implement this resolution."

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Chanda Behl
Company Secretary

Dated: April 28, 2010.

Registered Office:

Dairy Tops, Plot No. J-177, M.I.D.C.

Bhosari, Pune-411 026, Maharashtra

Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE PROXY FORM IS ENCLOSED.
- (b) Members are requested to bring their copy of the Annual Report to the Meeting.
- (c) Members are requested to intimate changes in their addresses, if any, to the Company.
- (d) Members are requested to note that the Register of Members and the Share Transfer Books of the Company will be closed from 21st June, 2010 to 30th June, 2010 (both days inclusive).
- (e) As required under Clause 49 of the Listing Agreement particulars of directors seeking appointment/re-appointment are annexed to this Notice below.
- (f) Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 3.00 p.m. and 5.00 p.m. on all working days up-to the date of the Annual General Meeting.
- (g) The Directors would appreciate advance mailing of queries on accounts, if any, which the members may wish to raise so as to enable the Directors to keep the replies ready.

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- (h) It is requested that the queries be mailed to Registrars and Share Transfer Agents:
Link Intime India Private Limited,
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078. Phone No. 022-2596 3838, Fax No. 022-2596 2691
- (i) Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the administrative office of the Company.
- (j) The company declared a Interim dividend of Rs. 0.24 per equity share for the financial year ended 31st March 2010. The dividend remaining unpaid or unclaimed has been transferred to the unpaid dividend account of the company. However, there is no dividend remaining unpaid or unclaimed which is required to be transferred to Investor Education and Protection Fund.

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Chanda Behl
Company Secretary

Dated: April 28, 2010.

Registered Office:

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

Detail of the Directors seeking appointment/re-appointment at this Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Mahendra V Doshi	Mr. Harindra Singh
Date of Birth	29th November, 1949	15th August, 1960
Date of Appointment	22.09.2006	30.04.2007
Areas of Expertise	Finance, Capital Market & Business administration	Marketing Communication business solutions & event and Sport Marketing Management
Qualification	M.B.A.	B.sc & Diploma in Hotel Management Diploma in Advertising & Public relations.
List of other Public Companies incorporated in India, in which directorships held.	LKP Finance Ltd. Nilkamal Ltd. LKP Securities Ltd. MKM Shares & Stock Brokers Ltd.	Percept Ltd.
List of Chairmanships/memberships of committees of the Board of other public Companies incorporated in India in which directorships held.	LKP Finance Ltd: Audit committee – Member Share Transfer Committee – Member Compensation Committee – Chairman Nilkamal Ltd: Audit Committee – Member Remuneration Committee – Member	N.A.
No. of shares held in the Company prior to the appointment/re-appointment	NIL	NIL

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Directors' Report To the Members

Your Directors are pleased to present their 49th Annual Report together with the Audited Financial Accounts for the year ended 31st March, 2010 :

1. SNAP SHOT OF FINANCIAL RESULTS:

(Rs. in Lacs)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
Income	6,490	7,595
Profit before Interest, Depreciation	1,376	1,683
Interest	246	330
Depreciation	559	637
Profit before Taxation	572	707
Provision for Taxation:		
Current tax	(75)	(350)
Deferred Tax Credit	(201)	206
Fringe Benefit Tax	0	(25)
Profit for the year	307	1,078
Balance brought forward from last period	1,074	0.17
Balance carried forward	1,381	1,074

2. OPERATIONAL PERFORMANCE:

During the financial year ended 31st March 2010, the sales and operating income decreased from Rs. 6975 Lacs to Rs. 6192 Lacs. The net profit after tax stood at Rs.307 Lacs as against Rs. 1078 Lacs during the previous year. During the year under review, the company had discontinued the operations at Mayfair Banquet at Ahmedabad. The current recessionary trend, particularly in IT sector has impacted the new banquet at Ahmedabad. Despite aggressive advertising and management support from Mumbai the unit was not able to produce the desired results. Thus in the light of the continuing negative outlook of the said unit, operations were discontinued in the said unit in order to reduce the losses and increase profitability of the company.

3. DIVIDEND:

During the year under review, your company had declared an Interim dividend of Rs. 0.24 per equity share for the financial year ended 31st March 2010 at its Board meeting held on January 29, 2010.

4. DIRECTORS:

In accordance with Sections 255 and 256 of the Companies Act, 1956, Mr. Mahendra V. Doshi and Mr. Harindra Singh, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

5. MANAGEMENT DISCUSSION AND ANALYSIS:

A separate report on the Management Discussion and Analysis is attached as a part of the Annual Report.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) In the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the Profits of the Company for the year ended 31st March 2010;
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

7. SUBSIDIARY COMPANIES:

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

8. CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to clause 32 of the Listing Agreement entered into with the stock exchanges and prepared in accordance with the Accounting Standards 21 issued by the Institute of Chartered Accountants of India

9. FIXED DEPOSITS

During the Year under review, your Company has not accepted or invited any deposits from public

10. CORPORATE GOVERNANCE:

Effective corporate governance is necessary to retain the trust of stakeholders and to achieve business success. Corporate governance is about

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commitment to values and ethical business conduct. It is about how an organization is managed. It includes its corporate and other structures, its culture and policies and the manner in which it deals with various stakeholders. Corporate Governance is vital to enable companies to compete globally in a sustained manner and let them flourish and grow.

A separate report on Corporate Governance is attached and forms part of the Annual report. The Auditor's Certificate regarding compliance of the conditions of Corporate Governance is also annexed

11. CODE OF BUSINESS CONDUCT AND ETHICS:

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

12. LISTING:

The equity shares of your company are presently listed on Bombay Stock Exchange Limited and company has paid the listing fees for the financial year 2010-2011.

13. PARTICULARS OF EMPLOYEES:

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

Employees Name	Designation	Age in Years	Qualification	Experience in Years	Date of Commencement	Remuneration Rs. in lacs	Last employment held
Mr. Ravi Ghai	Managing Director	67	Graduate of the School of Hotel Administration, Cornell University, Ithaca, New York	42	24.05.1967	45.45	N.A.
Mr. Gaurav Ghai*	Joint Managing Director	41	B.Com	22	01.04.1996	29.13	N.A.
Mr. Raman Mehra	Chief Executive Officer	47	B.A., Diploma in Hotel Management from IHMCT & AN, Mumbai	25	01.04.2004	38.64	Indian Hotels Limited

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

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

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

FOREIGN EXCHANGE EARNING AND OUTGO:

(Rs. in Lacs)

Particulars	Current Year 2009-2010	Previous year 2008-2009
CIF Value of Imports	32	12
Expenditure in Foreign Currency	219	301
Earnings in Foreign Exchange	2,169	2,176

15. RELATED PARTY DISCLOSURES:

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

16. AUDITORS:

At the Annual General Meeting, M/s. V. Sankar Aiyer & Co, Chartered Accountants who are the Statutory Auditors of the Company, will retire and being eligible, have offered themselves for re-appointment as the Company's auditors. In the terms of the provisions of Section 224 (1)(B) of the Companies Act, 1956, the Company has obtained a written confirmation from M/s. V. Sankar Aiyer & Co that their re-appointment, if made, at the ensuing Annual General Meeting, would be in conformity within the limits specified in the Section.

17. AUDITOR'S REPORT

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

18. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Mumbai
Dated: April 28, 2010

RAVI GHAI
Chairman & Managing Director

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Management Discussion and Analysis

Industry Structure and Developments

Overview of Tourism and Indian Economy:

Fiscal 2009-2010 started off on a note that the economy was decidedly on a higher growth path with the macro-economic fundamentals inspiring confidence and general optimism about the medium to long term prospects of the economy. As per Central Statistical Organization (CSO), the estimated growth in Trade, Hotels, Transport and Communications during 2009-10 is placed at 8.3%. The Indian Economy has withstood the global economic recession owing to the strong and well capitalized banks as well as influx of capital from the government in the form of Infrastructure spending. The increased spending on infrastructure development will also help boost the tourism industry.

In line with the trend in other sectors in 2009-2010, travel and Tourism activity in India as well was hit hard by the credit and housing market collapses experienced in many countries with households cutting back on leisure travel and corporations reducing business travel budgets. The Global economy is expected to move into a recovery phase, although the pick up in the developed economies is expected to be gradual as households, corporations and governments all battle to rebuild their balance sheets. In 2010, the travel and tourism is expected to generate 9-10% of the global GDP. International Tourist arrivals are forecast to increase by 2.5% in the Year 2010. In longer run, Travel and Tourism is expected to sustain its leading role in driving global growth, creating jobs and alleviating property.

Opportunities:

India is in the midst of unprecedented times due to the current economic scenario. The next few quarters are expected to be extremely challenging with companies doing everything necessary to overcome the challenges. Despite this, India's value proposition remains strong for sustained long term growth. The Hotel industry in India is expected to boom with rising room rates and on high occupancy rates. The Country is facing a shortage of hotel rooms and the industry needs to more than double its room inventory from the current levels. India is becoming the epicenter for outsourcing and new age businesses and the growth in the economy is attracting tourists from all around the world. With increase in the disposable income in the hands of people, domestic tourism has also been rising very rapidly. The demand and supply imbalance of hotel rooms is pushing average room rates (ARR) further as new properties are not coming up at the same place. This represents a significant opportunity for the Company.

Threats:

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

Outlook:

Despite a positive long term view, the current business environment remains challenging. The strong macro economic outlook is expected to continue providing momentum for growth of the hotel industry in India. It should be noted that that the base for tourism in India is still very low. The sudden surge in demand for hotel accommodation over the last three years has inflated hotel rooms in the country. However, a number of international brands across all hotel segments are planning to or have recently entered the Indian market. Domestic hotel chains, too, are embarking on strong expansion and development plans across all hotel segments. As the gap between supply and demand for hotel accommodation narrows over the next few years, we expect room rates to rationalize, which would encourage leisure travel.

Report on Corporate Governance

1. Philosophy:

Your company believes that Corporate Governance is critical to sustaining Corporate Development, increasing productivity and competitiveness. The governance process should ensure that available resources are utilized in a manner that meets the aspirations of all its stakeholders. The core values of the Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. Your Company is committed to continually evolving and adopting appropriate Corporate Governance best practices.

2 Board of Directors:

(i) Composition of the Board:

The Board of Directors provides strategic directions and thrust to the operations of the Company. Currently the total strength of the Board is Eight Directors. The Board has an executive chairman and the number of Non-Executive Independent Director is more than one-half of the total number of Directors. The number of Independent Directors constitutes half of the total number of Directors. None of the Directors on the Board is a member on more than ten committees and chairman of more than five committees (as specified in clause-49) across all the companies in which he is a Director. Hence the Company complies with the listing agreement norms for Composition of Board of Directors.

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

Name of the Director	Designation	Category of Directorship	No. of Other Directorships*	No. of Other Committee Memberships#	
				Chairman	Member
Mr. Ravi Ghai	Chairman & Managing Director	Promoter, Executive, Non-Independent	-	-	-
Mr. Gaurav Ghai	Joint Managing Director	Promoter, Executive, Non-Independent	-	-	-
Mrs. Krishna Kumari Ghai	Director	Non-Executive, Non-Independent	-	-	-
Mr. Mahendra V. Doshi	Director	Non-Executive, Independent	4	1	2
Mr. R.K.P. Shankardass	Director	Non-Executive, Independent	-	-	-
Mr. Harindra Singh	Director	Non-Executive, Independent	1	-	-
Mr. Gulshan Bijlani	Director	Non-Executive, Independent	-	-	-
Mr. Arun Todarwal	Director	Non-Executive, Non-Independent	6	1	8

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

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

During the year under review, the Board of Directors met Four times during the year viz. 29th April, 2009, 30th July, 2009, 30th October, 2009 and 29th January, 2010. The maximum gap between any two consecutive meetings did not exceed four months. The last Annual General Meeting of the Company was held on 25th June, 2009. The details of attendance of Directors in Board Meetings and last Annual General Meeting are as follows:

Name of the Director	No. of Board Meetings	Attendance at Attended Last Annual General Meeting
Mr. Ravi Ghai	2	Absent
Mr. Gaurav Ghai	2	Absent
Mr. Harindra Singh	2	Absent
Mr. Mahendra V. Doshi	2	Present
Mr. R.K.P. Shankardass	2	Absent
Mrs. Krishna Kumari Ghai	-	Absent
Mr. Gulshan Bijlani	3	Present
Mr. Arun Todarwal	4	Present

(iii) Shareholding of Directors:

As on March 31, 2010

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

(iv) Code of Conduct:

The Board has laid down the Code of Conduct for all Board members and Senior Management of the Company and the same is posted on the website of the Company. The Certificate from the Chief Executive Officer with regard to the compliance of code of conduct by the Board members and the senior management for the year ended 31st March, 2010 is enclosed and forms part of this report.

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(v) Directors seeking re-appointment:

The Directors, Mr. Mahendra V. Doshi and Mr. Harindra Singh shall retire by rotation at the ensuing Annual General meeting and are eligible for re-appointment. The brief resumes and the details of their other directorships including their shareholding have already been provided in the Notice.

(vi) Other Provisions:

The Company confirms that it did not have any material pecuniary relationship or transaction with any Non Executive Director during the year under review, except for the payment of sitting fees made to them for attending the Board and/or Committee meetings.

The information as required under Annexure I to Clause 49 of the Listing Agreement is being made available to the Board. The Board periodically reviews the Compliance report submitted by the Managing Director regarding compliance with the various laws applicable to the company.

3. Board Committees:

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

(i) Audit Committee:

The composition of Audit Committee as on 31st March, 2010, is as follows:

Mr. Mahendra V Doshi (Chairman), Mr. Gaurav Ghai, Mr. Gulshan Bijlani, Mr. RKP Shankardass, Mr. Harindra Singh, Mr. Arun Todarwal

Two third of the total strength of the Audit Committee are Independent Directors. Statutory Auditors, Internal Auditors and CFO attend the meetings of the Committee on invitation of the Chairman. The Company Secretary acts as the Secretary of the Committee. All the members are financially literate and possess necessary expertise in finance or accounting or any other comparable experience or background.

The Company has complied with the requirements of clause 49(II) (A) as regards composition of Audit Committee.

The Audit Committee reviews the financial statements and recommends its suggestions to the Board. It reviews the reports of the Statutory and Internal Auditors and also discusses its suggestions with them.

During the year under review, the Audit Committee met four times on 29th April, 2009, 30th July, 2009, 30th October, 2009 and 29th January, 2010 with a gap of not more than four months. The details of the meetings attended by the Directors are given below:

Name of the Members	Category	No. of Meetings Attended
Mr. Mahendra V. Doshi	Non-Executive, Independent Chairman	2
Mr. Gaurav Ghai	Executive, Non Independent	2
Mr. Gulshan Bijlani	Non-Executive, Independent	3
Mr. R.K.P. Shankardass	Non-Executive, Independent	2
Mr. Harindra Singh	Non-Executive, Independent	2
Mr. Arun Todarwal	Non-Independent	4

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

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

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

Name and Designation of Compliance Officer:

Mrs. Chanda Behl, Manager- Legal and Company Secretary

All the requests /queries received during the year have been processed and responded respectively and there is no request/query/complaint pending at the end of the year ended on 31st March 2010.

(iii) Remuneration and Compensation Committee:

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

The role of the committee is to review the market practice and decide on the remuneration package applicable to the executive directors and senior management personnel..

(iv) Finance, Investment and Banking Operation Committee:

The Finance, Investment and Banking Operation Committee was constituted on 24th October 2008 to approve various financial transactions

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requiring immediate attention of the Board and to carry out normal banking operations as and when required. During the period ended on 31st March 2010, the Committee members met once on December 02, 2009. The details of the Committee members and meetings attended by them are as follows:

Name	Designation	No. of the meeting attended
Mr. Ravi Ghai	Chairman	1
Mr. Gaurav Ghai	Member	1
Mr. Raman Mehra	Member	1

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

(v) Compensation to Non-Executive Directors:

The Non Executive Directors do not draw any remuneration from the Company except the Sitting Fees which is paid to them for attending Board/Committee meetings. The sitting fees paid to the directors during the year under review are as under:

Name of the Director	Fees for Board meeting (in Rs.)
Mr. R.K.P. Shankardass	40,000
Mr. Gulshan Bijlani	60,000
Mr. Mahendra V. Doshi	40,000
Mr. Harindra Singh	40,000
Mr. Arun Todarwal	80,000

Details of the Shareholding of Non-Executive Directors in the Company as on 31st March, 2010 are as follows:

Mr. R.K.P. Shankardass	32750
Mr. Gulshan Bijlani	17350
Mrs. Krishna Kumari Ghai	98750

(vi) Executive Directors and Remuneration:

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

Details of remuneration paid to the Managing Director and Joint Managing Director of the Company for the year ended March 31, 2010 are as under:

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

4. General Body Meetings:

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

Financial Year	No. of AGM	Date, Day & Time of AGM	Venue of AGM
2008-09	48	June 25, 2009, 1.00 P.M.	Dairy Tops, J-177, MIDC, Bhosari, Pune- 411 026
2007-08	47	June 20, 2008, 1.00 P.M.	Dairy Tops, J-177, MIDC, Bhosari, Pune- 411 026
2006-07	46	September 21, 2007, 1.00 P.M.	Dairy Tops, J-177, MIDC, Bhosari, Pune- 411 026

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

No. of AGM	Date, Day & Time of AGM	Particulars of Special Resolutions passed
48	June 25, 2009, 1.00 P.M.	None
47	June 20, 2008, 1.00 P.M.	(a) Change of Name of the Company (b) Sub-Division of the Equity Shares
46	September 21, 2007, 1.00 P.M.	(a) Revision in Remuneration of Managing Director (b) Appointment of Joint Managing Director

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(iii) Resolution through Postal Ballot:

During the year ended 31st March 2010, the company has not passed any resolution through the postal ballot.

(iv) Extra-Ordinary General Meeting:

No extra-ordinary general meeting of the company had been held during the year ended 31st March 2010.

5. Disclosures:

(i) Related Party Transactions:

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

(ii) Compliance with regulations related to Capital Markets:

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

(iii) Accounting Standards:

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

(iv) Risk Management:

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

(v) CEO/CFO Certificate:

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

6. Means of Communication:

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

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

7. General Shareholder Information:

(i) 49th Annual General Meeting:

Date and Time : 30th June, 2010 at 1.00 p.m.
Venue : Dairy Tops, J-177, MIDC, Bhosari, Pune- 411 026.

(ii) Financial Calendar:

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

(iii) Date of Book Closure:

The date of book closure is from 21st June, 2010 to 30th June, 2010 (both days inclusive) for the purpose of annual general meeting.

(iv) Listing on Stock Exchanges:

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

(v) Stock Exchanges

Stock Exchanges	Stock Code	ISIN
Bombay Stock Exchange Ltd	509546	INE214F01026

(vi) Market Price Data:

The monthly high and low quotations of shares, face value of which is Rs.2 per Equity Share, traded on the Bombay Stock Exchange Ltd. during each month in last financial year are as follows:

GRAVISS HOSPITALITY LIMITED

Month	High (Rs.)	Low (Rs.)
April 2009	56.95	56.95
May 2009	61.25	56.10
June 2009	59.95	39.50
July 2009	49.90	43.20
August 2009	47.25	42.90
September 2009	42.90	37.00
October 2009	44.00	37.00
November 2009	44.00	37.90
December 2009	37.85	31.55
January 2010	40.90	30.85
February 2010	36.30	25.55
March 2010	34.00	25.15

(vii) Registrar and Share Transfer Agent:

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

(viii) Share Transfer System:

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

(ix) Shareholding pattern as on March 31, 2010:

Category	No. of Shareholders	No. Of Shares	Percentage
Promoters Holding			
Indian Promoters	7	51,614,560	59.71
Foreign Promoter		Nil	Nil
Persons Acting in Concert		Nil	Nil
Promoters relatives, related firms, trusts & HUFs		Nil	Nil
Non-Promoter Holdings Institutional Investor			
(a) Mutual Funds & UTI		Nil	Nil
(b) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions Non-government Institutions)		Nil	Nil
I. General Insurance Corporation of India		Nil	Nil
ii. Nationalised Banks		Nil	Nil
(c) FIIs	Nil	Nil	
Others			
Private Corporate Bodies	46	653,274	0.76
Indian Public	1,351	1,783,969	2.06
N.R.I. & NRN	10	11,000	0.01
OCB's	3	4,157,777	4.81
Foreign Companies	2	26,898,635	31.12
Trust	3	1,325,845	1.53
Total	1,422	86,445,060	100

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Distribution of Shareholding (Rupees) as on March 31, 2010

Shareholding of Nominal Value (Rupees)	No. of Shareholders	% of Total	Share Capital Amount (Rupees)	% of Total
1-5,000	1280	90.02	1,536,934	0.89
5,001-10,000	85	5.97	706,826	0.40
10,001-20,000	20	1.40	265,108	0.15
20,001-30,000	05	0.35	115,586	0.06
30,001-40,000	08	0.56	282,800	0.16
40,001-50,000	01	0.07	40,342	0.02
50,001-100,000	03	0.21	194,160	0.11
100,001-99,999,999	20	1.40	169,748,364	98.18
TOTAL	1,422	100	172,890,120	100.00

(x) Dematerialization of Shares and Liquidity:

The equity shares of the Company are traded on the Bombay Stock Exchange Limited. The Company has entered into an agreement with both National Securities Depository Limited and Central Depository Services Limited for dematerialization of equity shares of the company. Approximately, 81,139,660 (93.86%) of the equity shares of the company have been dematerialized as on 31st March 2010.

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

The Company has not issued any GDRs / ADRs and therefore there were no outstanding GDRs/ADRs.

(xii) Plant Locations:

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

(xiii) Address for Investor Correspondence:

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

Registered Office Dairy Tops, Plot No. J-177, MIDC Bhosari, Pune-411 026, Maharashtra Tel: 020-3068 1102/3068 1139 Fax: 020-2747 7996	Registrar & Transfer Agent Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 Tel: 022-2596 3838, Fax: 022-2596 2691
Administrative Office 254-C, Dr. Annie Besant Road, Worli Mumbai: 400 030. Tel: 022 – 4050 1111 Fax: 2491 5555	Mrs. Chanda Behl Company Secretary & Compliance Officer 254-C, Dr. Annie Besant Road, Worli Mumbai: 400 030 Tel: 022 – 4050 1111 Fax: 022 – 2491 5555

(xiv) Unclaimed Dividends:

The company declared an interim dividend of Rs. 0.24 per equity share (12%) on its equity shares for the year ended 31st March 2010. The dividend remaining unclaimed/unpaid has been transferred to the Graviss Hospitality Ltd. unpaid dividend A/c. However there is no dividend remaining unpaid or unclaimed for the period of seven years from the date of transfer to unpaid dividend account, which requires to be transferred to Investor Education and Protection Fund.

(xv) Nomination:

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

(xvi) Certificate on Corporate Governance:

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

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

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

I hereby confirm that the Board Members and senior management team of the company have affirmed the compliance of the Code of conduct as applicable to them in respect of the financial year ended March 31, 2010.

Place: Mumbai
Date: 22nd April 2010

RAMAN MEHRA
Chief Executive Officer

Certification by Chief Executive Officer and Chief Financial Officer

We hereby certify that for the financial year ended 31st March, 2010, we have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2010, which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in internal control during this year.
 - (b) There have been no significant changes in accounting policies during this year.
 - (c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control systems.

Mumbai,
April 28, 2010

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

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Auditors' Certificate on Corporate Governance

We have examined the compliance of conditions of Corporate Governance by Graviss Hospitality Limited (the Company) for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement entered of the said Company with the Stock Exchange.

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

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investor's / Shareholders Grievance & Share Transfer Committee. 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 **V. SANKAR AIYAR & CO.**
Chartered Accountants

G. SANKAR
Partner

Membership No. 46050
Firm Registration No. 109208W

Place: Mumbai
Dated: 28th April, 2010

Auditors' Report

To the Shareholders of Graviss Hospitality Limited

1. We have audited the attached Balance Sheet of GRAVISS HOSPITALITY LIMITED as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and read together with the Companies (Auditor's Report) Amendment Order, 2004 (hereinafter referred to as the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books.
 - (c) The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - (e) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date, and
 - (iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

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

G. SANKAR
Partner

Membership No. 46050
Firm Registration No. 109208W

Place: Mumbai
Dated: 28th April, 2010

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Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of Auditor's Report to the Shareholders of Graviss Hospitality Limited on the Accounts for the year ended 31st March, 2010.

- (i) (a) The records maintained by the company are not showing full particulars of quantitative details and situation of fixed assets.
- (b) As explained to us, no physical verification of fixed assets was carried out by the management during the year. Hence discrepancy if any could not be ascertained.
- (c) Since there is no disposal of a substantial part of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
- (ii) (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification as compared to the record of inventories.
- (iii) (a) The company has granted interest free unsecured loans to two companies (subsidiary companies), covered in the register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of these loans have not been stipulated. (Attention is also invited to Note 23 to the accounts). The maximum amount involved during the year was Rs. 7,717 lacs and the year end balance is Rs. 7,717 lacs.
- (b) The company has not taken any unsecured loans from any of the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) (a) Based on the audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lakhs in respect of any party in the financial year, have been made at reasonable prices as prevailing market prices at the relevant time were not available.
- (vi) 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.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of the Company's business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) (a) According to the records maintained by the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues.
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, 2010, 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 / income tax / customs duty / wealth tax / service tax / excise duty / cess, which have not been deposited on account of any dispute

GRAVISS HOSPITALITY LIMITED

- (x) The company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) 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 Financial Institutions / Banks or Debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a niche or a mutual benefit society. Therefore the provisions of sub para (xiii) of para 4 of the Order are not applicable to the Company.
- (xiv) In respect of shares, securities and other investments dealt in or traded by the Company, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name except to the extent of the exemption granted under section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for any loans taken by others from any bank or financial institution.
- (xvi) In our opinion, the term loans taken during the year have, prima facie, been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us, based on an overall examination of the balance sheet of the Company, related information made available to us and as represented to us by the Management, funds raised on short term basis, prima facie, have not been used during the year for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- (xx) The Company has not made any public issue of any securities during the year and therefore the question of disclosing the end-use of money raised by any public issue does not arise.
- (xxi) 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.

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

G. SANKAR
Partner

Membership No. 46050
Firm Registration No. 109208W

Place: Mumbai
Dated: 28th April, 2010

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Balance Sheet

as at 31st March, 2010

	Schedule	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	A	1,728.90	1,728.90
Reserves and Surplus	B	26,229.88	26,035.85
		<u>27,958.78</u>	<u>27,764.75</u>
Loan Funds:			
Secured Loans	C	1,680.48	2,838.65
Deferred Tax Liability (Net) (Note '10')		397.33	196.45
	TOTAL	<u>30,036.59</u>	<u>30,799.85</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	D	18,135.55	18,427.87
Less: Depreciation		3,072.36	2,581.27
Net Block		<u>15,063.19</u>	<u>15,846.60</u>
Investments			
	E	4,471.57	5,459.95
Current Assets Loans and Advances:			
Inventories	F	209.97	267.35
Sundry Debtors		391.63	383.49
Cash and Bank Balances		713.98	289.74
Loans and Advances		9,893.45	9,256.05
		<u>11,209.03</u>	<u>10,196.63</u>
Less: Current Liabilities and Provisions:			
Current Liabilities	G	626.70	673.35
Provisions		88.79	46.55
		<u>715.49</u>	<u>719.90</u>
Net Current Assets		10,493.54	9,476.73
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Amalgamation Expenses (Note '12')		8.29	16.57
	TOTAL	<u>30,036.59</u>	<u>30,799.85</u>
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	M		

As per our separate report of even date

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

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

G. SANKAR
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 28th April, 2010

CHANDA BEHL
Company Secretary

GRAVISS HOSPITALITY LIMITED

Profit and Loss Account for the year ended 31st March, 2010

	Schedule	Year ended 31/03/2010 (Rs. in lacs)	Year ended 31/03/2009 (Rs. in lacs)
INCOME			
Sales and Other Services	H	6,192.05	6,975.12
Other Income	I	298.23	620.16
TOTAL		6,490.28	7,595.28
EXPENDITURE			
Consumption of Food and Beverages	J	929.20	1,060.71
Employees' Remuneration and Benefits	K	1,107.66	1,235.57
Operating and General Expenses	L	3,068.96	3,615.31
TOTAL		5,105.83	5,911.59
PROFIT BEFORE INTEREST, DEPRECIATION, TAX AND AMORTISATION		1,384.45	1,683.69
Less:			
Interest		246.11	330.60
Depreciation		558.51	637.40
Amortisation of Pre-commencement expenses		-	0.00
Amortisation of Amalgamation expenses (Note '12')		8.29	8.29
TOTAL		812.91	976.29
PROFIT BEFORE TAX		571.54	707.40
Provision for Tax:			
Current Tax (Note '11')	(75.00)		(35.00)
Deferred Tax Credit/(Debit) (Net)	(200.88)		201.77
Fringe Benefit Tax	0.00		(25.25)
MAT Credit available for set off - (Note '11')	30.00		225.00
Short Provision Tax of earlier years	(18.54)		-
		(264.42)	366.52
PROFIT AFTER TAX		307.12	1,073.92
Balance brought forward		1,074.09	0.17
TOTAL		1,381.21	1,074.09
APPROPRIATION:			
Interim Dividend		207.47	-
Tax on Interim Dividend		35.25	-
Transfer to General Reserve		30.00	-
Balance carried to Balance Sheet		1,108.49	1,074.09
TOTAL		1,381.21	1,074.09
Basic Earning per Share Rs. (Note '9')		0.36	1.24
Diluted Earning per Share Rs. (Note '9')		0.36	1.24

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

M

As per certificate appended to the Balance Sheet

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

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

G. SANKAR
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 28th April, 2010

CHANDA BEHL
Company Secretary

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Schedules

forming part of the Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'A' – SHARE CAPITAL		
Authorised:		
230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company	230.00	230.00
113,500,000 Equity shares of Rs. 2 each	2,270.00	2,270.00
	<u>2,500.00</u>	<u>2,500.00</u>
Issued, Subscribed and Paid-up:		
52,610,875 Equity shares of Rs. 2 each for cash (52,610,875)	1,052.22	1,052.22
3,881,665 Equity shares of Rs. 2 each as Bonus (3,881,665)	77.63	77.63
641,665 Equity shares of Rs. 2 each issued as a result of Amalgamation (641,665) of Ghai Enterprises Pvt. Ltd., with the Company for consideration other than cash	12.83	12.83
29,310,855 Equity shares of Rs. 2 each issued as a result of Amalgamation of (29,310,855) Mayfair Banquets Private Limited with the Company for consideration other than cash	586.22	586.22
	<u>86,445,060</u>	<u>86,445,060</u>
	<u>(86,445,060)</u>	<u>(86,445,060)</u>
SCHEDULE 'B' – RESERVES AND SURPLUS		
Capital Reserves:		
Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad.	7.78	7.78
Warrants Forfeited Account		
As per last account	850.01	–
Transferred from Share Application Money	–	850.01
	<u>850.01</u>	<u>850.01</u>
Share Premium Account:		
As per last account	13,164.55	13,164.55
General Reserve:		
As per last account	11,140.29	11,231.35
Add: Adjustment on account of initial adoption of Accounting Standard 15 (revised 2005) on 'Employee Benefit'	–	29.62
Add: Transferred from Profit & Loss Account	30.00	0.00
	<u>11,170.29</u>	<u>11,260.97</u>
Less: Foreign Currency Monetary Item Translation Difference Account (Note '4')	–	(120.68)
	<u>11,170.29</u>	<u>11,140.29</u>
Foreign Currency Monetary Item Translation Difference Account (Note '4')		
As per last account:	(200.87)	–
Add: Transferred from General Reserve	–	120.68
Less: Exchange difference for the year	129.63	(321.55)
	<u>(71.24)</u>	<u>(200.87)</u>
Profit and Loss Account:		
As per Accounts Annexed	1,108.49	1,074.09
	<u>26,229.88</u>	<u>26,035.85</u>

Schedules

forming part of the Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'C' – SECURED LOANS		
From Bank:		
I. Term Loan from Vijaya Bank		
A Secured by first charge over the five star hotel property of the Company at Mumbai and personal guarantee of the Managing Director		
(a) Term Loan	186.01	500.00
(b) Foreign Currency Loan VFRL (US Dollars 1,694,118)	770.49	1,283.37
B Secured by First Charge over the five star hotel property of the Company at Mumbai and exclusive charge on the fixed assets such as furniture & fixtures, plant & machinery and office equipments in respect of banqueting facilities created out of the loan.	702.55	997.74
C Interest accrued and due	–	19.15
II. From Other Banks and Financial Institutions:		
Deferred Payment Liabilities (Note '6a') (secured by hypothecation of Vehicles)	21.43	38.39
	1,680.48	2,838.65

Schedules

forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 'D' – FIXED ASSETS

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION (Note "1(III)")				NET BLOCK	
	As at 01/04/2009	Additions	Sales/ Adjustments (Note '13' on Schedule 'N')	As at 31/03/2010	Upto 31/03/2009	For the Year	Adjustments	Upto 31/03/2010	As at 31/03/2010	As at 31/03/2009
Licence Fees (Note "1" below)	23.34	3.07	–	26.41	6.89	6.47	–	13.36	13.05	16.45
Leasehold Lands	10,272.33	–	–	10,272.33	–	–	–	–	10,272.33	10,272.33
Buildings	3,214.28	16.19	–	3,230.47	631.43	107.36	–	738.79	2,491.68	2,582.85
Leased Premises (Note "2" below)	643.32	0.38	252.94	390.76	112.90	80.50	52.24	141.16	249.60	530.44
Plant and Machinery	1,010.81	28.20	107.15	931.86	354.60	70.22	6.79	418.03	513.83	656.21
Furniture, Fittings and Electrical Installations	2,287.81	8.05	78.43	2,217.43	1,077.22	214.12	8.03	1,283.31	934.13	1,210.59
Hotel and Office Equipment	541.63	27.42	–	569.05	181.25	23.76	–	205.01	364.04	360.38
Information Technology	221.28	24.31	0.70	244.89	162.37	36.41	0.35	198.43	46.46	58.90
Vehicles	213.06	–	–	213.06	54.60	19.67	–	74.27	138.78	158.45
Advances on capital account:										
Construction Contractors/ Suppliers	–	39.29	–	39.29	–	–	–	–	39.29	–
TOTAL	18,427.86	146.91	439.22	18,135.55	2,581.27	558.51	67.41	3,072.36	15,063.19	15,846.60
Total (previous year)	18,233.42	1,573.81	1,379.37	18,427.86	2,039.27	637.40	95.41	2,581.26	15,846.60	

Notes: 1. The licence fees is towards obtaining the software licence which is to be depreciated @ 25% per annum.

2. This amount represents the cost of improvements to the premises taken on lease and depreciated @ 20% per annum.

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forming part of the Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'E' – INVESTMENTS		
I. LONG TERM INVESTMENTS (AT COST)		
In Equity Shares (Non trade):		
Quoted:		
382 of Edelweiss Capital Limited of Rs. 5 each	3.15	3.15
Unquoted:		
530 of The Saraswat Co-operative Bank Ltd., of Rs. 10 each	0.05	0.05
20 of Hotel and Restaurant Co-operative Services Society Ltd. of Rs. 50 each	0.01	0.01
*1857 of Bombay Mercantile Co-operative Bank Ltd., of Rs. 30 each	0.56	0.56
In Equity Shares (Trade) (Unquoted):		
10,000 of Great Indian Cigar Company Private Limited of Rs. 10 each	1.00	1.00
In Equity Shares in Subsidiary Companies (Non-trade) (Unquoted):		
50,000 of Graviss Hotels & Resorts Limited (formerly known as Kwality 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 (formerly known as Leman International Pvt. Ltd.) of Rs. 10 each.	12.89	12.89
II. Current Investments		
(Mutual Funds):		
1,984,316 units of Rs. 10 each in Reliance Medium Term Fund - WDR	–	339.61
752,235 units of Rs. 10 each in Reliance Income Fund - IP - DDR	98.68	108.29
6,810,794 units of Rs. 10 each in Reliance Short Term Fund	725.09	144.00
2,057,706 units of Rs. 10 each in Reliance Medium Term Fund - 1	–	351.78
4,670,854 units of Rs. 10 each in FIDELITY Short Term - DDR	–	467.20
7,402,335 units of Rs. 10 each in IDFC Liquid Plus - Plan B - TP- DDR	–	745.44
806,068 units of Rs. 10 each in IDFC Dynamic Bond Fund	84.69	95.00
1,498,503 units of Rs. 10 each in IDFC SSF - Plan B	151.23	145.67
1,000,000 units of Rs. 10 each in IDFC Fixed Maturity Plan – Quarterly Series 55 Plan	100.20	–
6,353,253 units of Rs. 10 each in ICICI Prudential FRF - Plan D	–	635.46
844,709 units of Rs. 10 each in ICICI Prudential Income Fund	99.36	100.00
1,438,777 units of Rs. 10 each in ICICI Prudential Short Term Plan	172.67	159.33
962,358 units of Rs. 10 each in ICICI Prudential Flexible Income Plan - DDR	–	101.75
1,901,403 units of Rs. 10 each in ICICI Prudential Flexible Income Plan - DWR	–	200.46
1,337,967 units of Rs. 10 each in ICICI Prudential Short Term Plan Dividend	161.01	–
6,597,784 units of Rs. 10 each in Birla Sun Life Short Term Fund	–	660.14
1,035,862 units of Rs. 10 each in Birla Sun Life Dynamic Bond Fund - MDR	107.86	101.48
5,651,107 units of Rs. 10 each in Birla Sun Life Dynamic Bond Fund - Retail Plan MDR	588.44	–
1,783,172 units of Rs. 10 each in Birla Sun Life Dynamic Bond Fund - Retail Plan MD	185.68	–
1,092,538 units of Rs. 10 each in Birla Sun Life Short Term Fund	–	111.51
2,007,845 units of Rs. 10 each in Tata Floater Fund	201.50	666.29
836,518 units of Rs. 10 each in DSP Black Rock Bond Fund	–	95.00
2,019,389 units of Rs. 10 each in Templeton Floating Rate Income Fund Long Term Plan	–	208.88
4,844 units of Rs. 10 each in ICICI Inst Short Term Plan DR-F	0.58	–
23 units of Rs. 10 each in ICICI Inst Short Term Plan Daily	0.03	–
91,258 units of Rs. 10 each in Birla Sunlife Short Term Fund	9.34	–
999,780 units of Rs. 10 each in Reliance Interval Fund - Quarterly Plan Series-III Inst Div Plan	100.74	–
2,444,041 units of Rs. 10 each in Reliance Short Term Fund Retail Plan Dividend Plan	260.20	–
9,439,259 units of Rs. 10 each in HDFC High Interest Fund-Short Term Plan-Dividend	1,000.86	–
2,000,000 units of Rs. 10 each in Kotak Quarterly Interval Plan Series 8 Dividend	200.16	–
2,000,000 units of Rs. 10 each in Kotak Quarterly Interval Plan Series 6 Dividend	200.59	–
	4,471.57	5,459.95
Aggregate value of long term quoted Investments	3.15	3.15
Aggregate value of current quoted Investments	–	–
	3.15	3.15
Aggregate value of unquoted Investments	19.51	19.51
Market value of quoted investments	1.68	0.99

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

Schedules

forming part of the Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'F' – CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
(a) Inventories - At cost (as valued and certified by the Management):		
(i) Food and Beverages	130.37	148.75
(ii) Stores and Other Operating Supplies	79.60	118.60
	209.97	267.35
(b) Sundry Debtors (Unsecured, considered good): (Note '14a & b')		
Outstanding over six months	41.49	34.40
Other Debts	350.14	349.09
	391.63	383.49
(c) Cash and Bank Balances:		
Cash on hand (including Rs. 16.43 lacs for cheques in hand) (as confirmed by the Managing Director)	27.29	17.04
Balances with Scheduled Banks in:		
Current Accounts	210.72	121.96
Dividend Account	7.46	0.92
Deposit/Margin Money Accounts (pledged as securities with the banks)	163.72	148.58
Other Deposit Accounts	304.79	1.24
	713.98	289.74
Loans and Advances (unsecured, considered good):		
Loans (interest free) to:		
– Graviss Hotels and Resorts Limited (Subsidiary Company)	7,407.63	6,617.94
– Graviss Catering Private Limited (Subsidiary Company)	309.67	323.69
Advances recoverable in cash or in kind for value to be received	517.92	558.00
Security and other Deposits	1,142.98	1,260.92
Advance Income-tax (net of provisions) – (including tax deducted at source)	260.25	270.50
Minimum Alternate Tax (MAT) credit entitlement (Note '11')	255.00	225.00
	9893.45	9,256.05
TOTAL	11,209.03	10,196.63
SCHEDULE 'G' – CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors (Note '3')	552.13	657.74
Other Liabilities	67.11	14.69
Unpaid Dividend	7.46	0.92
	626.70	673.35
Provisions		
Gratuity (net of funds) (Note '5a')	66.66	33.94
Leave Encashment (Note '5b')	22.13	12.61
	88.79	46.55
TOTAL	715.49	719.90

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Schedules

forming part of the Profit & Loss Account for the year ended 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'H' – SALES AND OTHER SERVICES		
Room Sales	2,103.49	2,428.52
Food and Beverages	3,198.82	3,442.32
Other Services	889.74	1,104.28
	6,192.05	6,975.12
SCHEDULE 'I' – OTHER INCOME		
Miscellaneous receipts	39.86	29.33
Dividend Income	229.88	421.34
Interest Income:		
(Tax deducted at source – Rs.1.89 lacs) (previous year Rs.10.37 lacs)	17.15	59.55
Profit on sale of Investments	–	29.22
Sales/Luxury Tax refund	3.73	52.86
Unclaimed Credit balances written off (net)	4.18	18.05
Rebate on Loans prepaid	–	–
Exchange Rate Difference (net)	–	6.41
Foreign Exchange Commission	3.43	3.40
	298.23	620.16
SCHEDULE 'J' – CONSUMPTION OF FOOD AND BEVERAGES		
Stock at Commencement	148.75	83.21
Purchases during the year	910.82	1,126.25
	1,059.57	1,209.46
Less: Stock at close	130.37	148.75
	929.20	1,060.71
SCHEDULE 'K' – EMPLOYEES' REMUNERATION AND BENEFITS (Note '7')		
Salaries, Wages, Bonus and Gratuity	986.91	1,101.05
Company's Contribution to Provident and Other Funds	68.26	84.43
Staff Welfare expenses	52.49	50.09
	1,107.66	1,235.57
SCHEDULE 'L' – OPERATING AND GENERAL EXPENSES		
Operating Expenses:		
Power, Fuel and Water	366.22	390.31
Repairs and Maintenance:		
Building	54.01	82.32
Machinery	23.23	10.87
Other	204.70	185.70
Stores and Supplies including Linen and Uniforms	155.17	193.87
Washing and Laundry expenses	74.35	102.29
Business Operating expenses	234.08	293.99
Hall Decoration	9.42	55.50
Music and other Operating expenses	76.13	74.87
General Expenses:		
Rent	257.50	375.32
Rates and Taxes	69.76	48.84
Insurance	14.77	20.23
Hire charges	15.35	46.05
Advertisement and Sales Promotion	176.85	249.73
Commission on Sales	246.36	171.95
Travelling and Conveyance	138.45	165.06
Printing and Stationery	26.48	44.74
Postage and Telephones	63.12	72.13
Other Expenses	132.40	131.89
Payments to Auditors (Note '8')	4.47	6.05
Legal and Professional charges	126.11	96.52
Exchange Rate Difference	0.42	–
Franchise and Corporate Service fees	216.97	247.22
Donations	8.46	4.11
Directors Sitting fees	2.60	2.80
Loss on sale of Assets	3.23	12.30
Loss on discontinuance of operations (Note '13')	262.04	519.23
Fixed Assets w/off	96.97	–
Prior Period expenses	–	0.66
Bad Debts written off	9.34	10.76
	3,068.96	3,615.31

Schedules

Notes to the Account

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

1. Significant Accounting Policies

I SYSTEM OF ACCOUNTING

- (a) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis. The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.
- (b) Financial statements are prepared on historical cost basis and as a going concern.

II USE OF ESTIMATES

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

III FIXED ASSETS AND DEPRECIATION

- (a) **Fixed Assets**
Fixed assets are stated at cost of acquisition including attributable expenses and are stated at cost less depreciation.
- (b) **Depreciation**
Depreciation is charged in the Accounts on straight line method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except as follows:
 - Licence Fee is depreciated at the rate of 25%
 - Leased premises are depreciated at the rate of 20%

IV REVENUE RECOGNITION

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will follow to the company.

- (a) Sales: Revenue is recognized on accrual basis. Sales comprise of sale of goods and services and are net of Value Added Tax and Service Tax.
- (b) Interest : Revenue is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest
- (c) Dividends : Revenue is recognized when the right to receive payment is established.

V INVESTMENTS

The Company's investments comprise long term and current investments. Long Term investments are stated at cost less permanent diminution, if any, in value. Current investments are stated at lower of cost or market value.

VI INVENTORIES

Inventories are valued at cost. Cost is computed at purchase price and other related expenses incurred in bringing the inventories to their present location and condition.

VII FOREIGN CURRENCY TRANSACTIONS

- (a) Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of Transactions.
- (b) Monetary items denominated in foreign currencies (such as cash receivables, payables, etc.) outstanding at the year end, are translated at exchange rate applicable as of that date.
- (c) Non-monetary items denominated in foreign currency (such as investments, fixed assets, etc) are valued at the exchange rate prevailing on the date of transaction.
- (d) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted in the Profit & Loss Account, except as indicated in Note 4 below

VIII BORROWING COSTS

Borrowing costs attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

IX EMPLOYEE BENEFITS

- (a) Contributions to Provident are made to Employees Provident Fund of the Government and are charged to Profit & Loss Account.
- (b) The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Met Life Insurance Co. Premium charged by the Met Life Insurance Co, based on actuarial valuation is debited to the Profit and Loss account.
- (c) Liability towards Leave Encashment Benefit is provided for based on actuarial valuation done at the year end.

X PROVISIONS & CONTINGENCIES

- (a) A provision arising out of a present obligation is recognized when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
- (b) Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.
- (c) Show Cause Notices are not considered as Contingent Liabilities unless converted into demand.

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Notes to the Accounts — (Contd.)

XI TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961. Credit in respect of Minimum Alternate Tax paid is recognized only if there is convincing evidence of realization of the same. Deferred Tax which is computed on the basis of enacted/substantively enacted rates, is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

XII IMPAIRMENT OF ASSET

The carrying amount of assets are reviewed at each balance sheet date for indication of any impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to that effect.

XIII LEASES

Assets acquired under finance leases are capitalized at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at constant periodic rate of interest on the remaining balance of liability.

Operating lease expense is recognized in the Profit and Loss Account on straight line basis over the lease term.

2. The Company is contingently liable in respect of:
 - (a) Bank Guarantees given to the extent of Rs. 509.68 lacs (previous year Rs. 530.80 lacs).
 - (b) Estimated amount of contracts remaining to be executed on capital account and not provided for is approximately Rs. 96.82 lacs (previous year Rs. Nil lacs).
 - (c) Disputed property tax demand Rs. 222.41 lacs (previous year Rs. 185.34 lacs).
3. Amounts if any due to Micro Enterprises, Small Enterprises and Medium Enterprises under Micro Enterprises, Small Enterprises and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
4. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard (AS) 11 notified by Government of India on March 31, 2009. Accordingly the effect of exchange difference of Rs 129.63 lacs (gain) on long term loan in foreign currency has been recognized during the year by transferring to Foreign Currency Monetary Items Translation Difference Account. An amount of Rs 71.24 lacs (loss), being the balance in Foreign Currency Monetary Item Translation difference account as on 31st March 2010, is to be amortized in the subsequent years.
5. **Retirement benefit:**

Disclosure pursuant to Accounting Standard -15 (Revised) Employee Benefits:

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

Defined Contribution Plans:

The company has recognized contribution to Provident Fund of Rs. 61.43 lacs In the Profit & Loss Account.

Defined Benefit Plans:

	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
(a) Gratuity		
(i) Profit and loss account		
Net employee benefit expenses (recognized in employee cost)		
Current service cost	23.95	18.91
Interest on defined benefit obligation	6.14	5.01
Expected return on plan assets	—	—
Net actuarial losses/(gains) recognized in the year		
Past service cost	—	—
Actuarial (gain)/losses	8.05	0.54
Total included in 'employee benefit expenses'	38.14	24.46
(ii) Balance Sheet		
Details of provision for gratuity		
Liability at the end of the year	115.72	92.34
Fair value of plan assets at the end of the year	(49.06)	(58.40)
Difference	66.66	33.94
Unrecognized past service cost	—	—
Unrecognized transition liability	—	—
Amount in Balance Sheet	66.66	33.94
(iii) Changes in the present value of the defined benefit obligation are as follows:		
Liability at the beginning of the year	92.34	73.57
Interest cost	6.14	5.01
Current service cost	23.95	18.91
Past service cost (non vested benefit)	—	—
Past service cost (vested benefit)	—	—
Benefits paid	(14.76)	(5.69)
Actuarial (gain)/loss	8.05	0.54
Liability at the end of the year	115.72	92.34

Notes to the Accounts — (Contd.)

	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
(b) Leave Encashment		
(i) Profit and loss account		
Current service cost	27.18	23.90
Interest Cost	0.88	0.20
Expected return on plan assets	—	—
Net Actuarial (Gain)/Loss recognized for the period	(16.55)	(12.46)
Expenses recognized in the statement of P&L A/c	11.51	11.64
(ii) Balance Sheet		
Opening Net Liability	12.61	4.51
Adjustment to opening balance	—	—
Expenses as above	11.51	11.64
Contribution paid	(1.99)	(3.55)
Closing net liability	22.13	12.60
(iii) Change in present value of obligations		
PVO at beginning of period	12.61	4.51
Interest cost	0.88	0.20
Current Service Cost	27.18	23.90
Benefits Paid	(1.99)	(3.55)
Actuarial (gain)/loss on obligation	(16.55)	(12.46)
PVO at end of period	22.13	12.61

6. (a) Finance Lease:

The Company has taken on finance lease, cost of assets having an aggregate value of Rs.113.86 lacs (previous year Rs. 113.86 lacs) upto March 2010 against which the future obligations aggregate to Rs. 21.42 lacs (previous year Rs.38.39 lacs) excluding the lease charge Rs. 1.37 lacs (previous year Rs. 4.84 lacs) and the same are payable as under:

Period	2009-2010		2008-2009	
	Minimum Lease Payment (Rs. in lacs)	Present Value (Rs. in lacs)	Minimum Lease Payment (Rs. in lacs)	Present Value (Rs. in lacs)
Not later than 1 year	16.12	15.03	20.44	16.97
Later than 1 year but not later than 5 years	6.67	6.39	22.79	21.42

(b) Operating Lease:

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

Period	2009-10 Minimum Lease Payment (Rs. in lacs)	2008-09 Minimum Lease Payment (Rs. in lacs)
Not later than 1 year	159.00	223.24
Later than 1 year but not later than 5 years	305.00	795.32
Later than 5 years	22.75	322.77

7. Employee's Remuneration & Benefits includes

Remuneration paid to the Managing Director and Joint Managing Director

	2009-10 (Rs. in lacs)	2008-2009 (Rs. in lacs)
Salary	54.00	54.00
Contribution to provident and superannuation funds	6.48	6.48
Other Perquisites	14.10	14.10
	74.58	74.58

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Notes to the Accounts — (Contd.)

		2009-10 (Rs. in lacs)	2008-2009 (Rs. in lacs)
8.	Payments to Auditors		
	Audit Fee	4.00	3.75
	Certification charges and fee	0.47	0.47
		4.47	4.22
		2009-10 (Rs. in lacs)	2008-2009 (Rs. in lacs)
9.	Earning per Share:		
	Weighted average number of equity shares (Basic)	Nos 86,445,060	86,445,060
	Weighted average number of equity shares (Diluted)	Nos 86,445,060	86,445,060
	Net profit after taxation	(Rs. in lacs) 307.12	713.20
	Earning per share-Basic	Rs. 0.36	0.83
	Earning per share-Diluted	Rs. 0.36	0.83
	Nominal value per equity share	Rs. 2	2
		2009-10 (Rs. in lacs)	2008-2009 (Rs. in lacs)
10.	The deferred tax (asset)/liability as on 31 March 2009 is as follows:		
	Deferred tax asset due to		
	(a) Unabsorbed depreciation and carried forward business loss under the Income-tax Act, 1961	-	(183.00)
	(b) Items covered under section 43B of Income-tax Act, 1961	(34.33)	(19.07)
	Deferred tax liability due to		
	Depreciation	431.66	398.52
	Net deferred tax liability	397.33	196.45
11.	Provision for current tax during the year is made on the basis of Minimum Alternate Tax (MAT) in accordance with section 115JB of the Income Tax Act, 1961. Considering the future profitability and taxable position in the subsequent years, MAT Credit entitlement of Rs. 30.00 lacs pertaining to earlier year has been recognized as an asset disclosed under the head Loans and Advances (Schedule 'F') in accordance with the Guidance note on "Accounting for Credit Available in respect of Minimum Alternate Tax" under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India, with corresponding credit to Profit & Loss Account..		
12.	Amalgamation expenses are written off over a period of five years		
13.	The Company's operations at Ahmedabad were discontinued during the year ended 31 March 2010. Loss of Rs. 262.03 lacs charged to the profit and loss account due to discontinuance of operations is on account of write off of cost of improvements and other assets on the leased premise at this unit as shown below:		
		2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
	Cost of improvement on leased premises and electrical installations	299.23	612.38
	Depreciation upto 31 March 2010	37.19	93.15
	Net Loss on discontinuance of operations	262.04	519.23

Notes to the Accounts — (Contd.)

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

	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
Sundry Debtors:		
Graviss Holdings Private Limited	208.24	144.71
Rich Graviss Products Private Limited	1.80	1.69
Mahaniya Investments Pvt Ltd	—	—
Graviss Foods Private Limited	0.42	1.73
	210.46	148.13
Loans and Advances:		
Security Deposits:		
Graviss Holdings Private Limited	200.00	200.00
Cross Word Beverages Private Limited	800.00	800.00
Pure Foods & Ice Cream	4.00	4.00
	1,004.00	1,004.00

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

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

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

i Shareholders/Directors

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

ii Other related parties where the common control exists

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

*Idar Hotels Pvt. Ltd., *Gaylord Pvt. Ltd., *Oregaon Realtys Pvt Ltd., *Perfect Livestock Pvt. Ltd., *Satinetta Finelease & Investments Pvt. Ltd., *Kwality Walls Fanatasy Ltd.
(*no transactions during the year)

iii Managing and Joint Managing Director

Mr Ravi Ghai and Mr Gaurav Ghai

B. Transactions with Related Parties:

	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
Sale		
Other related parties where the common control exists	1,040.17	910.68
ii Expenditure and other services fees paid		
Shareholders/Directors/Managing Director	12.42	13.40
Other related parties where the common control exists	110.81	120.99
iii Managerial Remuneration		
Managing Director	74.58	74.58
iv Loans/Advances/Deposits given		
Other related parties where the common control exists	8,721.29	8,014.27
v Debtors		
Other related parties where the common control exists	210.46	148.12
vi Outstanding payables		
Other related parties where the common control exists	5.75	8.41

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Notes to the Accounts — (Contd.)

16. As the turnover of the Company consists of sale of food and beverages, quantitative details of the turnover and food and beverages consumed are not available and hence have not been given.

17. Value of raw materials and stores consumed:

	2009-2010		2008-2009	
	% of total consumption	Amount (Rs. in lacs)	% of total consumption	Amount (Rs. in lacs)
Raw Materials:				
Imported	0	–	0.25	2.66
Indigenous	100	929.20	99.75	875.59
Stores:				
Imported	3	2.31	31.82	9.27
Indigenous	97	74.67	68.18	29.15

	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
18. Value of imports (CIF value):		
(a) Stores, Supplies and Spare Parts for Machinery	2.31	9.27
(b) Capital Goods	29.67	–
(c) Raw Material	–	2.66
19. Earnings in Foreign Exchange:		
(a) sale of Rooms and Food and Beverages Income	2,102.54	2,067.91
(b) Encashment of Foreign Exchange	65.98	109.01
20. Expenditure in Foreign Currencies:		
(a) Travelling - Directors	24.90	46.30
(b) Travelling - Others	8.55	13.75
(c) Agency Commission	9.66	26.99
(d) Consultants Fees	20.87	–
(e) Franchise Fees	137.93	206.36
(f) Others	16.90	8.20
21. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segment Reporting'.		
22. The Company has granted 50,000 share options under the Company's Employees Stock Option Scheme 2007 and these share options were outstanding as on 31 March 2010. Out of these options 10,000 options will vest in November 2010, 20,000 options in November 2011 and balance 20,000 options in November 2012.		
23. The Company has an investment in the equity shares of Graviss Catering Private Limited, a subsidiary, of Rs. 7.65 lacs and has also granted interest free loans to the said subsidiary of Rs. 309.67 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 there is no diminution, other than temporary, in the value of investments and the Company is also hopeful of recovering the loan.		
The Company has an investment in the equity shares of Graviss Hotels and Resorts Limited, a subsidiary, of Rs. 5 lacs and also has granted interest free loan to the said subsidiary of Rs. 7407.63 lacs. The said subsidiary has purchased lands at various places for developing hotels and is in the process of construction / development. In the opinion of the management, having regard to the long term interest of the Company in the subsidiary and steps taken by the management to complete the projects, there is no diminution, other than temporary, in the value of investment and company is also hopeful of recovering the loan		
24. 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.		
25. Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current year's groupings.		

Signature to Schedules 'A' to 'M'

For V. SANKAR AIYAR & CO.
Chartered Accountants

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

G. SANKAR
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
dated: 28th April, 2010

CHANDA BEHL
Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	571.54	707.40
Adjusted for:		
Depreciation	558.51	637.40
Amalgamation expenses written off	8.29	8.28
Interest paid	246.12	330.60
Interest received	(17.15)	(59.55)
Dividend received	(229.88)	(421.34)
Profit on sale of investments	-	(29.22)
Loss on sale of fixed assets	3.23	12.30
	569.12	478.48
Operating profit before working capital changes	1,140.66	1,185.88
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	(8.14)	136.39
(Increase)/Decrease in Inventories	57.38	(112.51)
(Increase)/Decrease in Loans and Advances	(617.65)	(1,654.17)
Increase/(Decrease) in Current Liabilities	(4.41)	(314.48)
	(572.82)	(1,944.77)
Cash generated from operations	567.84	(758.90)
Interest paid	(246.12)	(330.60)
Direct Taxes paid...(net of refund)	(83.30)	(230.55)
NET CASH FROM OPERATING ACTIVITIES	238.42	(1,320.04)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to fixed assets	(146.93)	(1,573.81)
Advance on capital account adjusted	-	720.04
Sale of fixed assets	6.71	32.37
Loss on discontinue of operations	262.04	519.24
Fixed Assets written off	99.86	-
Investments during the year (net)	988.38	1,473.15
Dividend received	229.88	421.34
Profit on sale of investments	-	29.22
Interest received	17.15	59.55
NET CASH USED IN INVESTMENT ACTIVITIES	1,457.09	1,681.10
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from long term borrowings	(1,028.54)	(473.44)
Interim Dividend	(207.47)	-
Tax on Interim Dividend	(35.26)	-
NET CASH USED IN FINANCING ACTIVITIES	(1,271.27)	(473.44)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	424.24	(112.38)
Cash and cash equivalents - Opening balance	289.74	402.12
Cash and cash equivalents - Closing balance	713.98	289.74

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

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

As per our separate report of even date

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

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

G. SANKAR
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 28th April, 2010

CHANDA BEHL
Company Secretary

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

(1) Registration Details

Registration No:	L55101PN1959PLC012763		
Balance Sheet Date	31	03	2010
	Date	Month	Year

State Code	11
(Refer Code List)	

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

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

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

SOURCES FUND	Total Liabilities		Total Assets
	30037		30037
	Paid-up Capital	Share Application Money	Reserves and Surplus
	1729	0	26230
	Secured Loans		Unsecured Loans
	1680		-
	Deferred Tax Liability (Net)		
	397		
APPLICATION OF FUNDS	Net Fixed Assets		Expenditure Pending Capitalisation
	15063		-
	Investments		Net Current Assets
	4472		10494
	Deferred Tax Assets (Net)		Misllaneous Expenditure
	Nil		8
	Accumulated Losses		
	Nil		

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

	Turnover		Total Expenditure
	6490		5919
(Please tick appropriate box + for Profit, - for Loss)			+/- Profit/Loss after tax
	+/- Profit/Loss before tax		tax
<input checked="" type="checkbox"/>	572	<input checked="" type="checkbox"/>	307
	Earning per share (Rs.)		Dividend Rate %
	Basic		12.00
<input checked="" type="checkbox"/>	0.36		
	Diluted		
<input checked="" type="checkbox"/>	0.36		

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

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

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 28th April, 2010

CHANDA BEHL
Company Secretary

Auditors' Report to the Board of Directors of Graviss Hospitality Limited on the Consolidated Financial Statements of Graviss Hospitality Limited and its Subsidiaries.

1. We have audited the attached Consolidated Balance Sheet of **GRAVISS HOSPITALITY LIMITED** (the Company) and its Subsidiaries (the Group) as at 31st March, 2010, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statement and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" issued under Companies (Accounting Standards) Rules, 2006.
4. Based on our audit and to the best of our information and according to the explanation given to us, we are of the opinion that the attached consolidation financial statements read with the Significant Accounting Policies and other notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
 - (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

G. SANKAR
Partner

Membership No. 46050
Firm Registration No. 109208W

Place: Mumbai
Dated: 28th April, 2010

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Consolidated Balance Sheet

as at 31st March, 2010

	Schedule	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	A	1,728.90	1,728.90
Reserves and Surplus	B	25,810.81	25,618.18
		<u>27,539.71</u>	<u>27,347.08</u>
Loan Funds:			
Secured Loans	C	1,680.48	2,838.65
Unsecured Loans	D	257.09	283.64
		<u>1,937.57</u>	<u>3,122.29</u>
Deferred Tax Liability (Net) (Note '13')		323.12	127.15
	TOTAL	<u><u>29,800.40</u></u>	<u><u>30,596.52</u></u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	E	21,601.08	21,808.85
Less: Depreciation		3,173.90	2,670.94
Net Block		<u>18,427.18</u>	<u>19,137.91</u>
Capital Work in Progress	E-1	3,851.77	3,114.96
Investments	F	4,453.69	5,442.06
Current Assets Loans and Advances			
Inventories	G	209.97	267.35
Sundry Debtors		394.61	390.98
Cash and Bank Balances		764.56	361.55
Loans and Advances		2,445.92	2,599.49
		<u>3,815.06</u>	<u>3,619.37</u>
Less: Current Liabilities and Provisions			
Current Liabilities	H	669.77	689.86
Provisions		90.81	48.16
		<u>760.58</u>	<u>738.02</u>
Net Current Assets		<u><u>3,054.48</u></u>	<u><u>2,881.35</u></u>
Miscellaneous Expenditure (to the extent not written off or adjusted)			
Amalgamation Expenses (Note '15')		8.29	16.57
Other Expenditure		4.99	3.66
	TOTAL	<u><u>29,800.40</u></u>	<u><u>30,596.52</u></u>
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	N		

As per our separate report of even date

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

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

G. SANKAR
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 28th April, 2010

CHANDA BEHL
Company Secretary

GRAVISS HOSPITALITY LIMITED

Consolidated Profit and Loss Account for the year ended 31st March, 2010

	Schedule	Year ended 31/03/2010 (Rs. in lacs)	Year ended 31/03/2009 (Rs. in lacs)
INCOME			
Sales and Other Services	I	6,476.25	7,143.62
Other Income	J	298.23	620.16
TOTAL		6,774.48	7,763.78
EXPENDITURE			
Consumption of Food and Beverages	K	929.19	1,060.71
Employees' Remuneration and Benefits	L	1,111.00	1,242.67
Operating and General Expenses	M	3,315.94	3,746.26
TOTAL		5,356.13	6,049.64
PROFIT BEFORE INTEREST, DEPRECIATION, TAX AND AMORTISATION		1,418.35	1,714.14
Less:			
Interest		275.25	363.14
Depreciation [Note '4(III)']		569.54	650.78
Amortisation of Pre-commencement expenses		-	-
Amortisation of Amalgamation expenses (Note "15")		8.29	8.29
TOTAL		853.08	1,022.21
PROFIT BEFORE TAX		565.27	691.93
Provision for Tax:			
Current Tax (Note '4XI')	(75.00)	-	(35.00)
Deferred Tax Credit/(Debit) (Net)	(195.98)	-	206.10
Fringe Benefit Tax	0.00	-	(26.50)
MAT Credit available for set off-(Note '14')	30.00	-	225.00
Short Provision of Tax of earlier years	(18.54)	(259.52)	(0.55)
PROFIT AFTER TAX		305.75	1,060.98
Balance brought forward		661.65	(399.33)
TOTAL		967.40	661.65
APPROPRIATION:			
Interim Dividend		207.47	0.00
Tax on Interim Dividend		35.26	0.00
Transfer to General Reserve		30.00	0.00
Balance carried to Balance Sheet (Schedule 'B')		694.67	661.65
TOTAL		967.40	661.65
Basic Earning per Share (Note '12')		0.35	1.23
Diluted Earning per Share (Note '12')		0.35	1.23

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES N

As per our separate report of even date

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

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

G. SANKAR
Partner

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 28th April, 2010

CHANDA BEHL
Company Secretary

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Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'A' – SHARE CAPITAL		
Authorised:		
230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company	230.00	230.00
113,500,000 Equity shares of Rs. 2 each	2,270.00	2,270.00
	2,500.00	2,500.00
Issued, Subscribed and Paid-up:		
52,610,875 Equity shares of Rs. 2 each for cash (52,610,875)	1,052.22	1,052.22
3,881,665 Equity shares of Rs. 2 each as Bonus Shares from Capital (3,881,665) Redemption and General Reserves Account	77.63	77.63
641,665 Equity shares of Rs. 2 each issued as a result of Amalgamation of (641,665) Ghai Enterprises Pvt. Ltd., with the Company for consideration other than cash	12.83	12.83
29,310,855 Equity shares of Rs. 2 each issued as a result of Amalgamation of (29,310,855) Mayfair Banquets Private Limited with the Company for consideration other than cash	586.22	586.22
86,445,060 (86,445,060)	1,728.90	1,728.90
SCHEDULE 'B' – RESERVES AND SURPLUS		
Capital Reserves:		
Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad. As per last account	7.78	7.78
Warrants Forfeited Account		
As per last account	850.01	–
Transferred from Share Application Money	–	850.01
	850.01	850.01
Share Premium Account:		
As per last account	13,164.56	13,164.56
Add: Amount received during the year	–	–
	13,164.56	13,164.57
Less: Expenses for raising additional capital during the year adjusted	–	–
	13,164.56	13,164.57

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
General Reserve:		
As per last account	11,140.28	11,231.35
Add: Reserve arising on revaluation of Land of the Company	–	–
Add: Adjustments on Amalgamation	0.00	0.00
Add: Adjustment on account of initial adoption of Accounting Standard 15 (revised 2005) on 'Employee Benefit	–	29.62
Add: Transferred from Profit & Loss Account	30.00	–
	11,170.28	11,260.97
Less: Foreign Currency Monetary Item Translation Difference Account (Note '7')	–	(120.68)
Less: Adjusted against debit balance in P & L account as per contra	–	–
Less: Goodwill on Consolidation adjusted [Note 2a(iii)]	(5.24)	(5.24)
	11,165.04	11,135.05
Foreign Currency Monetary Item Translation Difference Account (Note '7')		
As per last account	(200.87)	–
Transferred from General Reserve	–	120.68
Less: Exchange difference for the year	129.63	(321.55)
Profit and Loss Account	(71.24)	(200.87)
As per Account Annexed	694.66	661.65
	25,810.81	25,618.19

SCHEDULE 'C' – SECURED LOANS
From Bank:
I. Term Loan from Vijaya Bank

A. Secured by first charge over the five star hotel property of the Company at Mumbai and personal guarantee of the Managing Director:

(i) Term Loan	186.01	500.00
(ii) Foreign Currency Loan VFRL (US Dollars 1,694,118)	770.49	1,283.37

B. Secured by First Charge over the five star hotel property of the Company at Mumbai and exclusive charge on the fixed assets such as furniture & fixtures, plant & machinery and office equipments in respect of banqueting facilities created out of the loan amount at various locations of the country.

702.55	997.74
--------	--------

C. Interest accrued and due

–	19.15
1,659.05	2,800.27

II. From others- Banks and Financial Institutions:

 Deferred Payment Liabilities
(secured by hypothecation of Vehicles)

21.43	38.38
1,680.48	2,838.65

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Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'D' – UNSECURED LOANS		
From Shareholders:		
From Shareholders	55.60	77.75
From Others:	201.49	205.89
	257.09	283.64

SCHEDULE - 'E' – FIXED ASSETS

Rs. in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION (Note '4(III)')				NET BLOCK	
	As at 01/04/2009	Additions	Sales/ Adjustments	As at 31/3/2010	Upto 31/03/2009	For the Year	Adjustments	Upto 31/03/2010	As at 31/03/2010	As at 31/03/2009
Licence Fees (Note '1' below)	23.34	3.07	–	26.41	6.89	6.47	–	13.36	13.05	15.12
Leasehold Land	10,272.33	–	–	10,272.33	–	–	–	–	10,272.33	10,272.33
Freehold Land (Note '25' on Schedule 'N')	3,208.58	82.44	–	3,291.02	–	–	–	–	3,291.02	3,208.58
Buildings	3,214.28	16.19	–	3,230.47	631.43	107.36	–	738.79	2,491.68	2,582.85
Leased Premises (Note '2' below)	717.73	0.38	252.94	465.17	144.64	84.77	52.24	177.17	288.00	646.57
Plant and Machinery	1,053.11	28.21	107.15	974.17	377.01	72.98	6.79	443.20	530.97	676.10
Furniture, Fittings and Electrical Installations	2,333.83	8.05	78.43	2,263.45	1,108.84	217.84	8.03	1,318.65	944.80	1,151.52
Hotel and Office Equipment	544.12	27.86	–	571.98	181.96	23.94	–	205.90	366.08	362.16
Information Technology	228.47	25.96	0.70	253.73	165.57	37.34	0.35	202.56	51.17	64.25
Vehicles	213.06	–	–	213.06	54.60	19.67	–	74.27	138.79	158.43
Advances on capital account:										
Purchase of Land and Building	–	–	–	–	–	–	–	–	–	–
Development Work	–	–	–	–	–	–	–	–	–	–
Construction Contractors/ Suppliers	–	39.29	–	39.29	–	–	–	–	39.29	–
Total	21,808.85	231.45	439.22	21,601.08	2,670.94	570.37	67.41	3,173.90	18,427.18	19,137.91
Total (previous year)	21,356.48	1,831.83	1,379.36	21,808.85	2,114.90	651.44	95.40	2,670.94	19,137.91	

Notes:

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

SCHEDULE 'E-1' – Capital work in Progress

	2009-10 Rs. in lacs	2008-09 Rs. in lacs
Purchase of Land and Building	987.20	1,673.20
Development Expenses	2,013.45	863.63
Other expenditure during Development	851.12	578.13
TOTAL	3,851.77	3,114.96

Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'F' – INVESTMENTS		
I. LONG TERM INVESTMENTS (AT COST)		
In Equity Shares (Non trade):		
Quoted:		
382 of Edelweiss Capital Limited of Rs. 5 each	3.15	3.15
Unquoted:		
530 of The Saraswat Co-operative Bank Ltd., of Rs. 10 each	0.05	0.05
20 of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each	0.01	0.01
*1857 of Bombay Mercantile Co-operative Bank Ltd., of Rs. 30 each	0.56	0.56
In Equity Shares (trade) (unquoted):		
10,000 of Great Indian Cigar Company Private Limited of Rs. 10 each	1.00	1.00
II. CURRENT INVESTMENT		
In Mutual Funds:		
1,984,316 units of Rs. 10 each in Reliance Medium Term Fund - WDR	–	339.61
752,235 units of Rs. 10 each in Reliance Income Fund - IP - DDR	98.68	108.29
6,810,794 units of Rs. 10 each in Reliance Short Term Fund	725.09	144.00
2,057,706 units of Rs. 10 each in Reliance Medium Term Fund - 1	–	351.78
4,670,854 units of Rs. 10 each in FIDELITY Short Term - DDR	–	467.20
7,402,335 units of Rs. 10 each in IDFC Liquid Plus - Plan B - TP- DDR	–	745.44
806,068 units of Rs. 10 each in IDFC Dynamic Bond Fund	84.69	95.00
1,498,503 units of Rs. 10 each in IDFC SSF - Plan B	151.23	145.67
1,000,000 units of Rs. 10 each in IDFC Fixed Maturity Plan – Quarterly Series 55 Plan	100.20	–
6,353,253 units of Rs. 10 each in ICICI Prudential FRF - Plan D	–	635.46
844,709 units of Rs. 10 each in ICICI Prudential Income Fund	99.36	100.00
1,438,777 units of Rs. 10 each in ICICI Prudential Short Term Plan	172.67	159.33
962,358 units of Rs. 10 each in ICICI Prudential Flexible Income Plan - DDR	–	101.75
1,901,403 units of Rs. 10 each in ICICI Prudential Flexible Income Plan - DWR	–	200.46
1,337,967 units of Rs. 10 each in ICICI Prudential Short Term Plan Dividend	161.01	–
6,597,784 units of Rs. 10 each in Birla Sun Life Short Term Fund	–	660.14
1,035,862 units of Rs. 10 each in Birla Sun Life Dynamic Bond Fund - MDR	107.86	101.48
5,651,107 units of Rs. 10 each in Birla Sun Life Dynamic Bond Fund - Retail Plan MDR	588.44	–
1,783,172 units of Rs. 10 each in Birla Sun Life Dynamic Bond Fund - Retail Plan MD	185.68	–
1,092,538 units of Rs. 10 each in Birla Sun Life Short Term Fund	–	111.51
2,007,845 units of Rs. 10 each in Tata Floater Fund	201.50	666.29
836,518 units of Rs. 10 each in DSP Black Rock Bond Fund	–	95.00
2,019,389 units of Rs. 10 each in Templeton Floating Rate Income Fund Long Term Plan	–	208.88
4,844 units of Rs. 10 each in ICICI Inst Short Term Plan DR-F	0.58	–
23 units of Rs. 10 each in ICICI Inst Short Term Plan Daily	0.03	–
91,258 units of Rs. 10 each in Birla Sunlife Short Term Fund	9.34	–
999,780 units of Rs. 10 each in Reliance Interval Fund - Quarterly Plan Series-III Inst Div Plan	100.74	–
2,444,041 units of Rs. 10 each in Reliance Short Term Fund Retail Plan Dividend Plan	260.20	–
9,439,259 units of Rs. 10 each in HDFC High Interest Fund-Short Term Plan-Dividend	1,000.86	–
2,000,000 units of Rs. 10 each in Kotak Quaterly Interval Plan Series 8 Dividend	200.16	–
2,000,000 units of Rs. 10 each in Kotak Quarterly Interval Plan Series 6 Dividend	200.59	–
	4,453.69	5,442.06
Aggregate value of long term quoted Investments	3.15	3.15
Aggregate value of current quoted Investments	–	–
	3.15	3.15
Aggregate value of unquoted Investments	1.62	1.62
Market value of quoted investments	1.68	0.99

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

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Schedules

forming part of the Consolidated Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'G' – CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
(a) Inventories - At cost (as valued and certified by the Management):		
(i) Food and Beverages	130.37	148.75
(ii) Stores and Other Operating Supplies	79.60	118.60
	<u>209.97</u>	<u>267.35</u>
(b) Sundry Debtors (Unsecured, considered good): (Note '17a & b')		
Outstanding over six months	41.49	34.40
Other debts	353.12	356.58
	<u>394.61</u>	<u>390.98</u>
(c) Cash and Bank Balances:		
Cash on hand (including Rs. 16.43 lacs for cheques in hand) (as confirmed by the Managing Director)	30.01	28.99
Balances with Scheduled Banks in:		
Current Accounts	258.59	181.82
Dividend Accounts	7.46	0.92
Deposit/Margin Money Accounts (lodged as securities with the banks)	163.71	148.58
Other Deposit Accounts	304.79	1.24
	<u>764.56</u>	<u>361.55</u>
Loans and Advances (unsecured, considered good):		
Advances recoverable in cash or in kind for value to be received	750.30	799.67
Security and other Deposits	1,172.83	1,299.03
Advance Income-tax (net of provisions) – (including tax deducted at source)	267.79	275.79
Minimum Alternate Tax (MAT) credit entitlement (Note '14')	255.00	225.00
	<u>2,445.92</u>	<u>2,599.49</u>
TOTAL	<u><u>3,815.06</u></u>	<u><u>3,619.37</u></u>
SCHEDULE 'H' – CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors (Note '6')	589.25	670.24
Other Liabilities	73.06	18.70
Unpaid Dividend	7.46	0.92
	<u>669.77</u>	<u>689.86</u>
Provisions:		
Gratuity (net of funds) (Note '8a')	68.68	35.55
Leave Encashment (Note '8b')	22.13	12.61
	<u>90.81</u>	<u>48.16</u>
TOTAL	<u><u>760.58</u></u>	<u><u>738.02</u></u>

Schedules

forming part of the Consolidated Profit & Loss Account as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'I' – SALES AND OTHER SERVICES		
Room Sales	2,103.49	2,428.52
Food and Beverages	3,198.82	3,442.32
Other Services	1,173.93	1,272.78
	6,476.24	7,143.62
SCHEDULE 'J' – OTHER INCOME		
Miscellaneous receipts	39.87	29.33
Dividend Income	229.88	421.34
Interest Income		
(Tax deducted at source - Rs.1.89 lacs) (previous year Rs.10.37 lacs)	17.15	59.55
Profit on sale of Investments	–	29.22
Sales/Luxury Tax refund	3.73	52.86
Unclaimed Credit balances written off (net)	4.17	18.05
Exchange Rate Difference (net)	–	6.41
Foreign Exchange Commission	3.43	3.40
	298.23	620.16
SCHEDULE 'K' – CONSUMPTION OF FOOD AND BEVERAGES		
Stock at Commencement	148.75	83.21
Purchases during the year	910.81	1,126.25
	1,059.56	1,209.46
Less: Stock at close	130.37	148.75
	929.19	1,060.71
SCHEDULE 'L' – EMPLOYEES' REMUNERATION AND BENEFITS (Note "10")		
Salaries, Wages, Bonus and Gratuity	989.27	1,107.52
Company's Contribution to Provident and Other Funds	68.62	84.98
Staff Welfare expenses	53.11	50.17
	1,111.00	1,242.67
SCHEDULE 'M' – OPERATING AND GENERAL EXPENSES		
Operating Expenses:		
Power, Fuel and Water	368.28	390.43
Repairs and Maintenance:		
Building	54.01	82.32
Machinery	23.23	10.87
Others	221.16	185.78
Stores and Supplies including Linen and Uniforms	155.17	193.87
Washing and Laundry expenses	74.35	102.29
Business Operating expenses	240.68	294.98
Hall Decoration	157.33	140.02
Music and other Operating expenses	76.13	74.87
General Expenses:		
Rent	258.70	376.52
Rates and Taxes	79.81	58.88
Insurance	14.85	20.34
Hire charges	28.72	53.68
Advertisement and Sales Promotion	176.85	249.73
Commission on Sales	249.38	174.20
Travelling and Conveyance	150.20	169.09
Printing and Stationery	26.94	44.81
Postage and Telephones	63.83	72.57
Other Expenses	142.97	133.62
Payments to Auditors (Note '11')	4.97	6.35
Legal and Professional charges	147.76	106.94
Exchange Rate Difference	0.42	–
Franchise and Corporate Service fees	216.97	247.22
Donations	8.46	4.11
Directors Sitting fees	2.60	2.80
Loss on sale of Asset	3.23	12.30
Loss on discontinuance of operations (Note '16')	262.04	519.23
Fixed Assets w/off	96.97	–
Prior Period expenses	–	0.66
Bad Debts written off	9.93	17.78
	3,315.94	3,746.26

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Schedules

Notes to the Account

SCHEDULE 'N' – NOTES ON ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.

1. Basic of Preparation

The consolidated financial statements relate to Graviss Hospitality Limited and its subsidiary companies as at 31st March, 2010. The Company has prepared consolidated financial statements in accordance with Accounting Standard - 21 (Consolidated Financial Statements) notified by Companies (Accounting Standards) Rules, 2006.

2. Principles of Consolidation:

- (i) The Financial Statements of the Company and its subsidiary companies 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.
- (ii) The Financial Statements of the Subsidiary Companies used in the consolidation are drawn upto the same reporting date as that of the Company, i.e 31st March, 2010.
- (iii) The excess of the cost to the Company of its investment in the subsidiary companies over the Company's portion of equity is recognized in the financial statements as Goodwill adjusted against General Reserve.

3. Companies included in Consolidation :

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

4. Significant Accounting Policies

I SYSTEM OF ACCOUNTING

- (a) The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act,1956.
- (b) Financial statements are prepared on historical cost basis and as a going concern.

II USE OF ESTIMATES

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

III FIXED ASSETS AND DEPRECIATION

- (a) **Fixed Assets**
Fixed assets are stated at cost of acquisition including attributable expenses and are stated at cost less depreciation.
- (b) **Depreciation**
Depreciation is charged in the Accounts on straight line method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except as follows:
 - Licence Fee is depreciated at the rate of 25%
 - Leased premises are depreciated at the rate of 20%
 - In case of Graviss Catering Private Limited and Graviss Hotels and Resorts Limited depreciation is charged on written down value method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

IV REVENUE RECOGNITION

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will follow to the company.

- (a) Sales: Revenue is recognized on accrual basis. Sales comprise of sale of goods and services and are net of Value Added Tax and Service Tax.
- (b) Interest: Revenue is recognized on time proportion basis taking into account the outstanding amount and the applicable rate of interest.
- (c) Dividends: Revenue is recognized when the right to receive payment is established.

Notes to the Account — (Contd.)

V INVESTMENTS

The Company's investments comprise long term and current investments. Long Term investments are stated at cost less permanent diminution, if any, in value. Current investments are stated at lower of cost or market value.

VI INVENTORIES

Inventories are valued at cost. Cost is computed at purchase price and other related expenses incurred in bringing the inventories to their present location and condition.

VII FOREIGN CURRENCY TRANSACTIONS

- (a) Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of Transactions.
- (b) Monetary items denominated in foreign currencies (such as cash receivables, payables, etc.) outstanding at the year end, are translated at exchange rate applicable as of that date.
- (c) Non-monetary items denominated in foreign currency (such as investments, fixed assets, etc) are valued at the exchange rate prevailing on the date of transaction.
- (d) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted in the Profit & Loss Account, except as indicated in Note 8 below.

VIII BORROWING COSTS

Borrowing costs attributable to acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

IX EMPLOYEE BENEFITS

- (a) Contributions to Provident are made to Employees Provident Fund of the Government and are charged to Profit & Loss Account.
- (b) The company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Met Life Insurance Co. Premium charged by the Met Life Insurance Co, based on actuarial valuation is debited to the Profit and Loss account.
- (c) Liability towards Leave Encashment Benefit is provided for based on actuarial valuation done at the year end.

X PROVISIONS & CONTINGENCIES

- (a) A provision arising out of a present obligation is recognized when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
- (b) Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.
- (c) Show Cause Notices are not considered as Contingent Liabilities unless converted into demand.

XI TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act,1961. Credit in respect of Minimum Alternate Tax paid is recognized only if there is convincing evidence of realization of the same.

Deferred Tax which is computed on the basis of enacted/substantively enacted rates, is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

XII IMPAIRMENT OF ASSET

The carrying amount of assets are reviewed at each balance sheet date for indication of any impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to that effect.

XIII LEASES

Assets acquired under finance leases are capitalized at the lower of the fair value of the leased assets at the inception of the lease term and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at constant periodic rate of interest on the remaining balance of liability.

Operating lease expense is recognized in the Profit and Loss Account on straight line basis over the lease term.

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Notes to the Account — (Contd.)

5. The Company is contingently liable in respect of:
- Bank Guarantees given to the extent of Rs. 529.68 lacs (previous year Rs. 530.80 lacs).
 - Estimated amount of contracts remaining to be executed on capital account and not provided for is approximately Rs. 778 lacs (previous year Rs.976 lacs)
 - Disputed property tax demand Rs.222.41 (previous year Rs.185.34)
6. Amounts if any due to Micro Enterprises, Small Enterprises and Medium Enterprises under Micro Enterprises, Small Enterprises and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
7. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard (AS)11 notified by Government of India on March 31, 2009. Accordingly the effect of exchange difference of Rs 129.63 lacs (gain) on long term loan in foreign currency has been recognized during the year by transferring to Foreign Currency Monetary Items Translation Difference Account. An amount of Rs 71.24 lacs (loss), being the balance in Foreign Currency Monetary Item Translation difference account as on 31st March 2010, is to be amortised in the subsequent years.

8. Retirement benefit

Disclosure pursuant to Accounting Standard -15 (Revised) Employee Benefits:

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

Defined Contribution Plans:

The company has reconginsed contribution to Provident Fund of Rs 61.68 lacs in the Profit & Loss Account.

	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
(a) Gratuity		
(i) Profit and loss account		
Net employee benefit expenses (recognized in employee cost)	-	
Current service cost	24.57	19.44
Interest on defined benefit obligation	6.25	5.08
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognized in the year	-	-
Past service cost	-	-
Actuarial (gain)/losses	7.73	0.72
Total included in 'employee benefit expenses'	38.55	25.24
(ii) Balance Sheet		
Details of provision for gratuity		
Liability at the end of the year	117.74	93.95
Fair value of plan assets at the end of the year	(49.06)	(58.40)
Difference	68.68	35.55
Unrecognized past service cost	-	-
Unrecognized transition liability	-	-
Amount in Balance Sheet	68.68	35.55
(iii) Changes in the present value of the defined benefit obligation are as follows:		
Liability at the beginning of the year	93.94	74.40
Interest cost	6.25	5.08
Current service cost	24.57	19.44
Past service cost (non vested benefit)	-	-
Past service cost (vested benefit)	-	-
Benefits paid	(14.76)	(5.69)
Actuarial (gain)/loss	7.73	0.72
Liability at the end of the year	117.73	93.95
(b) Leave Encashment		
(i) Profit and loss account		
Current service cost	27.18	23.90
Interest Cost	0.88	0.20
Expected return on plan assets	-	-
Net Actuarial (Gain)/Loss recognized for the period	(16.55)	(12.46)
Expenses recognized in the statement of P&L A/c	11.51	11.64

Notes to the Account — (Contd.)

(ii)	Balance Sheet		
	Opening Net Liability	12.61	4.51
	Adjustment to opening balance	-	-
	Expenses as above	11.51	11.64
	Contribution paid	(1.99)	(3.54)
	Closing net liability	22.13	12.61
(iii)	Change in present value of obligations		
	PVO at beginning of period	12.61	4.51
	Interest cost	0.88	0.20
	Current Service Cost	27.18	23.90
	Benefits Paid	(1.99)	(3.54)
	Actuarial (gain)/loss on obligation	(16.55)	(12.46)
	PVO at end of period	22.13	12.61

9. (a) **Finance Lease:**

The Company has taken on finance lease, cost of assets having an aggregate value of Rs.113.86 lacs (previous year Rs. 113.86 lacs) upto March 2010 against which the future obligations aggregate to Rs. 21.42 lacs (previous year Rs.38.39 lacs) excluding the lease charge Rs. 1.37 lacs (previous year Rs. 4.84 lacs) and the same are payable as under:

Period	2009-10		2008-2009	
	Minimum Lease Payment (Rs. in lacs)	Present Value (Rs. in lacs)	Minimum Lease Payment (Rs. in lacs)	Present Value (Rs. in lacs)
Not later than 1 year	16.12	15.03	20.44	16.97
Later than 1 year but not later than 5 years	6.67	6.39	22.79	21.42

(b) **Operating Lease:**

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

Period	2009-10 Minimum Lease Payment (Rs. in lacs)	2008-09 Minimum Lease Payment (Rs. in lacs)
Not later than 1 year	168.60	232.84
Later than 1 year but not later than 5 years	305.00	804.92
Later than 5 years	22.75	322.77

10. Employees' Remuneration and Benefits includes Remuneration paid to the Managing Director and Joint Managing Director

	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
Salary	54.00	54.00
Contribution to provident and superannuation Funds	6.48	6.48
Other Perquisites	14.10	14.10
	74.58	74.58

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Notes to the Account — (Contd.)

		2009-10 (Rs. in lacs)	2008-2009 (Rs. in lacs)
11. Payments to Auditors			
Audit Fee		5.00	4.35
Certification charges and fee		0.47	2.75
		5.47	7.10
		2009-10 (Rs. in lacs)	2008-2009 (Rs. in lacs)
12. Earning per Share:			
Weighted average number of equity shares (Basic)	Nos	86,571.572	86,571.572
Weighted average number of equity shares (Diluted)	Nos	86,571.572	86,571.572
Net profit after taxation	(Rs. in lacs)	305.75	1,061.00
Earning per share-Basic	Rs.	0.35	1.23
Earning per share-Diluted	Rs.	0.35	1.23
Nominal value per equity share	Rs.	2	2
		2009-10 (Rs. in lacs)	2008-2009 (Rs. in lacs)
13. The deferred tax (asset)/liability as on 31 March 2010 is as follows:			
Deferred tax asset due to			
(a) Unabsorbed depreciation and carried forward business loss under the Income-tax Act, 1961		(71.25)	(249.90)
(b) Items covered under section 43B of Income-tax Act, 1961		(34.33)	(19.07)
Deferred tax liability due to			
Depreciation		428.70	396.12
Net deferred tax liability		323.12	127.15
14. Provision for current tax during the year is made on the basis of Minimum Alternate Tax (MAT) in accordance with section 115JB of the Income Tax Act, 1961. Considering the future profitability and taxable position in the subsequent years, MAT Credit entitlement of Rs. 30.00 lacs pertaining to earlier year has been recognized as an asset disclosed under the head Loans and Advances (Schedule 'F') in accordance with the Guidance note on "Accounting for Credit Available in respect of Minimum Alternate Tax" under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India, with corresponding credit to Profit & Loss Account..			
15. Amalgamation expenses are written off over a period of five years			
16. The Company's operations at Ahmedabad were discontinued during the year ended 31 March 2010. Loss of Rs. 262.03 lacs charged to the profit and loss account due to discontinuance of operations is on account of write off of cost of improvements and other assets on the leased premise at this unit as shown below:			
		2009-10 (Rs. in lacs)	2008-2009 (Rs. in lacs)
Cost of improvement on leased premises and electrical installations		299.23	612.38
Depreciation upto 31 March 2010		37.19	93.15
Net Loss on discontinuance of operations		262.04	519.23

Notes to the Account — (Contd.)

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

Sundry Debtors:	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
Graviss Holdings Private Limited	208.24	144.71
Rich Graviss Products Private Limited	1.80	1.69
Mahaniya Investments Pvt Ltd	—	—
Graviss Foods Private Limited	0.42	1.73
	210.46	148.13
Loans and Advances:		
Security Deposits:		
Graviss Holdings Private Limited	200.00	200.00
Cross Word Beverages Private Limited	800.00	800.00
Pure Foods & Ice Cream	4.00	4.00
	1,004.00	1,004.00

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

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

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

i Shareholders/Directors

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

ii Other related parties where the common control exists

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

*Idar Hotels Pvt. Ltd., *Gaylord Pvt. Ltd., *Oregon Realtys Pvt Ltd, *Perfect Livestock Pvt. Ltd., *Satinetta Finelease & Investments Pvt. Ltd., *Kwality Walls Fanatasy Ltd.
(*no transactions during the year)

iii Managing and Joint Managing Director

Mr Ravi Ghai and Mr Gaurav Ghai

B. Transactions with Related Parties:

	2009-10 (Rs. in lacs)	2008-09 (Rs. in lacs)
i Sale		
Other related parties where the common control exists	1,040.17	910.68
ii Expenditure and other services fees paid		
Shareholders/Directors/Managing Director	12.42	13.40
Other related parties where the common control exists	110.81	142.91
iii Managerial Remuneration		
Managing Director	74.58	74.58
iv Loans/Advances/Deposits given		
Other related parties where the common control exists	1,000.00	1,000.00
v Debtors		
Other related parties where the common control exists	200.49	204.90
vi Outstanding payables		
Other related parties where the common control exists	5.75	8.41

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Notes to the Account — (Contd.)

19. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Accounting Standard 17- 'Segment Reporting'.
20. The Company has granted 50,000 share options under the Company's Employees Stock Option Scheme 2007 and these share options were outstanding as on 31 March 2010. Out of these options 10,000 options will vest in November 2010, 20,000 options in November 2011 and balance 20,000 options in November 2012.
21. The accumulated losses of Graviss Catering Private Limited, a 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, the going concern assumption is not affected.
22. 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.
23. Graviss Hotels and Resorts Limited (subsidiary company) has not commenced commercial operations. The Company proposes to build hotels at various places viz Goa, Alibaug, Jaipur and Shirdi and has acquired lands for the same. The company is in the process of development / construction.
24. "Advances on Capital Account against Purchase of Land" includes an amount of Rs. 450 lacs being the advances paid to a party for purchase of property. Since the party has not fulfilled certain conditions as per the terms of the agreement, the Company has exercised its right to cancel the agreement and is hopeful of recovering the advance paid to the said party. The Company also has the option of recovering the aforesaid amount through the Escrow Agent in the event of the party failing to refund the advance amount.

"Advances on Capital Account against Purchase of Land" includes an amount of Rs. 270 lacs being the advance paid to three parties for purchase of lands against a total consideration of Rs. 2832 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 Company has filed petition before the Hon'ble Delhi Court against the arbitration and is awaiting the order of the Court. The Company is hopeful of decision of the Hon'ble Court going in its favour and hence considers the advance good of recovery.
25. "Advances on Capital Account against Purchase of Land" includes an amount of Rs. 270 lacs being the advance paid to three parties for purchase of lands against a total consideration of Rs. 2832 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 filed petition for arbitration. The Company has invoked Arbitration award proceedings.
26. Previous year's figures have been regrouped/rearranged wherever necessary to conform to the current year's groupings.

Signature to Schedules 'A' to 'N'

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

G. SANKAR
Partner

Mumbai,
Dated: 28th April, 2010

RAVI GHAI
Chairman and Managing Director

RAMAN MEHRA
Chief Executive Officer

R.K.P. SHANKARDASS
Director

AMIT JAIN
Chief Financial Officer

CHANDA BEHL
Company Secretary

Consolidated Cash Flow Statement for the Year Ended 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	565.24	691.93
Adjusted for		
Depreciation	569.54	650.78
Amalgamation expenses written off	8.29	8.28
Interest paid	275.25	363.14
Interest received	(17.15)	(59.55)
Dividend received	(229.88)	(421.34)
Profit on sale of investments	-	(29.22)
Loss on sale of fixed assets	3.23	12.30
	609.28	524.40
Operating profit before working capital changes	1,174.52	1,216.33
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	(3.63)	137.66
(Increase)/Decrease in Inventories	57.38	(112.51)
(Increase)/Decrease in Loans and Advances	175.57	50.09
Increase/(Decrease) in Current Liabilities	22.53	(367.75)
	251.85	(292.51)
Cash generated from operations	1,426.37	923.82
Interest paid	(275.25)	(363.14)
Direct Taxes paid...(net of refund)	(85.55)	(233.65)
NET CASH FROM OPERATING ACTIVITIES	1,065.57	327.03
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to fixed assets	(968.26)	(3,261.62)
Other Expenditure	(0.50)	(0.75)
Advance on capital account adjusted	-	720.04
Sale of fixed assets	6.71	32.37
Loss on discontinuing of operations	262.04	519.24
Fixed Assets written off	99.86	-
Investments during the year (net)	988.38	1,473.15
Dividend received	229.88	421.34
Profit on sale of investments	-	29.22
Interest received	17.15	59.55
NET CASH USED IN INVESTMENT ACTIVITIES	635.26	(7.46)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds from long term borrowings	(1,055.09)	(496.60)
Interim Dividend	(207.47)	-
Tax on Proposed Dividend	(35.26)	-
NET CASH USED IN FINANCING ACTIVITIES	(1,297.82)	(496.60)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	403.01	(177.03)
Cash and cash equivalents - Opening balance	361.55	538.58
Cash and cash equivalents - Closing balance	764.56	361.55

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

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

Auditors' Report to the Members of Graviss Hospitality Limited

As per our separate report of even date

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

Chartered Accountants

G. SANKAR

Partner

Mumbai,

Dated: 28th April, 2010

RAVI GHAI

Chairman and Managing Director

RAMAN MEHRA

Chief Executive Officer

R.K.P. SHANKARDASS

Director

AMIT JAIN

Chief Financial Officer

CHANDA BEHL

Company Secretary

49TH ANNUAL REPORT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

(1) Registration Details

Registration No:	L55101PN1959PLC012763		
Balance Sheet Date	31	03	2010
	Date	Month	Year

State Code	11
(Refer Code List)	

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

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

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

SOURCES OF FUND	Total Liabilities	Share Application Money	Total Assets
	29800	0	29800
	Paid-up Capital		Reserves and Surplus
	1729		25811
	Secured Loans		Unsecured Loans
	1680		257
	Deferred Tax Liability (Net)		Capital work in progress
	323		3,852
APPLICATION OF FUNDS	Net Fixed Assets		Net Current Assets
	18427		3054
	Investments		Misllaneous Expenditure
	4454		13
	Deferred Tax Assets (Net)		
	Nil		
	Accumulated Losses		
	Nil		

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

Turnover	6774	Total Expenditure	6209
(Please tick appropriate box + for Profit, - for Loss)		+/- Profit/Loss after tax	
+/- Profit/Loss before tax	+ 565	tax	+ 306
Earning per share (Rs.)		Dividend Rate %	12.00
Basic	+ 0.35		
Diluted	+ 0.35		

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

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

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

RAMAN MEHRA
Chief Executive Officer

AMIT JAIN
Chief Financial Officer

Mumbai,
Dated: 28th April, 2010

CHANDA BEHL
Company Secretary

Statement Pursuant to Section 212 of the Companies Act, 1956

(1) Name of the Subsidiary Company	Graviss Catering Private Limited
Date on which it became subsidiary	April 1, 2006
Financial year of the Subsidiary company	31st March, 2010
Total issued and paid up capital of the Subsidiary Company	76,502 Equity Shares of Rs. 10 each
Extent of interest of Graviss Hospitality Limited in Graviss Catering Private Limited	76,422 Equity Shares of Rs. 10 each
Net Aggregate amount of Profits (Loss)	Company has incurred a loss of Rs. 1.40 Lacs as against previous year Loss of Rs. 11.82 Lacs. Total accumulated loss carried to Balance-sheet as on 31st March, 2010 amounted to Rs. 412.13 Lacs as against previous year accumulated loss of Rs. 410.73 Lacs.

No adjustment has been made in the accounts of the company in respect of the loss incurred by the Graviss Catering Private Limited

(2) Name of the Subsidiary Company	Graviss Hotels & Resorts Limited
Date on which it became subsidiary	November 24, 2006
Financial year of the Subsidiary Company	31st March, 2010
Total issued and paid up capital of the Subsidiary Company	50,010 Equity Shares of Rs. 10 each
Extent of interest of The Graviss Hospitality Limited in Graviss Hotels & Resorts Ltd.	50,000 Equity Shares of Rs. 10 each
Net Aggregate amount of Profits/(Loss)	Company has made a Profit/Loss before Tax of Rs. NIL (previous year Loss of Rs. 1.10 Lacs) Total accumulated loss carried to Balance-Sheet as on 31 st March, 2010 amounted to Rs. 1.69 Lacs (previous year accumulated loss of Rs. 1.69 Lacs)

No adjustment has been made in the accounts of the company in respect of the loss incurred by the Graviss Hotels & Resorts Private Limited

RAVI GHAI
Chairman and Managing Director

R.K.P. SHANKARDASS
Director

AMIT JAIN
Chief Financial Officer

Mumbai, dated: 28th April, 2010

GRAVISS CATERING PRIVATE LIMITED

BOARD OF DIRECTOR

Mr. Raman Mehra

Mr. Vikram Seth

Mr. Sunil Pardal

Mr. V.P. Garg

BANKERS

AXIS Bank Ltd.

AUDITORS

M/s. V. Sankar Aiyar & Co.

REGISTERED OFFICE

N-25, Panchsheel Park, New Delhi 110 017

ADMINISTRATIVE OFFICE

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

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

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GRAVISS CATERING PRIVATE LIMITED

Notice

NOTICE is hereby given that the 33rd Annual General Meeting of the members of GRAVISS CATERING PRIVATE LIMITED will be held as scheduled below:

Venue: N-25, Panchsheel Park, New Delhi- 110 017

Date : 17th June, 2010

Day : Thursday

Time : 11.00 a.m.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at and Profit and Loss Account for the financial year ended 31st March, 2010 and the Reports of Director's and Auditor's thereon.
2. To appoint a Director in place of Mr. Raman Mehra who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Sunil Pardal who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, pass with or without modification, as an ORDINARY RESOLUTION, the following:
"RESOLVED THAT Pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. V. Sankar Aiyer & Co., Chartered Accountant, be and are hereby appointed as the Auditors to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors of the Company;
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to implement this resolution."

By Order of the Board

For **GRAVISS CATERING PRIVATE LIMITED**

Vikram Seth
Director

Dated: April 28, 2010.

Registered Office:

N-25, Panchsheel Park, New Delhi- 110 017

Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE PROXY FORM IS ENCLOSED.
- (b) Members are requested to intimate changes in their addresses, if any, to the Company.
- (c) Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the administrative office of the Company.

By Order of the Board

For **GRAVISS CATERING PRIVATE LIMITED**

Vikram Seth
Director

Dated: April 28, 2010.

Registered Office:

N-25, Panchsheel Park, New Delhi- 110 017

33RD ANNUAL REPORT

Directors Report

To The members

The Board of Directors of your Company present the 33rd Annual Report of the Company with the Audited Statement of Accounts for the financial year ended 31st March, 2010.

BUSINESS OPERATIONS

During the period under review the Company has incurred a loss of Rs. 1.40 Lacs as against previous year Loss of Rs. 11.82 Lacs.

DIVIDEND

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Ramna Mehra and Mr. Sunil Pardal, Directors of the company retire by rotation and being eligible, offer themselves for reappointment.

FIXED DEPOSITS

During the Year under review, your Company has not accepted any fixed deposits.

PARTICULARS OF EMPLOYEES

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

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

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the Losses of the Company for the year ended 31st March 2010;
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

AUDITORS:

The Board recommends the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants as Auditors of the Company from the conclusion of 33rd Annual General Meeting until the conclusion of 34th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Mumbai
28th April 2010

Raman Mehra
Chairman

Auditors' Report

To the Members of Graviss Catering Private Limited

1. We have audited the attached Balance Sheet of GRAVISS CATERING PRIVATE LIMITED as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003 and read together with the Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, as the Company is not covered by the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - (e) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date, and
 - (iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For V. SANKAR AIYAR & CO.,

Chartered Accountants

G. Sankar
Partner.

Membership No. 46050
Firm Registration No. 109208W

Place: Mumbai

Dated : 28th April, 2010

33RD ANNUAL REPORT

Balance Sheet

as at 31st March, 2010

	Schedule	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	A	7.65	7.65
		<u>7.65</u>	<u>7.65</u>
Loan Funds:			
Unsecured Loans	B	566.76	607.33
		<u>566.76</u>	<u>607.33</u>
TOTAL		<u><u>574.41</u></u>	<u><u>614.98</u></u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	C	167.00	167.00
Less: Depreciation		99.85	88.81
Net Block		<u>67.15</u>	<u>78.19</u>
Deferred Tax Assets (Note '5')		74.21	69.30
Current Assets, Loans and Advances:			
Inventories	D	–	–
Sundry Debtors		2.98	7.49
Cash and Bank Balances		14.19	15.34
Loans and Advances		15.70	42.70
		<u>32.87</u>	<u>65.53</u>
Less: Current Liabilities and Provisions:			
Current Liabilities	E	11.95	8.78
Provisions		–	–
		<u>11.95</u>	<u>8.78</u>
Net Current Assets		20.92	56.75
Profit and Loss Account			
As per Accounts annexed		412.13	410.74
TOTAL		<u><u>574.41</u></u>	<u><u>614.98</u></u>

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES J

As per our separate report of even date

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

Chartered Accountants

G. SANKAR

Partner

RAMAN MEHRA

Director

VIKRAM SETH

Director

Mumbai,

Dated: 28th April, 2010

GRAVISS CATERING PRIVATE LIMITED

Profit and Loss Account for the year ended 31st March, 2010

	Schedule	Year ended 31/03/2010 (Rs. in lacs)	Year ended 31/03/2009 (Rs. in lacs)
INCOME			
Sales and Other Services (Note "4")		284.19	168.50
Other Income	F	-	0.00
TOTAL		284.19	168.50
 EXPENDITURE			
Consumption of Food and Beverages	G	-	-
Employees' Remuneration and Benefits	H	3.33	7.10
Operating and General Expenses	I	246.99	130.95
Interest		29.14	32.54
Depreciation		11.03	13.37
TOTAL		290.49	183.96
 LOSS BEFORE TAX			
		6.30	15.46
Provision for Taxation:			
Current Tax		-	-
Deferred Tax Credit		(4.90)	(4.34)
Fringe Benefit Tax		0.00	0.15
Short provision of Fringe Benefit Tax of earlier years		0.00	0.55
Loss after Taxation		1.40	11.82
Excess Provision of Deferred Tax Assets		-	-
		1.40	11.82
Balance brought forward		410.73	398.91
Balance carried to Balance Sheet		412.13	410.73
Basic and Diluted Earning per Share (Note '6')		1.83	(15.45)

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES J

As per our separate report of even date

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

G. SANKAR
Partner

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai,
Dated: 28th April, 2010

33RD ANNUAL REPORT

Schedules

forming part of the Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'A' – SHARE CAPITAL		
Authorised:		
100,000 Equity shares of Rs. 10 each	10.00	10.00
Issued, Subscribed and Paid up:		
76,502 Equity shares of Rs. 10 each fully paid up (Note "2")	7.65	7.65
	7.65	7.65
SCHEDULE 'B' – UNSECURED LOANS		
(a) From Shareholders	55.60	77.75
(b) From Holding Company:	309.66	323.68
(c) From Others	201.50	205.90
	566.76	607.33

SCHEDULE – 'C' FIXED ASSETS

(Rs in Lacs)

PARTICULARS	Rate of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/2009	Additions	Sales/ Adjustments	As at 31/3/2010	Upto 31/03/2009	For the Year	Adjust ments	Upto 31/3/2010	As at 31/03/2010	As at 31/03/2009
Premises (see note below)	10%	74.41	–	–	74.41	31.75	4.27	–	36.02	38.39	42.66
Plant and Machinery	13.91%	42.30	–	–	42.30	22.40	2.77	–	25.17	17.13	19.90
Electrical Installation	25.88%	–	–	–	–	–	–	–	–	–	–
Furniture and Fixtures	25.88%	46.02	–	–	46.02	31.62	3.73	–	35.35	10.67	14.40
Other Equipment	13.91%	1.49	–	–	1.49	0.64	0.12	–	0.76	0.73	0.85
Computer	40%	2.78	–	–	2.78	2.40	0.15	–	2.55	0.23	0.38
	TOTAL	167.00	–	–	167.00	88.81	11.04	–	99.85	67.15	78.19
	Total (previous year)	167.00	–	–	167.00	75.44	13.37	–	88.81	78.19	

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

	Year ended 31/03/2010 (Rs. in lacs)	Year ended 31/03/2009 (Rs. in lacs)
SCHEDULE 'D' – CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
(a) Inventories - At cost (as valued and certified by the Management): Food and Beverages	NIL	NIL
(b) Sundry Debtors (Unsecured, considered good): Outstanding over six months Other debts	– 2.98	– 7.49
	2.98	7.49
(c) Cash and Bank Balances: Cash on hand (as confirmed by a Director) Balances with scheduled Banks in: Current Accounts	2.53 11.66	10.64 4.70
	14.19	15.34

GRAVISS CATERING PRIVATE LIMITED

Schedules

forming part of the Balance Sheet as at 31st March, 2010

	Year ended 31/03/2010 (Rs. in lacs)	Year ended 31/03/2009 (Rs. in lacs)
(d) Loans and Advances:		
Advances recoverable in cash or in kind or value to be received	0.10	18.23
Security and other deposits	9.68	19.86
Advance Income-tax (including tax deducted at source)	5.92	4.61
	<u>15.70</u>	<u>42.70</u>
TOTAL	<u>32.87</u>	<u>65.53</u>
SCHEDULE 'E' – CURRENT LIABILITIES		
Sundry Creditors (Note '3')	12.57	7.58
Other Liabilities	-0.62	1.20
	<u>11.95</u>	<u>8.78</u>
SCHEDULE 'F' – OTHER INCOME	NIL	NIL
SCHEDULE 'G' – CONSUMPTION OF FOOD BEVERAGES	NIL	NIL
SCHEDULE 'H' – EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, Wages and Bonus	2.36	6.46
Company's contribution to Provident and other Funds	0.36	0.55
Staff Welfare expenses	0.61	0.09
	<u>3.33</u>	<u>7.10</u>
SCHEDULE 'I' – OPERATING AND GENERAL EXPENSES		
Operating Expenses:		
Power, Fuel and Water	2.06	0.11
Repairs and Maintenance:	–	–
Other Assets	16.46	0.08
Business Operating expenses	6.60	0.99
Hall Decoration	147.91	84.51
Hire charges and outdoor expenses	13.37	7.63
General Expenses:		
Rent	1.20	1.20
Rates and Taxes	10.05	10.05
Insurance	0.08	0.11
Commission of Sales	3.03	2.25
Traveling and Conveyance	11.75	4.03
Printing and Stationery	0.45	0.07
Postage and Telephones	0.72	0.43
Other expenses	10.58	1.74
Audit fees	0.50	0.30
Legal and Professional charges	21.65	10.42
Bad Debts written off	0.58	7.03
	<u>246.99</u>	<u>130.95</u>

Schedules

Notes to the Accounts

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

A. Notes on Accounts :

1. SIGNIFICANT ACCOUNTING POLICIES

(a) SYSTEM OF ACCOUNTING:

- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

- (ii) Financial statements are prepared on historical cost basis and as a going concern.

(b) USE OF ESTIMATES:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

(c) FIXED ASSETS AND DEPRECIATION:

- (i) Fixed Assets

Fixed assets are stated at cost of acquisition including attributable expenses and are stated at cost less depreciation.

- (ii) Depreciation

Depreciation is charged in the Accounts on written down value method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

(d) REVENUE RECOGNITION:

Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefit will follow to the company.

Revenue is recognized on accrual basis. Sales comprise of sale of goods and services and are net of Value Added Tax and Service Tax.

(e) INVENTORIES:

Inventories are valued at cost. Cost is computed at purchase price and other related expenses incurred in bringing the inventories to their present location and condition.

(f) EMPLOYEE BENEFITS:

- (i) Contribution to Provident are made to Employees Provident Fund of the Government and are charged to Profit & Loss Account.
- (ii) Liabilities towards Gratuity and leave Encashment Benefit are provided for based on actuarial valuation done at the year end.

(g) TAXES ON INCOME:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961. Credit in respect of Minimum Alternate Tax paid is recognized only if there is convincing evidence of realization of the same.

Deferred Tax which is computed on the basis of enacted/substantively enacted rates, is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry toward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future.

Notes to the Accounts — (Contd.)

(h) IMPAIRMENT OF ASSET:

The carrying amount of assets are reviewed at each balance sheet date for indication of any impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to the effect.

(i) LEASE:

Operating lease expense is recognized in the Profit and Loss Account on straight line basis over the lease term.

2. 76,422 Equity shares of Rs. 10 each fully paid up are held by the holding company, Graviss Hospitality Limited.
3. Amounts if any due to Micro Enterprises, Small Enterprises and Medium Enterprises under Micro Enterprises, Small Enterprises and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
4. Sales recorded during the year are from decoration income
5. The Company has recognised deferred tax asset/(liability) arising on account of timing difference, being tax impact there on as on March 31,2010.

	2009-10	2008-09
	Rs. in lacs	Rs. in lacs
Deferred tax Assets:		
Carried forward Loss	71.25	66.90
Depreciation	2.96	2.40
Net Deferred Tax Asset	74.21	69.30

	2009-10	2008-09
	Rs. in lacs	Rs. in lacs
6. Earning Per Share:		
Weighted average number of equity Shares	76,502	76,502
Loss after tax (Rs. in lacs)	1.40	11.82
Earning per share Basic and Diluted (in Rs.)	(1.83)	(15.45)
Nominal value per equity share (in Rs.)	10	10

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

(i) Shareholders/Directors

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

(ii) Other related parties where the common control exists

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

	2009-10	2008-09
	(Rs. in lacs)	(Rs. in lacs)
Expenditure and other services fees paid		
Other related parties where the common control exists	20.92	21.93
Loans/Advances/Deposits received		
Other related parties where the common control exists	514.35	538.37

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Notes to the Accounts — (Contd.)

8. The Compsny's accumulated losses 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, the going concern assumptions are not affected.
9. 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.
10. The Company has taken on operating lease an asset, the minimum future lease rentals payable on which are as follows:

Period	(Rs. in lacs)	
	2009-10	2008-09
	Minimum Lease Payment	Minimum Lease Payment
Not later than 1 year		9.60
Later than 1 year but not later than 5 years		9.60

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

Signature to Schedules 'A' to 'J'

As per our separate report of even date

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

G. SANKAR
Partner

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai, Dated: 28th April, 2010

GRAVISS CATERING PRIVATE LIMITED

Cash Flow Statement for the Year Ended 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax and extra ordinary items	(6.30)	15.46
Adjusted for		
Depreciation	11.03	13.37
Interest paid	29.14	32.54
	40.17	45.91
Operating profit before working capital changes	33.87	30.45
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	4.50	1.26
(Increase)/Decrease in Inventories	-	0.00
(Increase)/Decrease in Loans and Advances	27.01	(7.65)
Increase/(Decrease) in Current Liabilities	3.18	(6.03)
	34.69	(12.42)
Cash generated from operations	68.56	18.03
Interest paid	(29.14)	(32.54)
Direct Taxes paid...(net of refund)	0.00	(1.02)
NET CASH FROM OPERATING ACTIVITIES	39.42	(15.53)
B. CASH FLOW FROM INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings (net)	(40.57)	1.90
NET CASH USED IN FINANCING ACTIVITIES	(40.57)	1.90
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(1.15)	(13.63)
Cash and cash equivalents – Opening balance	15.34	28.97
Cash and cash equivalents – Closing balance	14.19	15.34

Notes:

1. Figures in brackets are outflows/deductions.

Auditors' Report to the Members of Graviss Catering Private Limited

As per our separate report of even date

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

Chartered Accountants

G. SANKAR

Partner

RAMAN MEHRA

Director

VIKRAM SETH

Director

Mumbai, Dated: 28th April, 2010

33RD ANNUAL REPORT

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE Information pursuant to Schedule VI, Part IV of the Companies Act, 1956

(1) Registration Details

Registration No:	U74899DL1978PLC008829		
Balance Sheet Date	31	03	2010
	Date	Month	Year

State Code
(Refer Code List)

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

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

(3) Position of mobilization and deployment of funds (amount in Rs. lacs)

	Total Liabilities	Total Assets
	574	574
SOURCES OF FUND	Paid-up Capital	Reserves and Surplus
	765	NIL
	Secured Loans	Unsecured Loans
	NIL	567
APPLICATION OF FUNDS	Net Fixed Assets	Fixed Capital Expenditure
	67	NIL
	Investments	Net Current Assets
	NIL	21
	Deferred Tax Assets (Net)	Misllaneous Expenditure
74	NIL	
	Accumulated Losses	
	412	

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

	Turnover	Total Expenditure
	284	290
(Please tick appropriate box + for Profit, - for Loss)		
	+/- Profit/Loss before tax	+/- Profit/Loss after tax
-	6	-
	Earning per share (Rs.)	Dividend Rate %
	Basic	NIL
-	(1.83)	
	Diluted	
-	NIL	

(5) Generatic names of three principal products/services of company (as per monetary terms)

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

RAMAN MEHRA
Director

VIKRAM SETH
Director

Mumbai, Dated: 28th April, 2010

GRAVISS HOTELS & RESORTS LIMITED
(FORMERLY KWALITY RESORTS AND HOSITALITY LIMITED)

BOARD OF DIRECTOR

Mr. Raman Mehra

Mr. Vikram Seth

Mr. Arun Todarwal

Mr. Sunil Pardal

Mr. Amit Jain

BANKERS

AXIS Bank Ltd.

AUDITORS

M/s. V. Sankar Aiyar & Co.

REGISTERED & ADMINISTRATIVE OFFICE

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

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

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14TH ANNUAL REPORT

Notice

NOTICE is hereby given that the 14th Annual General Meeting of the members of GRAVISS HOTELS & RESORTS LIMITED will be held as scheduled below:

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

Date : 16th June 2010

Day : Wednesday

Time : 11.00 A.M.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at and Profit and Loss Account for the financial year ended 31st March, 2010 and the Reports of Director's and Auditor's thereon.
2. To appoint a Director in place of Mr. Sunil Pardal, who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and, if thought fit, pass with or without modification, as an ORDINARY RESOLUTION, the following:
"RESOLVED THAT Pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. V. Sankar Aiyer & Co., Chartered Accountant, be and are hereby appointed as the Auditors to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the company on such remuneration as may be fixed by the Board of Directors of the Company;
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to implement this resolution."

By Order of the Board

For **GRAVISS HOTELS & RESORTS LIMITED**

Vikram Seth
Director

Dated: April 28, 2010.

Registered Office:

254-C, Dr. Annie Besant Road, Worli, Musmbai

Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME OF THE MEETING. THE PROXY FORM IS ENCLOSED.
- (b) Members are requested to intimate changes in their addresses, if any, to the Company.
- (c) Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the registered office of the Company.

By Order of the Board

For **GRAVISS HOTELS & RESORTS LIMITED**

Vikram Seth
Director

Dated: April 28, 2010.

Registered Office:

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

Directors Report

To The members

The Board of Directors of your Company present the 14th Annual Report together with the Audited Statements of Accounts for the financial year ended 31st March, 2010.

BUSINESS OPERATIONS

The Company did not have any income during the year under review. The Company proposes to build and run hotels and have purchased lands at various places for hotel development projects.

DIVIDEND

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

DIRECTORS

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

FIXED DEPOSITS

During the year under review, your Company has not accepted any Fixed Deposits.

PARTICULARS OF EMPLOYEES

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

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

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the Loss of the Company for the year ended 31st March 2010.
- (iii) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

AUDITORS:

The Board recommends the appointment of M/s. V. Sankar Aiyar & Co., Chartered Accountants as Auditors of the Company from the conclusion of 14th Annual General Meeting until the conclusion of 15th Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Mumbai
28th April 2010

Raman Mehra
Chairman

14TH ANNUAL REPORT

Auditors' Report

To the members of Graviss Hotels & Resorts Limited

1. We have audited the attached Balance Sheet of GRAVISS HOTELS & RESORTS LIMITED as at 31st March, 2010 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and read together with the Companies (Auditor's Report) Amendment Order, 2004 (hereinafter referred to as the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
 - (c) The Company's Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - (e) On the basis of written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date, and
 - (iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For V. SANKAR AIYAR & CO.,

Chartered Accountants

G. Sankar

Partner.

Membership No. 46050

Firm Registration No. 109208W

Place: Mumbai

Dated : 28th April, 2010

Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of The Auditors' Report to the members of Graviss Hotels and Resorts Limited on the Accounts for the year ended 31st March 2010.

- (i) (a) The company has maintained proper records showing full particulars of quantitative details and situation of fixed assets.
- (b) As explained to us, no physical verification of fixed assets was carried out by the management during the year. Hence discrepancy if any could not be ascertained. The title of the Agricultural Land at Shirdi and Alibaug are not in the name of the Company but in the name of the Managing Director and Joint Managing Director of the holding company, respectively. (Refer Note 6 on Schedule F).
- (c) During the year, the company has not disposed of any of the fixed assets of the company.
- (ii) Clause (ii) of the Order regarding inventories is not applicable to the Company.
- (iii) (a) The company has not granted any secured or unsecured loans from any of the parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The company has taken interest free unsecured loans from the holding company, covered in the register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of these loans have not been stipulated. The maximum amount involved during the year was Rs.7407.63 lacs and the year end balance is Rs. 7407.63 lacs.

GRAVISS HOTELS & RESORTS LIMITED

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) (a) Based on the audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lakhs in respect of any party in the financial year, have been made at reasonable prices as prevailing market prices at the relevant time were not available.
- (vi) 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.
- (vii) Clause (vii) of the Order regarding internal audit system is not applicable to the Company.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) (a) According to the records maintained by the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues 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, 2010, 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 / income tax / customs duty / wealth tax/service tax/excise duty/cess, which have not been deposited on account of any dispute.
- (x) The company has not commenced commercial operations. The accumulated losses at the end of the financial year are on account of preliminary expenses and other expenses incurred before commencement of commercial operations. Therefore, in the opinion of the company clause (x) of the Order regarding cash loss and accumulated loss is not applicable to the Company.
- (xi) On the basis of verification of records and according to the information and explanations given to us, there are no dues to Financial Institutions/Banks
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a niche or a mutual benefit society. Therefore the provisions of sub para (xiii) of para 4 of the Order are not applicable to the Company.
- (xiv) Clause (xiv) of the Order regarding dealing and trading in shares, securities and other investments is not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for any loans taken by others from any bank or financial institution.
- (xvi) According to the information and explanations given to us, no term loans were raised during the year and hence clause (xvi) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us, no funds were raised during the year and hence clause (xvii) of the Order is not applicable to the Company.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- (xx) The Company has not made any public issue of any securities during the year and therefore the question of disclosing the end-use of money raised by any public issue does not arise.
- (xxi) 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.

For V. SANKAR AIYAR & CO.
Chartered Accountants

G. SANKAR
Partner.

Membership No. 46050
Firm Registration No. 109208W

Place: Mumbai
Dated : 28th April, 2010

14TH ANNUAL REPORT

Balance Sheet

as at 31st March, 2010

	Schedule	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share Capital	A	5.00	5.00
		<u>5.00</u>	<u>5.00</u>
Loan Funds:			
Unsecured Loans	B	7,407.63	6,617.94
		<u>7,407.63</u>	<u>6,617.94</u>
	TOTAL	7,412.63	6,622.94
		<u><u>7,412.63</u></u>	<u><u>6,622.94</u></u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	C	3,298.52	3,214.00
Less: Depreciation		1.68	0.85
Net Block		<u>3,296.84</u>	<u>3,213.15</u>
Capital work in Progress	C-1	3,815.77	3,114.96
Current Assets, Loans and Advances:	D		
Cash and Bank Balances		36.41	56.47
Loans and Advances		255.47	243.76
		<u>291.88</u>	<u>300.23</u>
Less: Current Liabilities and Provisions:			
Current Liabilities	E	31.12	7.74
Provisions		3.42	3.00
		<u>34.54</u>	<u>10.74</u>
Net Current Assets		257.34	289.49
		<u>257.34</u>	<u>289.49</u>
Miscellaneous Expenditure			
(To the extent not written off or Adjusted Other Expenditure)		4.99	3.65
Profit and Loss Account			
As per Accounts annexed		1.69	1.69
	TOTAL	7,412.63	6,622.94
		<u><u>7,412.63</u></u>	<u><u>6,622.94</u></u>
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	F		

As per our separate report of even date

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

Chartered Accountants

G. SANKAR

Partner

RAMAN MEHRA

Director

SUNIL PARDAL

Director

Mumbai,
Dated: 28th April, 2010

GRAVISS HOTELS & RESORTS LIMITED

Profit and Loss Account for the year ended 31st March, 2010

	Schedule	Year ended 31/03/2010 (Rs. in lacs)	Year ended 31/03/2009 (Rs. in lacs)
INCOME (Note "10")		-	-
TOTAL		-	-
 EXPENDITURE			
Auditors Remuneration			
Audit Fee		0.50	0.50
Other Services		-	0.25
Fees and Taxes		-	-
Depreciation		0.83	0.66
TOTAL		1.33	1.41
Less: Transferred to Miscellaneous Expenditure		1.33	1.41
		-	-
 PROFIT BEFORE TAX			
Provision for Taxation:			
Current Tax		-	-
Deferred Tax Credit		-	-
Fringe Benefit Tax		0.00	(1.10)
PROFIT AFTER TAX		0.00	(1.10)
Excess Provision of Deferred Tax Assets		-	-
Balance brought forward		(1.69)	(0.59)
Balance carried to Balance Sheet		(1.69)	(1.69)

NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES F

As per our separate report of even date

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

G. SANKAR
Partner

RAMAN MEHRA
Director

SUNIL PARDAL
Director

Mumbai,
Dated: 28th April, 2010

14TH ANNUAL REPORT

Schedules

forming part of the Balance Sheet as at 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
SCHEDULE 'A' – SHARE CAPITAL		
Authorised:		
100,000 Equity shares of Rs. 10 each	100.00	100.00
Issued, Subscribed and Paid up (Note "2"):		
50,010 Equity shares of Rs. 10 each fully paid up	5.00	5.00
	<u>5.00</u>	<u>5.00</u>
SCHEDULE 'B' – UNSECURED LOANS		
From Holding Company:	7,407.63	6,617.94
	<u>7,407.63</u>	<u>6,617.94</u>
SCHEDULE 'D' – CURRENT ASSETS, LOANS AND ADVANCES		
Current Assets:		
Cash and Bank Balances:		
Cash on hand (as confirmed by a Director)	0.19	1.31
Petty Cash	–	–
Balances with scheduled Bank in:		
Current Accounts	36.22	55.16
	<u>36.41</u>	<u>56.47</u>
Loans and Advances (unsecured, considered good):		
Advances recoverable in cash or in kind or value to be received	65.30	55.51
Security and other deposits	20.17	18.25
Due from Kwalita Ice Cream	–	–
Advance against purchase of investments (Note "3")	170.00	170.00
	<u>255.47</u>	<u>243.76</u>
TOTAL	<u><u>291.88</u></u>	<u><u>300.23</u></u>
SCHEDULE 'E' – CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry Creditors	24.56	4.92
Other Liabilities	6.56	2.82
	<u>31.12</u>	<u>7.74</u>
Provisions:		
Fringe Benefit Tax	1.40	1.40
Provision for Gratuity	2.02	1.60
	<u>3.42</u>	<u>3.00</u>
TOTAL	<u><u>34.54</u></u>	<u><u>10.74</u></u>

Schedules

forming part of the Balance Sheet as at 31st March, 2010

SCHEDULE 'C' - FIXED ASSETS

Depreciation as per schedule XIV of the Companies Act, 1956

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01/04/2009	Additions	Sales/ Adjustments	As at 31/03/2010	Upto 31/03/2009	For the Year	Upto 31/03/2010	As at 31/03/2010	As at 31/03/2009
Land (Note '5' on Schedule 'F')	3,208.58	82.44	–	3,291.02	–	–	–	3,291.02	3,208.58
Office Equipment	1.00	0.44	–	1.44	0.06	0.06	0.12	1.32	0.94
Computers	4.41	1.65	–	6.06	0.79	0.77	1.56	4.50	3.62
Total	3,213.99	84.53	–	3,298.52	0.85	0.83	1.68	3,296.84	3,213.14
Total (previous year)	2,955.97	258.02	–	3,213.99	0.19	0.66	0.85	3,213.14	–

SCHEDULE 'C-1' - CAPITAL WORK IN PROGRESS

PARTICULARS	2009-10 (Rs, in lacs)	2008-09 (Rs. in lacs)
Purchase of Land and Building	987.20	1,673.20
Development expenses	2,013.45	863.63
Other Expenditure during development (Note "7")	851.12	578.13
Total	3,851.77	3,114.96

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

A. Notes on Accounts :

1. SIGNIFICANT ACCOUNTING POLICIES

I. SYSTEM OF ACCOUNTING:

- (a) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

The financial statements have been prepared in all material respects with accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956.

- (b) Financial statements are prepared on historical cost basis and as a going concern.

II. USE OF ESTIMATES:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

III. FIXED ASSETS AND DEPRECIATION:

(a) Fixed Assets

Fixed assets are stated at cost of acquisition including attributable expenses and are stated at cost less depreciation.

(b) Depreciation

Depreciation is charged in the Accounts on straight line method in accordance with the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

IV. EMPLOYEE BENEFITS:

- (a) Contribution to Provident are made to Employees Provident Fund of the Government and are charged to Profit & Loss Account.

- (b) Liabilities towards leave Encashment Benefit are provided for based on actuarial valuation done at the year end.

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Schedules

Notes to the Accounts

v. IMPAIRMENT OF ASSET:

The carrying amount of assets are reviewed at each balance sheet date for indication of any impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the profit and loss account. A previously recognized impairment loss is reversed where it no longer exists and the asset is restated to the effect.

VI. LEASE:

Operating lease expense is recognized in the Profit and Loss Account on straight line basis over the lease term.

VII. PROVISION & CONTINGENCIES

- (a) A provision arising out of a present obligation is recognized when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
 - (b) Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.
 - (c) Show Cause Notices are not considered as Contingent Liabilities unless converted into demand.
2. 49,950 Equity shares of Rs. 10 each fully paid up are held by the holding company, Graviss Hospitality Limited, and 50 Equity Shares of Rs. 10 each fully paid are held by holding Company jointly with third parties.
 3. Advanced of Rs. 170.00 lacs (previous year 135.00 lacs) is given against the acquisition of the entire share holding of 245,000 equity shares of Rs. 10 each of Hotel Kankeshware Private Limited as per the agreement dated 25 July 2007 for purchase of these shares.
 4. Estimated amount of contracts remaining to be executed on capital account and not provided for is approximately Rs. 681 lacs (previous year Rs. 976 lacs)
 5. 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.
 6. Some of the confirmation of Advance on Capital Account against Development Work are not available for verification.
 7. Expenses pending capitalization incurred during the period 1 April 2007 to 31 March 2010 relating to hotel project is as follows:

PARTICULAR	2008-09 (Rs. in lacs)	Addition during the year	2009-10 (Rs. in lacs)
Other expenditure during development:			
Salaries, Dearness Allowance, Bonus, Gratuity	24.49	30.27	54.76
Staff Welfare Expenses	0.10	0.53	0.63
Rent	20.22	17.53	37.75
Brokerage	2.00	–	2.00
Advertisement and Publicity	5.53	–	5.53
Insurance	0.43	0.20	0.63
Fees	2.48	0.77	3.25
Legal and Professional charges	317.60	199.98	517.58
Administrative and other service charges reimbursed	144.45	–	144.45
Travelling and Conveyance	48.89	10.20	59.09
Postage and Telephone expenses	1.54	1.27	2.81
Other expenses	10.40	12.24	22.64
Total	578.13	272.99	851.12

Notes to the Accounts — (Contd.)

8. Retirement benefit

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

	2009-10	2008-09
	Rs. in lacs	Rs. in lacs
Gratuity		
(i) Profit and loss account		
Net employee benefit expenses (recognized in employee cost)		
Current service cost	0.62	0.53
Interest on defined benefit obligation	0.11	0.07
Expected return on plan assets	–	–
Net actuarial losses/(gains) recognized in the year	(0.32)	0.17
Past service cost	–	–
Actuarial (gain)/losses	–	–
Total included in ‘employee benefit expenses’	0.41	0.77
(ii) Balance Sheet		
Details of provision for gratuity		
Liability at the end of the year	2.02	1.60
Fair value of plan assets at the end of the year	–	–
Difference	2.02	1.60
Unrecognized past service cost	–	–
Unrecognized transition liability	–	–
Amount in Balance Sheet	2.02	1.60
(iii) Changes in the present value of the defined benefit obligation are as follows:		
Liability at the beginning of the year	1.60	0.83
Interest cost	0.11	0.07
Current service cost	0.62	0.53
Past service cost (non vested benefit)	–	–
Past service cost (vested benefit)	–	–
Benefits paid	–	–
Actuarial (gain) / loss	(0.32)	0.17
Liability at the end of the year	2.02	1.60

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Notes to the Accounts — (Contd.)

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

(i) Shareholders/Directors

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

(ii) Other related parties where the common control exists

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

	2009-10	2008-09
	(Rs. in lacs)	(Rs. in lacs)

Loans/Advances/Deposits received

Other related parties where the common control exists	789.89	6,617.94
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10. The company has not commenced commercial operations. The Company proposes to build hotels at various places viz Goa, Alibaug, Jaipur and Shirdi and has acquired lands for the same. The company is in the process of development/construction.

11. "Advances on Capital Account against Purchase of Land" includes an amount of Rs. 450 lacs being the advances paid to a party for purchase of property. Since the party has not fulfilled certain conditions as per the terms of the agreement, the Company has exercised its right to cancel the agreement and is hopeful of recovering the advance paid to the said party. The company also has the option of recovering the aforesaid amount through the Escrow agent in the event of the party failing to refund the advance amount.

"Advances on Capital Account against Purchase of Land" includes an amount of Rs. 270 lacs being the advance paid to three parties for purchase of lands against a total consideration of Rs. 2832 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 Company has filed petition before the Hon'ble Delhi Court against the arbitration and is awaiting the order of the Court. The Company is hopeful of decision of the Hon'ble Court going in its favour and hence considers the advance good of recovery.

12. 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.

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

As per our separate report of even date

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

G. SANKAR
Partner

RAMAN MEHRA
Director

SUNIL PARDAL
Director

Mumbai, Dated: 28th April, 2010

GRAVISS HOTELS & RESORTS LIMITED

Cash Flow Statement for the Year Ended 31st March, 2010

	As at 31/03/2010 (Rs. in lacs)	As at 31/03/2009 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax and extra ordinary items	-	-
Adjusted for Depreciation	-	-
Preliminary expenses written off	-	-
Interest paid	-	-
Operating profit before working capital changes	-	-
Adjustment for:		
(Increase)/Decrease in Sundry Debtors	-	-
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Loans and Advances	(11.71)	(72.89)
Increase/(Decrease) in Current Liabilities	23.80	(46.14)
	12.09	(119.03)
Cash generated from operations	12.09	(119.03)
Interest paid	-	-
Direct Taxes paid...(net of refund)	0.00	(1.47)
NET CASH FROM OPERATING ACTIVITIES	12.09	(120.50)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(821.34)	(1,687.81)
Miscellaneous Expenditure	(0.50)	(0.75)
Advance on Capital Account	-	-
NET CASH USED IN INVESTMENT ACTIVITIES	(821.84)	(1,688.56)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	-	-
Proceeds from borrowing	789.69	1,758.04
NET CASH USED IN FINANCING ACTIVITIES	789.69	1,758.04
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(20.06)	(51.02)
Cash and cash equivalents - Opening balance	56.47	107.49
Cash and cash equivalents - Closing balance	36.41	56.47
Notes: Figures in brackets are outflows/deductions.		

As per our separate report of even date

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

G. SANKAR
Partner

RAMAN MEHRA
Director

SUNIL PARDAL
Director

Mumbai, Dated: 28th April, 2010

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE Information pursuant to Schedule VI, Part IV of the Companies Act, 1956

(1) Registration Details

Registration No:	U15200MH1996PLC096973		
Balance Sheet Date	31	03	2010
	Date	Month	Year

State Code	11
(Refer Code List)	

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

(3) Position of mobilization and deployment of funds (amount in Rs. lacs)

	Total Liabilities		Total Assets
	7413		7413
SOURCES OF FUND	Paid-up Capital	Share Application Money	Reserves and Surplus
	5	NIL	NIL
	Secured Loans		Unsecured Loans
	NIL		7408
	Deerred Tax Liability (net)		
	NIL		

APPLICATION OF FUNDS

Net Fixed Assets	3297	Capital Work in Progress	3852
Investments	NIL	Net Current Assets	257
Deferred Tax Assets (Net)	NIL	Misllaneous Expenditure	5
Accumulated Losses	2		

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

Turnover	NIL	Total Expenditure	NIL
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(Please tick appropriate box + for Profit, - for Loss)

+/- Profit/Loss before tax	+ [NIL]	+/- Profit/Loss after tax	+ [NIL]
Earning per share (Rs.)		Dividend Rate %	-
Basic	+ [NIL]		
Diluted	+ [NIL]		

(5) Generatic names of three principal products/services of company (as per monetary terms)

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

RAMAN MEHRA
Director

SUNIL PARDAL
Director

Mumbai, Dated: 28th April, 2010