

GRAVISS HOSPITALITY LIMITED 2020-2021



60TH ANNUAL REPORT



GRAVISS HOSPITALITY LIMITED

(CIN: L55101PN1959PLC012761)

BOARD OF DIRECTORS

Mrs. Tina Pardal : *Non-Executive
Non-Independent Director*

Mr. Mahendra Doshi : *Non-Executive Independent Director*

Mr. Harindra Pal Singh : *Non-Executive Independent Director*

Mr. Gulshan Bijlani : *Non-Executive Independent Director*

Mr. Romil Ratra : *CEO and Whole Time Director (WTD)
(WTD with effect from 1st March, 2021)*

Mr. Harsh Kumar Varma : *Non-Executive Non-Independent
Additional Director
(with effect from 1st March, 2021)*

CHIEF EXECUTIVE OFFICER

Mr. Romil Ratra

CHIEF FINANCIAL OFFICER

Mr. Farangilal Goyal

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Kainaaz F. Bharucha – upto 26th March, 2021
Ms. Jalpa H. Salvi – w. e. f. 19th April, 2021

REGISTRAR & SHARE TRANSFER AGENT

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

BANKERS

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

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s. Martinho Ferrao & Associates
Practising Company Secretaries
Mumbai

INTERNAL AUDITORS

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

REGISTERED OFFICE

“Dairy Tops” Plot No. J-177, MIDC, Bhosari, Pune – 411 026
Maharashtra
Phone No.: 020-30681115/1118

ADMINISTRATIVE OFFICE

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

UNIT

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

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60TH ANNUAL REPORT

MESSAGE FROM THE CEO

Dear Shareholders,

I am pleased to present to you the Annual Report of Graviss Hospitality Limited (GHL), my first, as the Chief Executive Officer of The Company, that is celebrating its 60th anniversary this year.

As we all know, the coronavirus disease (COVID-19) pandemic, which originated in the city of Wuhan, China, quickly spread across the globe, with millions of cases reported worldwide. The world is still coming to terms with the COVID-19 outbreak and there is no doubt that the pandemic has changed the world as we know it. The pandemic has brought the world economy to a near standstill. A complete lockdown of the entire country was announced by our Honourable Prime Minister Shri Narendra Modi on the evening of 24th March, 2020 where all means of travel were also banned and many of those restrictions continue till today.

The Tourism and Hotel Industry remains the worst hit sector due to the outbreak of Covid-19. The pandemic has affected the hospitality sector in an unprecedented manner with a series of disruptions affecting all segments of the hospitality business. The lockdowns and travel restrictions severely affected the hospitality business across the world and India was no exception. As a result of the prolonged travel restrictions and other lockdown measures in force, from time to time, the business of your Company has also been impacted by the COVID-19 with a considerable drop in revenue resulting in the Company incurring substantial losses during the year. It is estimated by The Federation of Hotel & Restaurant Associations of India that the Indian hotel industry has taken a hit of over Rs. 1.3 trillion in revenue for the fiscal year 2020-21 alone, due to the COVID-19 pandemic.

The InterContinental, Marine Drive, the hotel unit of the Company has faced considerable losses on account of near negligible occupancies, in light of the travel ban imposed by the government, along with other allied factors that affected all other revenue streams as well. However, as a dynamic, forward thinking organisation the company looked at this as an opportunity to take advantage of and embark on a renovation and upgrade plan to the Hotel Building which is difficult to do in an operating hotel without disrupting revenues and affecting customer satisfaction, thereby preparing the company to be ready for the resurgence of business when this pandemic ends and travel restarts. Further, your Company has taken all efforts to ensure that the business of the Company comes back on track by a series of well executed promotions, special offers, innovative packages and other means to drive revenues all the while, maintaining the high standards of luxury hospitality. This has helped the Company to earn revenue from operations of Rs. 566 lakhs in the last quarter of financial year ended 31st March, 2021.

At the start of the pandemic, The Company reacted swiftly to take all the appropriate measures to ensure the safety of its employees and guests. Proper sanitisation, frequent temperature checks, wearing of PPE Kits, maintaining of Social Distancing were amongst the measures taken by the Company. All business support staff were provided a work from home facility to ensure that their health and safety was priority and the work needed to run the organisation continued without disruption.

Good business ethics and governance are key towards building strong and successful companies. As in the past, your Company has always ensured that sustainability is given its due importance in its business activities and established adequate processes and resources to manage and monitor sustainability initiatives. Your Company continues to do so even through the existing crisis.

Before closing, I would like to express my sincere thanks to our Board Members for their support. I express my gratitude to all shareholders, customers, creditors and friends across the world for placing their trust in us. And most importantly, a note of thanks to all our team members and colleagues-our key driving force and our biggest assets for their passion towards the continued stability and growth of the Company.

I count on your continued support as we aspire to drive profitable growth and maximise value for all our stakeholders in a sustainable manner.

Best Regards,

Romil Ratra

GRAVISS HOSPITALITY LIMITED

Notice of Sixtieth Annual General Meeting

NOTICE is hereby given that the 60th Annual General Meeting (AGM) of the members of GRAVISS HOSPITALITY LIMITED will be held on Wednesday, September 22, 2021 at 12.00 p.m. through video conferencing/other audio visual means to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2021, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Tina Pardal (DIN: 07148874) who retires by rotation, and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. To re-appoint Mr. Romil Ratra as a Director of the Company, whose term of appointment expires in the ensuing Annual General Meeting

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 161 other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Romil Ratra (having confirmed DIN - 06948396), who has consented to act as Director, be and is hereby appointed as a Director (Executive) on the Board of Directors w. e. f. 1st March, 2021

RESOLVED FURTHER THAT any one of the existing Director of the Company be and is hereby authorised to sign and submit necessary e-forms and other papers and documents with the office of the Registrar of Companies through the web portal of Ministry of Corporate Affairs and to do such acts, things, matters and deeds that may be required in order to give effect to this resolution of the Board.”

4. To appoint Mr. Romil Ratra as a Whole Time Director in the Company for a period of 5 years

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), Mr. Romil Ratra (DIN 06948396) be appointed as a Whole Time Director of the Company for a period of 5 years, with effect from 1st March, 2021 with the same terms and conditions including Remuneration applicable to him / drawn by him as the Chief Executive Officer of the Company, as was recommended by the Nomination and Remuneration Committee (“Committee”) and approved by the Board of Directors at their meeting held on 30th June, 2020, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said appointment/remuneration in such manner, as deemed fit, subject to the same not exceeding the limit specified in Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT Mr. Romil Ratra, CEO & Whole Time Director, be entrusted with such powers and be authorized to perform such duties, as may from time to time be delegated / entrusted to him, subject to the supervision and control of the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters and things, as may be considered necessary, usual or expedient, to give effect to the aforesaid Resolution, including filing of necessary Forms with the Registrar of Companies and making intimation to the BSE Limited.”

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5. **To re-appoint Mr. Harsh Kumar Varma as a Director of the Company, whose term of appointment expires in the ensuing Annual General Meeting.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 161 other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Harsh Varma(having confirmed DIN - 03421941), who has consented to act as Director, be and is hereby appointed as a Director (Non-Executive & Non-Independent) on the Board of Directors w. e. f. 1st March, 2021

RESOLVED FURTHER THAT any one of the existing Director of the Company be and is hereby authorised to sign and submit necessary e-forms and other papers and documents with the office of the Registrar of Companies through the web portal of Ministry of Corporate Affairs and to do such acts, things, matters and deeds that may be required in order to give effect to this resolution of the Board.”

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Place: Mumbai
Dated: June 07, 2021

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

Sd/-
Romil Ratra
CEO and Whole Time Director
(DIN: 00074857)

GRAVISS HOSPITALITY LIMITED

EXPLANATORY STATEMENT

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 3 to 5 of the accompanying Notice dated 7th June, 2021.

Item No. 3 and 4

The Board of Directors at its meeting held on March 09, 2021 had approved the appointment of Mr. Romil Ratra as the Whole Time Director of the Company for a period of 5 years w. e. f. March 01, 2021 with the same terms and conditions including Remuneration applicable to him / drawn by him as the Chief Executive Officer of the Company, as was recommended by the Nomination and Remuneration Committee ("Committee") and approved by the Board of Directors at their meeting held on 30th June, 2020. In order to appoint a person as a Whole Time Director, he/she has to be a director first and therefore the Company is required to regularize the appointment of Mr. Romil Ratra as a Director and then be appointed as a Whole Time Director.

Mr. Romil Ratra's career started with the Taj Group in 1995 and he was soon heading F&B at the Taj groups flagship hotel, The Iconic Taj Mahal Palace & Towers Hotel, Mumbai before turning entrepreneur and moving on to start his own venture in 2002. In a career spanning 25 years he has held leadership positions across businesses and has been involved in all aspects of hospitality operations, managing growth, turning around existing businesses as well as co-founding and operating new businesses as an professional entrepreneur. In previous roles Mr. Romil Ratra has been associated with The Graviss Group, IHG, Starwood, Marriott and has led the Phoenix Mills Ltd Hospitality Vertical where he was responsible for the turnaround of the regions first St. Regis Hotel as well as opening of the Marriott in Agra. A die-hard food enthusiast and travel junkie by heart, He believes that travelling inspires his treasure chest for knowledge. Being an avid gastronome he has successfully opened over 40 restaurants over his years in the industry and been the recipient of numerous industry awards both personally as well as for assets under his leadership.

Brief resume of Mr. Romil Ratra and such other information as required under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard- 2 General Meetings, issued by Institute of Company Secretaries of India has been furnished as an Annexure to this Notice. He is not related to any of the Directors of the Company.

The Board recommends the Ordinary and Special Resolution as set out at item No. 3 and 4 of the accompanying Notice respectively for approval by the members. Except Mr. Romil Ratra, being an appointee, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 and 4.

Item No. 5

The Board of Directors at its meeting held on March 09, 2021 had approved the appointment of Mr. Harsh Kumar Varma as an Additional Director of the Company March 01, 2021 subject to regularization of his appointment in the ensuing Annual General Meeting.

Harsh Varma comes with 28 years of rich experience in the areas of operations, business development, finance, legal and corporate matters across renowned brands and organizations in the hospitality and real estate sectors. He is a certified auditor of the Malcolm Baldrige Award for Organizational Excellence. He has completed a BA (honors) Economics degree from the University of Mumbai and holds an LLB degree in Corporate and Criminal Law from the University of Mumbai along with having a diploma in Hotel Management, Hotel Operations from the Oberoi School of Hotel Management. Harsh has worked with brands like the Oberoi, ASCOTT group, Oakwood International, Dusit International, Bombay Realty and the Lodha Group. The Board believes that having Mr. Harsh Kumar Varma on Board of the Company shall add value to the growth of the Company.

He does not hold any shares in the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of Companies Act, 2014. Pursuant to Section 152 and Rule 8 of Companies (Appointment & Qualification) Rules, 2014, he has given his consent to act as a Non- Executive Non-Independent Director of the Company. Brief resume of Mr. Harsh Kumar Varma and such other information as required under Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard- 2 General Meetings, issued by Institute of Company Secretaries of India has been furnished as an Annexure to this Notice. He is not related to any of the Directors of the Company.

The Board recommends the Ordinary Resolution as set out at item No. 5 of the accompanying Notice for approval by the members.

Except Mr. Harsh Kumar Varma, being an appointee, none of the other Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5.

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ANNEXURE TO THE EXPLANATORY STATEMENT

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

| 1. Name of the Director DIN | Tina Pardal DIN: 07148874 | Romil Ratra DIN: 06948396 | Harsh Kumar Varma DIN: 03421941 |
|--|---|--|--|
| 2. Date of Birth | 16/01/1959 | 10/04/1974 | 02/02/1958 |
| 3. Age | 62 years | 47 years | 63 years |
| 4. Qualification | Bachelor of Arts | Graduate from Institute of Hotel Management, Catering Technology and Applied Nutrition, Mumbai | BA (Honors) Economics and LL.B. along with Diploma in Hotel Management and Operations |
| 5. Experience & Expertise | Mrs. Tina Pardal has over two decades of experience as a Designer and Executor of wedding décor and an event planner. | Mr. Romil Ratra comes with an experience of more than 25 years in the hospitality field. | Mr. Harsh Kumar Varma comes with 28 years of rich experience in the areas of operations, business development, finance, legal and corporate matters across renowned brands and organizations in the hospitality and real estate sectors |
| 6. The last drawn remuneration | 2.00 lakhs as sitting fees for attending Board/Committee Meetings during the F. Y. 2020-2021 | Remuneration as a CEO of the Company – Rs. 76.68 lakhs | Nil |
| 7. Date of first appointment on the Board | 17/05/2018 | 01/04/2020 | 09/03/2021 |
| 8. Shareholding of the Director in the Company | Nil | Nil | Nil |
| 9. Relationships with other Directors, Manager and other Key Managerial Personnel of the Company | She is not related to any Director and Key Managerial Personnel of the Company. | He is not related to any Director and Key Managerial Personnel of the Company. | He is not related to any Director and Key Managerial Personnel of the Company. |
| 10. Number of Board Meetings attended during the year | 5 out of 5 Board Meetings | 5 out of 5 Board Meetings | 1 out of 5 Board Meetings (attended as an Invitee) |
| 11. Other Directorships | Nil | Nil | Graviss Hotels & Resorts Limited – Director Graviss Retail Private Limited – Director Hotel Kanakeshwar Private Limited – Director Graviss Restaurants Private Limited – Director Graviss Fast Foods Private Limited – Director Graviss Catering Private Limited – Director GG Office Park LLP – Body Corporate DP Nominee Graviss Holdings Private Limited – Additional Director |
| 12. Committee Chairmanships / Memberships | Nil | Nil | Nil |

GRAVISS HOSPITALITY LIMITED

NOTES FOR MEMBERS ATTENTION

A. VIRTUAL MEETING:

In view of the outbreak of COVID-19 pandemic and its continuation in the current year, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 ('Act') and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, read with the MCA Circulars, SEBI Circulars and pursuant to Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the AGM of the Company is being held through VC/OAVM on Wednesday, September 22, 2021 at 12.00 p.m. (IST).

B. PROXY:

Pursuant to the provisions of the act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the company. Since this AGM is being held pursuant to the MCA circulars through VC or OAVM, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circular, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.

C. AUTHORISED REPRESENTATIVE:

Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to at mferraocs@yahoo.com with a copy marked to the Company Secretary at investors.relations@gravissgroup.com not less than 48 (forty eight) hours before the commencement of the AGM i.e. by 12:00 noon on Monday, September 20, 2021.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

D. ELECTRONIC COPY OF ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING:

- (a) In line with the MCA Circulars dated May 5, 2020 and January 13, 2021 and SEBI Circulars dated May 12, 2020 and January 15, 2021, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories.
- (b) Members may note that the Annual Report 2020-21 will also be available on the website of the Company at <https://www.gravishhospitality.com/investor-relations.html> and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and website of Link Intime India Private Limited ("LIIFPL") i.e. <https://instavote.linkintime.co.in/>

E. STATEMENT UNDER SECTION 102 OF THE ACT:

- (a) As per the provisions of Clause 3.A.II. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 3 to 5 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
- (b) The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice are annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director/s seeking re-appointment at this AGM is also annexed. Requisite declaration/s have been received from the Director/s for seeking re-appointment.

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F. E-VOTING:

- Pursuant to Section 108 of the Act, rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of SEBI Listing Regulations and the MCA Circulars, the Company is pleased to provide the facility to Members to exercise their right to vote, on the resolutions proposed to be passed at AGM, by electronic means.
- The Company has engaged the services of Link Intime India Private Limited (LI IPL) to provide the remote e-voting facility on InstaVote and the e-voting system on the date of the AGM on InstaMeet.
- The Company has appointed Mr. Martinho Ferrao, (holding membership no. FCS 6221), Proprietor of M/s. Martinho Ferrao & Associates, Company Secretaries, to act as the Scrutinizer and to scrutinize the entire e-voting process (i.e. remote e-voting and e-voting at the AGM) in a fair and transparent manner.

| REMOTE E-VOTING : IMPORTANT DATES | | |
|---|---|--|
| Cut - Off date [for determining the Members entitled to vote on the resolutions set forth in this notice] | September 16, 2021 | |
| Remote e-voting period [During this period, members of the Company as on the cut-off date may cast their vote by remote e-voting] | Commences from: | 9:00 a.m. Sunday September 19, 2021 |
| | End at | 5.00 p.m., Tuesday, September 21, 2021 [Remote e-voting module shall be disabled for voting thereafter by LI IPL] |
| URL for remote e-voting : | https://instavote.linkintime.co.in/ | |

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS POST CHANGE IN THE LOGIN MECHANISM FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE, PURSUANT TO SEBI CIRCULAR DATED DECEMBER 9, 2020

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL | <ul style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

GRAVISS HOSPITALITY LIMITED

| Type of Shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with CDSL | <ul style="list-style-type: none"> • Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) & login through their depository participants | <ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME. | <ol style="list-style-type: none"> 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> ▶ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: <ol style="list-style-type: none"> A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click "confirm" (Your password is now generated). 2. Click on 'Login' under 'SHARE HOLDER' tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. 4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). 7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. |

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INSTITUTIONAL SHAREHOLDERS

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on '**Login**' under 'SHARE HOLDER' tab and further Click '**forgot password?**'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
 - ▶ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - ▶ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
 - ▶ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43. |

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HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE/ INSTITUTIONAL SHAREHOLDERS & EVOTING SERVICE PROVIDER IS LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

G. PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

ATTENDING THE AGM THROUGH INSTAMEET

- (a) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through InstaMeet. The meeting shall be opened 30 (Thirty) minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
- (b) Please note that the attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
- (c) Members desiring to attend the AGM through VC/OAVM are requested to refer to the detailed procedure given below:

ATTEND THE AGM THROUGH VC/OAVM: PROCEDURE

| Step No. | For all Shareholders | |
|----------|---|---|
| 1. | Open the internet browser and launch the URL: https://instameet.linkintime.co.in/ . | |
| 2. | Select the "Company" and 'Event Date' and register with your following details: | |
| | A. | Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No: |
| | (i) | For members holding shares in demat account held with CDSL 16 digits beneficiary ID |
| | (ii) | For members holding shares in demat account held with NSDL 8 Character DP ID followed by 8 digit client ID |
| | (iii) | For members holding shares in physical form Folio number registered with the Company |
| | B. | PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable. |
| | C. | Mobile No.: Enter your mobile number. |
| | D. | E-mail ID: Enter your e-mail ID, as recorded with your DP/Company. |
| 3. | Click "Go to Meeting" (<i>You are now registered for InstaMeet and your attendance is marked for the meeting</i>). | |
| 4. | Shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. | |

In case shareholders/members have any queries regarding login, they may send an e-mail to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

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H. SPEAKER REGISTRATION FOR THE AGM:

- (a) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 (seven) days prior to meeting i.e. Wednesday, September 15, 2021 mentioning their name, demat account number/folio number, e-mail ID, mobile number at investors.relations@gravissgroup.com
- (b) Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ ask questions during the meeting.
- (c) Shareholders will get confirmation on first cum first basis.
- (d) Shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application by clicking on the link Download - Webex (Members may also refer a tutorial video available on Webex - Download - Tutorial).
- (e) Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
- (f) Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- (g) Other shareholder may ask questions to the panel list, via active chat-board during the meeting.

The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to meeting i.e. Wednesday, September 15, 2021 mentioning their name, demat account number/ folio number, e-mail ID, mobile number at investors.relations@gravissgroup.com. These queries will be replied to by the Company suitably by e-mail.

I. E-VOTING DURING THE AGM THROUGH INSTAMEET:

- (a) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- (b) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (c) Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

J. E-VOTING DURING THE AGM: PROCEDURE:

| Step No. | For all Shareholders |
|----------|--|
| 1. | On the Shareholders VC page, click on the link for e-voting "Cast your vote". |
| 2. | Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered e-mail ID) received during registration for InstaMEET and click on 'Submit'. |
| 3. | After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting. |
| 4. | Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. |
| 5. | Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently |

In case shareholders/ members have any queries regarding login/ e-voting, they may send an e-mail to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

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K. OTHER INFORMATION RELATED TO E-VOTING:

- (a) A person, whose name is recorded in the register of members or in the register of beneficial owners of the Company, as on the cut-off date i.e. Thursday, September 16, 2021 only shall be entitled to avail the facility of e-voting, either through remote e-voting and voting at the AGM. A person who is not a member as on the cut-off date should treat this notice for information purposes only.
- (b) Members who have cast their vote by remote e-voting prior to the AGM will be entitled to attend the AGM and their presence shall be counted for the purpose of quorum. However, they shall not be entitled to cast their vote again. In case a member casts his vote by more than one mode of voting including remote e-voting, then voting done through remote e-voting shall prevail and other shall be treated as invalid.
- (c) Voting rights of the members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, September 16, 2021.
- (d) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holds shares as of the cut-off date may follow the procedure for remote e-voting as enumerated in detail hereinabove. They may also refer to the FAQs and e-voting manual available at <https://instavote.linkintime.co.in/> or write an e-mail to enotices@linkintime.co.in or investors.relations@gravissgroup.com
- (e) Every client ID no./folio no. will have one vote, irrespective of number of joint holders. However, in case the joint holders wish to attend the meeting, the joint holder whose name is higher in the order of names among the joint holders, will be entitled to vote at the AGM.
- (f) The members may also update their mobile number and e-mail ID in the user profile details of their respective client ID no./folio no., which may be used for sending future communication(s).

L. GENERAL INSTRUCTIONS:

- (a) Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- (b) Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- (c) Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- (d) At the AGM, the Chairperson shall, at the end of discussion on the resolutions on which voting is to be held, allow e-voting at the AGM.
- (e) The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, not later than 48 (forty eight) hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (f) The results alongwith the consolidated Scrutinizer's Report shall be declared by means of:
 - (i) dissemination on the website of the Company i.e. www.gravisshospitality.com and website of LIPL i.e. <https://instavote.linkintime.co.in/>; and
 - (ii) communication to BSE Limited thereby enabling them to disseminate the same on their respective websites.

M. CORRESPONDENCE:

Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or RTA, quoting their folio number or DP ID - client ID, as the case may be.

For any queries/issues (including but not limited to Annual Report/AGM), you may reach the Company team /RTA at the address for correspondence provided in the section 'General Shareholder Information' of the Annual Report.

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N. INFORMATION FOR NON-RESIDENT INDIAN SHAREHOLDERS:

Non-resident Indian shareholders are requested to immediately inform the Company/ RTA, if shares are held in physical mode or to their DP, if the holding is in electronic mode, regarding change in the residential status on return to India for permanent settlement and/or the particulars of the NRE account with a bank in India, if not furnished earlier.

O. TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividend, if not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends, if any, in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are transferred to the IEPF Authority, are uploaded on the Company's website <https://www.gravishhospitality.com/invester-relations.html>

In light of the aforesaid provisions, the Company has transferred to IEPF the unclaimed dividends, outstanding for seven consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, shall be also transferred to the demat account of IEPF Authority.

The Members who have a claim on the dividends as displayed on the Company's website may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a copy off the same to our RTA M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, LBS.Marg, Vikhroli (West), Mumbai - 400083, Tel No.: (022) 49186270 , e-mail : iepf.shares@linkintime.co.in.

Please provide following details in all your communications:

1. Name of the Company,
2. Folio No. or DP and Client ID,
3. Name of shareholder,
4. Contact No.,
5. Email ID.

No claims shall lie against the Company in respect of the dividend/shares so transferred.

P. NON-REQUIREMENT OF RATIFICATION OF APPOINTMENT STATUTORY AUDITORS:

At the 58th AGM held on 26.07.2019 the Members approved the appointment of M/s. A. T. Jain & Co., Chartered Accountants, Mumbai (Firm Registration No: 103886W) as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 63rd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 60th AGM.

Q. CONVERSION OF PHYSICAL HOLDING/S INTO DEMATERIALISED FORM:

As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact Company's Registrars and Transfer Agent, Link Intime India Private Limited ('RTA') at rnt.helpdesk@linkintime.co.in for assistance in this regard.

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R. MEMBERS TO REGISTER AND INTIMATE CHANGES FOR ELECTRONIC COMMUNICATION:

- (a) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at rnt.helpdesk@linkintime.co.in in case the shares are held in physical form, quoting your folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
- (b) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
- (c) To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.

S. DOCUMENTS OPEN FOR INSPECTION:

- (a) Documents for inspection will be available electronically, without any fee, from the date of circulation of the Notice of AGM up to the date of AGM. Members seeking to inspect such documents can send an e-mail to investors.relations@gravissgroup.com stating their DP/ Client ID or Folio Nos.

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Management Discussion and Analysis

Economic Environment – An Overview

Global Economy:

The coronavirus disease (COVID-19) pandemic, which originated in the city of Wuhan, China, has quickly spread to various countries, with many cases having been reported worldwide. The world is still coming to terms with the COVID-19 outbreak and there is no doubt that the pandemic will change the world as we know it. With the globalized world going into partial or complete shutdown, the overall impact on human life, economic growth and businesses is immeasurable, both in the short term and long term due to the uncertainty as things evolve. It has been over a year since COVID-19 was declared a global pandemic. The past year has seen more than 145 million infections. While the recovery rate has been a good 85%, more than 3 million fatalities have been registered.

The economic impact of the COVID-19 pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. The Chief Economic Adviser to the Government of India said that this drop is mainly due to the coronavirus pandemic effect on the Indian economy. Notably India had also been witnessing a pre-pandemic slowdown, and according to the World Bank, the current pandemic has "magnified pre-existing risks to India's economic outlook".

COVID-19 not only killed people through virus incursion but also due to economic and mental collapse, where developing countries suffered from unemployment and hunger. India enforced 68 days of four-phased-lockdown starting from 24th March to 31st May to deal with COVID-19 in order to reduce the transmission of the said virus. Social distancing and lockdown rules were employed in India, which however had an additional impact on the economy, human living, and environment. This outbreak is inextricably linked to the economy of the nation, as it has dramatically impeded industrial sectors because people worldwide are currently cautious about engaging in business in the affected regions.

COVID-19 is not only a global pandemic and public health crisis; it has also severely affected the global economy and financial markets. Significant reductions in income, a rise in unemployment, and disruptions in the transportation, service, and manufacturing industries are among the consequences of the disease mitigation measures that have been implemented in many countries. It has become clear that most governments in the world underestimated the risks of rapid COVID-19 spread and were mostly reactive in their crisis response. As disease outbreaks are not likely to disappear in the near future, proactive international actions are required to not only save lives but also protect economic prosperity. COVID-19 pandemic ensued global economic downturn, the most severe one since the Global Financial Crisis. The lockdowns and social distancing norms brought the already slowing global economy to a standstill

The only major economy to grow in 2020 was China. It registered a growth of 2.3%.

Since the Monetary Policy Committee's (MPC) meeting in April, the global economic recovery has been gaining momentum, driven mainly by major advanced economies (AEs) and powered by massive vaccination programmes and stimulus packages. Activity remains uneven in major emerging market economies (EMEs), with downside risks from renewed waves of infections due to contagious mutants of the virus and the relatively slow progress in vaccination. World merchandise trade continues to recover as external demand resumes, though elevated freight rates and container dislocations are emerging as constraints. CPI inflation is firming up in most AEs, driven by release of pent-up demand, elevated input prices and unfavourable base effects. Inflation in major EMEs has been generally close to or above official targets in recent months, pushed up by the sustained rise in global food and commodity prices. Global financial conditions remain benign. (Source: RBI Bulletin - Monetary Policy Statement-2021-22)

Significant economic impact has already occurred across the globe due to reduced productivity, loss of life, business closures, trade disruption, and decimation of the tourism industry. In addition to the substantial burden on healthcare systems, COVID-19 has had major economic consequences for the affected countries. The COVID-19 pandemic has caused direct impacts on income due to premature deaths, workplace absenteeism, and reduction in productivity and has created a negative supply shock, with manufacturing productive activity slowing down due to global supply chain disruptions and closures of factories in China, the production index in February declined by more than 54% from the preceding month's value. Restaurants and bars, travel and transportation, entertainment, and sensitive manufacturing are among the sectors in the U.S. that are the worst affected by the COVID-19 quarantine measures. The advance seasonally adjusted insured unemployment rate in the U.S. has already reached a record level of 11% for the week ending April 11, 2020. Global financial markets have been heavily impacted by the effects of COVID-19 spread. As the numbers of cases started to increase globally, mainly through the US, Italy, Spain, Germany, France, Iran, and South Korea, the world financial and oil markets significantly declined. Since the start of the year, leading U.S. and European stock market indices (the S&P 500, FTSE 100, CAC 40, and DAX) have lost a quarter of their value, with oil prices declining by more than 65% as of April 24, 2020.

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Indian Economy:

2020 was a year that defined 'what was' and 'what will be'. It was a year that segregated the resilient from the vulnerable. Indian economy has been exhibiting a weaker trend even before the onset of the COVID-19 Pandemic. Right from the country's phased lockdown and slump in business activities to the gradual recovery and the ongoing vaccination drive globally, it's been nothing short of a roller coaster ride. Last year, the coronavirus pandemic and shutdown measures to contain it plunged the Indian economy into a recession for the first time in nearly a quarter of a century. In 2020-21, India's economic growth slowed and contracted by 7.3% and the Indian economy is likely to grow 8.4-10.1% for the current financial year as against a contraction of 7.3% in the last fiscal, as per National Council of Applied Economic Research (NCAER).

The wholesale inflation has been rising for five months, and is expected to rise further as the impact of high crude prices and surging commodity prices feeds in. This would cause the retail inflation to rise as well, putting the central bank on a tightrope walk in balancing the growth-inflation dynamics. While the RBI is unlikely to change its accommodative stance or the policy rate anytime soon, there is also pressure on the government for fiscal policy action to spur growth. WPI inflation rate was -3.37 per cent in May 2020 and 10.49 per cent in April 2021, while CPI inflation rate was 4.23 per cent in April 2021. The RBI, which primarily focuses on retail inflation while deliberating on its monetary policy, had left the key interest rate unchanged earlier this month. It has projected CPI inflation at 5.1 per cent during 2021-22 - 5.2 per cent in Q1; 5.4 per cent in Q2; 4.7 per cent in Q3; and 5.3 per cent in Q4 of 2021-22. (Source: RBI Bulletin-Monetary Policy Statement 2021-22)

India's real GDP to record a growth of 11 per cent in 2021-22 and nominal GDP by 15.4 per cent-the highest since independence. The V-shaped economic recovery is supported by the initiation of a mega vaccination drive with hopes of a robust recovery in the services sector and prospects for robust growth in consumption and investment. The Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman presented the Economic Survey 2020-21 in Parliament which states that the rebound will be led by the low base and continued normalization in economic activities as the rollout of COVID-19 vaccines gathers traction. The fundamentals of the economy remain strong as gradual scaling back of lockdowns along with the astute support of Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival. This path would entail a growth in real GDP by 2.4 percent over the absolute level of 2019-20-implying that the economy would take two years to reach and go past the pre-pandemic level. These projections are in line with IMF estimate of real GDP growth of 11.5 per cent in 2021-22 for India and 6.8 per cent in 2022-23. India is expected to emerge as the fastest growing economy in the next two years as per IMF. (Source - Economic Survey 2020-21)

Outlook:

The United Nations has raised India's growth forecast to 7.5 per cent for calendar year 2021, marking a 0.2 per cent increase from its projection in January, but said the country's outlook for the year remains highly fragile. The surging Covid-19 infections and inadequate vaccination progress in many countries threaten a broad-based recovery of the world economy, said the World Economic Situation and Prospects report. It also projected India's GDP to grow by 10.1 per cent in 2022. "India has been particularly affected by a brutal second wave which is overwhelming the public health system in large parts of the country."

The UN report said the country has expanded vaccine eligibility and is ramping up supply in every possible manner but access to vaccines is unequal and insufficient to meet the massive demand. "Given the fluid situation, India's growth outlook in 2021 is highly fragile," it said. The global economy is now projected to expand by 5.4 per cent in 2021 following a sharp contraction of 3.6 per cent in 2020, reflecting an upward revision from the UN forecasts. While these forecasts all factored in the impact of the second wave on the Indian economy, there is growing recognition that numbers may not be enough to offer a clear picture about India's economic problems.

Further, the hospitality industry in India is facing the brunt of the ongoing pandemic as bookings slow down to a trickle. As per the Federation of Hotel & Restaurant Associations of India (FHRAI), the Indian hotel industry has taken a hit of over Rs 1.30 lakh crore in revenue for the fiscal year 2020-21 due to the impact of the COVID-19 pandemic.

Turning to the growth outlook, rural demand remains strong and the expected normal monsoon bodes well for sustaining its buoyancy, going forward. The increased spread of COVID-19 infections in rural areas, however, poses downside risks. Urban demand has been dented by the second wave, but adoption of new COVID-compatible occupational models by businesses for an appropriate working environment may cushion the hit to economic activity, especially in manufacturing and services sectors that are not contact intensive. On the other hand, the strengthening global recovery should support the export sector. Domestic monetary and financial conditions remain

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highly accommodative and supportive of economic activity. Moreover, the vaccination process is expected to gather steam in the coming months and should help to normalise economic activity quickly. Taking these factors into consideration, real GDP growth is now projected at 9.5 per cent in 2021-22, consisting of 18.5 per cent in Q1; 7.9 per cent in Q2; 7.2 per cent in Q3; and 6.6 per cent in Q4:2021-22. (Source: RBI Bulletin-Monetary Policy Statement 2021-22)

Indian Hospitality and Tourism Industry:

India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, eco-tourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists. In his Independence speech from Red Fort, Prime Minister Mr. Narendra Modi urged people to visit 15 domestic tourist destinations in India by 2022 to promote tourism. India ranked 34 in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.

In WTTC's Economic Impact 2019 report, India's Travel & Tourism GDP contribution grew by 4.9%, which was the third highest after China and Philippines. Additionally, the report also highlights that between 2014-2019, India witnessed the strongest growth in the number of jobs created (6.36 million), followed by China (5.47 million) and the Philippines (2.53 million).

Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs. 15.24 lakh crore (US\$ 234.03 billion) in 2017 to Rs. 32.05 lakh crore (US\$ 492.21 billion) in 2028. Total earning from the sector in India is targeted to reach US\$ 50 billion by 2022.

The Indian tourism and hospitality industry have emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. In FY20, tourism sector in India accounted for 39 million jobs, which was 8.0% of the total employment in the country. By 2029, it is expected to account for about 53 million jobs. International hotel chains are increasing their presence in the country, and it will account for around 47% share in the tourism and hospitality sector of India by 2020 and 50% by 2022. (Source India Brand Equity Foundation -Indian Tourism and Hospitality Industry Analysis)

The hospitality sector in India primarily thrives on tourism, which is an important source of foreign exchange and employment. The hotel industry in India is a part of the travel and tourism industry. Business travellers are gradually increasing in number due to the rapid growth of the IT sector and the emergence of several global companies. The key performance indicators (KPIs) used by the industry to measure business expansion and manage hotels are average room rate (ARR) and revenue per available room (RevPAR). The ARR stood at INR 5,458.68 in FY 2020 as against INR 5,671.00 in FY 2017. It is expected to reach INR 6,292.85 by FY 2025 while expanding at a compound annual growth rate (CAGR) of ~2.49% between FY 2021 and FY 2025. (Source:ResearchandMarkets.com)

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

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

The year 2020 threw at the world a bedlam of novel COVID-19 virus, threatening all that was taken for granted -mobility, safety, and a normal life itself. This, in turn, posed the most formidable economic challenge to India and to the world in a century. Bereft of a cure or a vaccine, public health policy became central to tackling this all-pervasive crisis. The imperative of flattening the disease curve was entwined with the livelihood cost of an imminent recession, which emanated from the restrictions in economic activities from the lockdown required to contain the pandemic. This inherent trade-off led to the policy dilemma of "lives versus livelihoods".

GRAVISS HOSPITALITY LIMITED

Directors' Report

To,
The Members of Graviss Hospitality Limited

Dear Shareholders,

Your Directors have pleasure in presenting the Sixtieth Annual Report of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2021 is summarized below:

(₹ in Lacs)

| Particulars | Standalone | | Consolidated | |
|--|-------------------|-------------------|------------------|------------------|
| | 2020-2021 | 2019-2020 | 2020-2021 | 2019-2020 |
| Revenue | 889.78 | 3,946.99 | 2,286.78 | 3,954.11 |
| Other Income | 132.78 | 69.23 | 146.31 | 107.61 |
| Total Income | 1,022.56 | 4,016.22 | 2433.09 | 4061.72 |
| Total Expenses | 2,824.54 | 5,149.00 | 4342.22 | 5196.69 |
| Net Loss Before Tax | (1,801.98) | (1,132.78) | (1909.13) | (1134.97) |
| Deferred Tax (Net) | 385.05 | 254.94 | 385.05 | 254.94 |
| Current Tax | — | — | — | (2.25) |
| Short Provision of Tax for earlier years | (0.73) | — | (0.77) | (0.07) |
| Net Loss After Tax | (1,417.66) | (877.84) | (1524.85) | (882.35) |
| Balance of P & L brought forward | (2,570.45) | (1,692.61) | (3542.30) | (2659.95) |
| Balance available for appropriation | — | — | — | — |
| Proposed Dividend on Equity Shares | — | — | — | — |
| Tax on proposed Dividend | — | — | — | — |
| Balance carried forward | (3,988.11) | (2,570.45) | (5067.11) | (3542.30) |

OVERVIEW OF OPERATIONAL VIS-À-VIS FINANCIAL PERFORMANCE

On a standalone basis, the total revenue was Rs. 1022.56 lacs which was lower than the previous year's total revenue Rs. 4,016.22 lacs caused by the COVID-19 pandemic and efforts to curtail it. This had a severe impact on the economy in general and travel and tourism in particular. Consequently, the Net Loss after tax stood at Rs. 1,417.66 lacs as against loss of Rs. 877.84 lacs in the previous year.

On a consolidated basis, the Total Income for FY 2020-21 was Rs. 2433.09 lacs lower than the previous year's Total Income of Rs. 4061.72 lacs. The Loss after tax for FY 2020-21 was Rs. 1524.85 lacs as against a Loss after Tax of Rs. 882.35 lacs for FY 2019-20.

BUSINESS OVERVIEW

An analysis of the Business and Financial Results are given in the Management Discussion and Analysis, which forms a part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2020-21, together with the Auditors' Report form part of this Annual Report.

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SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has 3 subsidiaries as on March 31, 2021. Out of which, Graviss Catering Private Limited and Hotel Kanakeshwar Private Limited continue to be the wholly owned subsidiaries of your Company.

Graviss Hotels and Resorts Private Limited is a Subsidiary Company of your Company to the extent of 99.98%. There has been no material change in the nature of the business of the subsidiaries.

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

(₹ in Lacs)

| Sr. No. | Name of the Subsidiary Company | Turnover | | Profit / (Loss) Before Tax | | Profit / (Loss) After Tax | |
|---------|------------------------------------|----------------|-----------------|----------------------------|-----------------|---------------------------|-----------------|
| | | Current Period | Previous Period | Current Period | Previous Period | Current Period | Previous Period |
| 1. | Graviss Hotels and Resorts Limited | 1397 | 0 | (106.69) | 5.85 | (106.69) | 5.85 |
| 2. | Graviss Catering Private Limited | 0 | 7.11 | (9.71) | (0.27) | (9.75) | (0.35) |
| 3. | Hotel Kanakeshwar Private Limited | 0 | 0 | 9.25 | (10.05) | 9.25 | (10.05) |

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

Pursuant to the provisions of Section 129(3) of the the Act a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company as **Annexure A**.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at <https://www.gravisshospitality.com/investor-relations.html>

DIVIDEND

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2021.

TRANSFER TO RESERVES

Due to losses in FY 2020-21, no amount has been transferred to Reserves.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

The details of the meetings of the Board of Directors and its Committees, convened during the financial year 2020-21 are given in the Corporate Governance Report which forms a part of this Report.

GRAVISS HOSPITALITY LIMITED

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

(b) DIRECTORS AND KEY MANAGERIAL PERSONNEL AND CHANGES AMONG THEM:

Mr. Romil Ratra was appointed as the Chief Executive Officer (CEO) of the Company with effect from 1st April, 2020 and as a Whole Time Director in the Company w.e.f. 1st March, 2021. Mr. Ravi Ghai- the former Managing Director (DIN: 00074612) and Mr. Gaurav Ghai - the former Joint Managing Director (DIN: 00074857), have resigned from their respective offices w.e.f. 15th July, 2020, Mr. Farangilal Goyal is the Chief Financial Officer and Ms. Jalpa H. Salvi appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 19th April, 2021, are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, from time to time.

Further, Mr. Harsh Kumar Varma (DIN: 03421941) was appointed as Additional Director w. e. f. 1st March, 2021 subject to approval/regularization by members at the ensuing Annual General Meeting. Your Directors recommend his re-appointment.

(c) DECLARATION OF INDEPENDENCE FROM INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). There has been no change in the circumstances affecting their status as Independent Directors of the Company.

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

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any, incurred by them and as applicable; for the purpose of attending meetings of the Board/Committee of the Company.

(d) FAMILIARISATION PROGRAMME:

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

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

(e) BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 read with Rules issued thereunder and Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors on recommendation of the Nomination & Remuneration Committee has carried out an annual evaluation of its own performance, board committees and individual Directors (including independent directors and Chairperson).

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board Composition and Structure; Degree of fulfilment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long- term strategic planning, etc.); Effectiveness of board processes, information and functioning, etc.; Extent of co-ordination and cohesiveness between the Board and its Committees; and Quality of relationship between Board Members and the Management.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The evaluation criteria is in compliance with the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

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

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this Report. The Managing Director and Joint Managing Director (upto 1st July, 2020) & CEO of your Company do not receive remuneration from any of the subsidiaries of your Company.

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

Your Directors wish to place on record their appreciation for the good services rendered by the employees at all levels of the Company.

AUDIT COMMITTEE

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

The details including the attendance of the Members at the Meetings and terms of Reference are included in the Corporate Governance Report, which forms a part of the Annual Report.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) and 134(3)(a) of the Act, read with Rule 12 of Chapter VII Rules of the Companies (Management and Administration) Amendment Rules, 2020, Extract of Annual Return in Form MGT-9 for FY 2020-21 is uploaded on the website of the Company and can be accessed at <https://www.gravishhospitality.com/investor-relations.html>

CORPORATE GOVERNANCE

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

LISTING OF SHARES

The Company's equity shares are listed on BSE Limited (BSE). Further, the applicable listing fees for the financial year 2021-2022 have been paid to the BSE Limited.

AUDITORS AND THEIR REPORT

(a) STATUTORY AUDITORS:

At the 58th Annual General Meeting of the Company held on 26th July, 2019, M/s. A. T. Jain & Co., Chartered Accountants (Firm Registration Number: 103886W), were appointed as Statutory Auditors of the Company for a period of five consecutive years, i.e. from the conclusion of the ensuing 58th Annual General Meeting of the Company till the conclusion of the 63rd Annual General Meeting of the Company to be held in the year 2024 subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

The Statutory Auditors of the Company have issued an unmodified opinion on the Financial Statements for the financial year ended 31st March 2021. The Auditor's Report for the financial year ended 31st March, 2021 does not contain any qualification, reservation or adverse remarks.

(b) COST AUDITORS:

Maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act and Companies (Cost Records and Audit) Rules, 2013 is not applicable to the Company.

(c) INTERNAL AUDITORS:

M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No. 109208W), Mumbai were appointed as the Internal Auditors of the Company for the financial year 2020-21.

GRAVISS HOSPITALITY LIMITED

At the Meeting of the Board of Directors of the Company held on 7th June, 2021, M/s. V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No. 109208W), Mumbai have been re-appointed as the Internal Auditors for the financial year 2021-2022.

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

(d) SECRETARIAL AUDITORS:

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on 7th June, 2021 has appointed M/s. Martinho Ferrao & Associates, Company Secretaries (Certificate of Practice No. 5676), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2020-2021. Your Company has received consent from M/s. Martinho Ferrao & Associates to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st March, 2021. The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed as **Annexure C**.

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

Further, M/s. Martinho Ferrao & Associates, Company Secretaries (Certificate of Practice No. 5676), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2021-2022 by the Board of Directors at their meeting held on 7th June, 2021.

NOMINATION AND REMUNERATION POLICY

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

The Nomination & Remuneration Policy is also displayed on the Company's website under the web link:
<https://www.gravishhospitality.com/investor-relations.html>

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected therewith or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All the employees (permanent, contractual and trainees) are covered under this policy. The following is a summary of the sexual harassment complaints as on March 31, 2021:

| | | |
|---|---|-----|
| Number of complaints received during the FY 2020-21 | — | NIL |
| Number of complaints disposed off during the FY 2020-21 | — | NIL |
| Number of complaints pending at the end of the FY 2020-21 | — | NIL |

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a 'Vigil Mechanism Policy' in compliance with the provisions of Section 177 (9) of the Act and Regulation 22 of the SEBI Listing Regulations, with an objective to conduct its affairs in a fair and transparent manner and by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Company has established mechanism for reporting concerns about unethical behaviour, actual or suspected fraud, violation of our Code of Conduct and Ethics.

The details of the policy have been disclosed in the Corporate Governance Report, which forms a part of the Annual Report and is also available on <https://www.gravishhospitality.com/investor-relations.html>.

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

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

Foreign Exchange earned during the Financial Year 2020-2021 in terms of actual inflows: Rs. 9.23 lacs

Foreign Exchange outgo during the Financial Year 2020-2021 in terms of actual outflows: Rs. 63.51 lacs

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TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

PUBLIC DEPOSITS

During the financial year 2020-21, your Company has not accepted any deposit within the meaning of Sections 73 and 76 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31st March, 2021, are set out in Note Nos. 7 & 14 to the Standalone Financial Statements forming part of this report. The Members are requested to refer to the said Notes for details in this regard.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at: <https://www.gravishshospitality.com/investor-relations.html>

All Related Party Transactions which were entered during the financial year 2020-21 were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with related party(s) as defined under Section 2(76) of the Companies Act, 2013 which may have a potential conflict with the interest of the Company at large. All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and Materiality of Related Party Transactions, formulated by the Company. There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

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

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

INTERNAL FINANCIAL CONTROLS

The Company has sound internal financial controls commensurate to the size and nature of its business. The Company periodically reviews the internal financial controls in the light of new statutes, changes in business models, adoption of new technology solutions and suggestions for improvements received from employees. Further, the details in respect of internal financial control and their adequacy are also included in the Management Discussion and Analysis, which forms a part of the Annual Report.

RISK MANAGEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Company has a Risk Management Policy in place for identification of key risks to its business objectives, impact assessment, risk analysis, risk evaluation, risk reporting and disclosures, risk mitigation and monitoring, and integration with strategy and business planning. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant/material orders passed by any of the Regulators or Courts or Tribunals impacting the going concern status of your Company or its operations in future during the financial year 2020-21.

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

The impact of COVID-19 on the Company's financial statements has been given in Note 54 of the notes to financial statements for the year ended March 31, 2021 and the Company's response to the situation arising from the pandemic has been explained in the Management Discussion and Analysis, which forms a part of the Annual Report.

CHANGE IN NATURE OF BUSINESS

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

GRAVISS HOSPITALITY LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2021 and of the loss of the Company for the financial year ended 31st March, 2021;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively and;
- (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Practicing Company Secretary's Certificate thereon, and the Management Discussion and Analysis are attached as a separate section which forms a part of the Annual Report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

The Directors thank the Company's customers, vendors, investors and partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by all our employees and their families and the contribution made by every other member of the Graviss family, for making the Company what it is.

For and on behalf of the Board of Directors

For **GRAVISS HOSPITALITY LIMITED**

Place: Mumbai
Dated: June 07, 2021

Sd/-
Romil Ratra
CEO & Whole Time Director
(DIN: 06948396)

Sd/-
Mahendra Doshi
Independent Director
(DIN: 00123243)

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ANNEXURE A TO THE DIRECTORS' REPORT

Form AOC-1

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

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

Part "A": Subsidiaries

(Rs. in lacs)

| Sl. No. | Particulars | Graviss Hotels & Resorts Limited | Graviss Catering Private Limited | Hotel Kanakeshwar Private Limited |
|---------|---|----------------------------------|----------------------------------|-----------------------------------|
| 1. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N.A. | N.A. | N.A. |
| 2. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR | INR | INR |
| 3. | Share capital | 5.00 | 7.65 | 24.50 |
| 4. | Reserves & surplus | (720.75) | (332.61) | 12.69 |
| 5. | Total assets | 5987.83 | 20.14 | 217.02 |
| 6. | Total Liabilities | 6703.58 | 345.11 | 179.83 |
| 7. | Investments | — | — | — |
| 8. | Turnover | 1397 | — | — |
| 9. | Profit before taxation | (106.69) | (9.71) | 9.25 |
| 10. | Provision for taxation | — | (0.04) | — |
| 11. | Profit after taxation | (106.69) | (9.75) | 9.25 |
| 12. | Proposed Dividend | — | — | — |
| 13. | % of shareholding | 99.98 | 100 | 100 |

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

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

Place: Mumbai
Dated: June 07, 2021

Sd/-
Romil Ratra
CEO and Whole Time Director
(DIN: 06948396)

GRAVISS HOSPITALITY LIMITED

ANNEXURE B TO THE DIRECTORS' REPORT

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

A. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2020-21.

| Name of Directors drawing remuneration | Total Remuneration (in ₹) (upto 30th June, 2020) | Ratio to median remuneration |
|--|--|------------------------------|
| Mr. Ravi Ghai | 5,68,125 | 4.49 |
| Mr. Gaurav Ghai | 3,64,126 | 2.88 |

Notes:

- Median Remuneration for the F. Y. 2020-21 is ₹1,26,516/-
- In the aforesaid calculation, remuneration is not considered of those permanent employees who worked for less than 12 months during the financial year 2020-21
- The remuneration of Directors excludes sitting fees paid to them for the F. Y. 2020-21

B. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2020-21.

| Name | Remuneration (in ₹) | | Increase / (Decrease) (in %) |
|---|---------------------|-----------|------------------------------|
| | 2020-21 | 2019-20 | |
| Mr. Ravi Ghai – Chairman & Managing Director (Upto 30th June, 2020) | 5,68,125 | 45,45,000 | (87.5%) |
| Mr. Gaurav Ghai – Joint Managing Director (Upto 30th June, 2020) | 3,64,126 | 29,13,000 | (87.5%) |
| Mr. Farangilal Goyal – Chief Financial Officer | 10,44,300 | 37,75,000 | (72.34%) |
| Mrs. Kainaaz Bharucha – Company Secretary (Upto 26th March, 2021) | 9,29,833 | 10,32,796 | (10%) |

C. The percentage increase in the median remuneration of employees in the financial year 2020-21: -65%

D. The number of permanent employees on the rolls of company: 116

E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2020-21 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

-25%

F. The key parameters for any variable component of remuneration availed by the directors: N.A.

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

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

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ANNEXURE C TO THE DIRECTORS' REPORT

FORM MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2021

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

To,
The Members,
Graviss Hospitality Limited

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

Due to the current nationwide lockdown arising out of COVID-19 pandemic, we have examined the papers, minute books, forms, returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 provided to us through electronic mode. No physical verification of any document / record was possible. Based on our verification of Graviss Hospitality Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Graviss Hospitality Limited ("the Company") for the financial year ended on 31st March 2021 according to the provisions of:

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

GRAVISS HOSPITALITY LIMITED

- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; – **Not applicable to the Company securities during the financial year under review;**
- (k) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

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

- (i) The Legal Metrology Act, 2009
- (ii) Food Safety and Standards Act, 2006

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. *In terms of the provisions of Regulation 7(3)) of SEBI LODR, The listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent, wherever applicable, within thirty days from the one month of end of each half of the financial year, certifying compliance with the requirements of sub- regulation (2). However the Company has submitted the Compliance Certificate under Reg 7(3) for the half year ended September 2020 after due date.*
2. *In terms of provision of 30(1) of Substantial Acquisition of Shares and Takeovers) Regulations, 2011 Every person, who together with persons acting in concert with him, holds shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company, shall disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified. And 30(2) The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified. The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the end of each financial year to; every stock exchange where the shares of the target company are listed; and the target company at its registered office. The Company has submitted the disclosures after due date.*
3. *the Company has received the mail form BSE Ltd on 05 March 2021 by imposing penalty Rs.5,42,800/- for non Compliance of Reg 17(1) of SEBI (listing obligations and disclosure requirements) Regulations, 2015 for the quarter ended 31st December 2020 to which Company has paid the fine and appoint Mr. Romil Ratra as a Whole Time Director and Mr. Harsh Varma as a Non Executive Director, thereby increase the strength of Board of Director to 6 Directors, as required under Regulation 17(1)(c) of SEBI (listing obligations and disclosure requirements) Regulations, 2015, and fully complied with all the provisions of the said Regulation.*
4. *Form DPT-3 & MSME 1 filed after due date.*

We further report that:

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

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

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We further report that; during the period under review:

1. Approval of shareholders via Special Resolution was obtained and received for the following transactions: (Not Applicable as Company has not passed any Special Resolution in the General Meeting during the period under reviewed)

Limitations:

Due to the nationwide lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) on different dates for containment of spread of COVID-19, the abovementioned documents, registers, disclosures filed, etc. have not been physically verified by us, and as informed to us, these are being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium and taken confirmation from the Company wherever required, the audit was done subject to limitation of availability of documents.

For **Martinho Ferrao & Associates**
Company Secretaries

Sd/-

Martinho Ferrao

Proprietor

FCS No. 6221

C.P. No. 5676

UDIN: F006221C000430546

Place: Mumbai

Dated: June 07, 2021

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

GRAVISS HOSPITALITY LIMITED

'Annexure A'

To,
The Members,
Graviss Hospitality Limited

Our report is to be read along with this letter.

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

For **Martinho Ferrao & Associates**
Company Secretaries

Sd/-
Martinho Ferrao
Proprietor
FCS No. 6221
C.P. No. 5676
UDIN: F006221C000430546

Place: Mumbai
Dated: June 07, 2021

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ANNEXURE D TO THE DIRECTORS' REPORT

FORM AOC-2

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

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

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

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

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

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

For and on behalf of the Board of Directors

For **GRAVISS HOSPITALITY LIMITED**

Sd/-

Romil Ratra

CEO and Whole Time Director
(DIN: 06948396)

Place: Mumbai
Dated: June 07, 2021

Report on Corporate Governance

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

Corporate Governance at Graviss Hospitality Limited ('the Company') cares for the overall well-being and welfare of all constituents of the system and takes into account the stakeholders' interest in every business decision. The basic objective of the Corporate Governance Policies adopted by the Company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to meet with the statutory requirement, but also to go beyond by putting in place the requisite procedures and systems which are in accordance with the best practices of governance. Your Company believes that good corporate governance enhances the trust and confidence of all its stakeholders. Good practice in corporate behavior helps to enhance and maintain public trust in companies and stock market.

The Board of Directors of the Company has adopted a "Code Of Conduct For Board Of Directors And Senior Management Personnel" (hereinafter referred to as 'Code') based on the principles of good Corporate Governance and best management practices being followed. The Code is available at the following link: <https://www.gravisshospitality.com/investor-relations.html>. The Company remained committed towards protection and enhancement of overall long term value for its entire stakeholders - Customer, Lenders, Employee and Society.

Your Company ensures adequate, timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company to the stock exchanges and the investors. The Company has complied with the mandatory provisions of Schedule II of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, which deals with the compliance of Corporate Governance requirement as detailed below:

2. Board of Directors:

(a) Composition and Category of Directors

The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. The composition of the Board of Directors of the Company is in compliance with the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 prescribed by the stock exchanges and in accordance with Good Corporate Governance Practices. The board functions as full Board and through various committees constituted for their specific purpose and operational area. The board has constituted 3(three) Committees viz. Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. These board committees comprised majority of Independent Directors and were chaired by Independent Directors.

As on the date of this Report, the Board comprises of 6(six) Directors, out of which 3 (three) are Independent Directors constituting half of the Board's strength, 2 (two) are Non- Executive Non Independent Directors and 1(One) is an Executive Whole Time Director. The Board also has representation of Woman Director being a Non-Executive Director, The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder.

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(b) Attendance of the Directors

The details of attendance of Directors at Board Meetings during the financial year 2020-21 and at the Annual General Meeting (AGM) of the Company are as reproduced below:

| Name of the Director & Director Identification Number (DIN) | Board Meeting Dates | | | | | AGM held on 18.08.2020 |
|--|---------------------|------------|------------|------------|----------------------|------------------------|
| | 30.06.2020 | 31.08.2020 | 10.11.2020 | 09.02.2021 | 09.03.2021 | |
| *Mr. Ravi Iqbal Ghai (DIN: 00074612) | X | N.A. | N.A. | N.A. | N.A. | N.A. |
| **Mr. Gaurav Ravi Ghai (DIN: 00074857) | ✓ | N.A. | N.A. | N.A. | N.A. | N.A. |
| Mrs. Tina Sunil Pardal (DIN: 07148874) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Mahendra Vasantrai Doshi (DIN: 00123243) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Gulshan Mohan Bijlani (DIN: 01987683) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Harindra Pal Singh (DIN: 00032181) | ✓ | X | X | X | X | ✓ |
| @Mr. Romil Ratra (DIN: 06948396) (w.e.f. 1st March, 2021) | N.A. | N.A. | N.A. | N.A. | ✓ (As an Invitee) | ✓ |
| @@Mr. Harsh Kumar Varma (DIN: 03421941) (w.e.f. 1st March, 2021) | N.A. | N.A. | N.A. | N.A. | ✓ (As an Invitee) | N.A. |

* Resigned from Managing Directorship w.e.f. 15.07.2020

** Resigned from Joint Managing Directorship w.e.f. 15.07.2020

@ Appointed as a Whole Time Director w.e.f. 01.03.2021

@@ Appointed as an Additional Director w.e.f. 01.03.2021

GRAVISS HOSPITALITY LIMITED

(c) Composition of the Board of Directors, Number of Shares held in the Company, Attendance Details and Other Directorship/ Committee Details held as on 31st March, 2021

| Sl. No. | Names of Directors and DIN | Category | Directorships in other listed entities | Number of Shares and Convertible Instruments held | Attendance at the Board Meetings held during the F.Y. 2020-2021 | Attendance at the last AGM held on August 18, 2020 | No. of Directorships in other Companies* | Membership and Chairmanship of the Committees of the Board of other Companies** | |
|---------|--|--|--|---|---|--|--|---|--------|
| | | | | | | | | Chairman | Member |
| 1. | Mr. Ravi Iqbal Ghai (DIN: 00074612) | Promoter and Non-Executive Chairman | Nil | 33,24,791 | 0/5 | N.A. | Nil | Nil | Nil |
| 2. | %%Mr. Gaurav Ravi Ghai (DIN: 00074857) | Promoter and Non-Executive Director | Nil | 23,08,716 | 1/5 | N.A. | Nil | Nil | Nil |
| 3. | Mrs. Tina Sunil Pardal (DIN: 07148874) | Non-Executive and Non-Independent Director | Nil | 0 | 5/5 | Yes | Nil | Nil | Nil |
| 4. | Mr. Mahendra Vasantrai Doshi (DIN: 00123243) | Non-Executive and Independent Director | LKP Finance Limited – Executive Director, Chairman & Managing Director LKP Securities Limited – Non-Executive Non-Independent Director Niikamal Limited – Non-Executive Independent Director | 0 | 5/5 | Yes | 8 | 1 | 3 |
| 5. | Mr. Gulshan Mohan Bijlani (DIN: 01987683) | Non-Executive and Independent Director | Nil | 17,350 | 4/5 | Yes | Nil | Nil | Nil |
| 6. | Mr. Harindra Pal Singh (DIN: 00032181) | Non-Executive and Independent Director | Nil | 0 | 1/5 | Yes | 2 | Nil | Nil |
| 7. | @Mr. Romil Ratra (DIN: 06948396) (w.e.f. 1st March, 2021) | Executive Whole Time Director | Nil | 0 | N.A. | No | Nil | Nil | Nil |
| 8. | @@Mr. Harsh Kumar Varma (DIN: 03421941) (w.e.f. 1st March, 2021) | Non-Executive and Non-Independent Director | Nil | 0 | N.A. | N.A. | 1 | Nil | Nil |

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

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

% Resigned from Managing Directorship w.e.f. 15.07.2020

%% Resigned from Joint Managing Directorship w.e.f. 15.07.2020

@ Appointed as a Whole Time Director w.e.f. 01.03.2021

@@ Appointed as an Additional Director w.e.f. 01.03.2021

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Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013, read with the relevant provisions of (SEBI LODR) Regulations.

(d) Disclosure of Relationships between Directors inter-se:

The Directors are not related to each other inter-se

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

<https://www.gravishhospitality.com/investor-relations.html>

(f) Key Board Qualifications, Expertise and Attributes:

The Board comprises qualified members who bring in the required skills, competence and expertise so that effective contribution is made by the Board and its committees and so that the Company achieves highest standards of Corporate Governance.

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

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence required for it to function effectively. These Directors are nominated based on well-defined selection criteria. The Nomination and Remuneration Committee ('NRC') considers, inter alia, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board periodically evaluates the need for change in its composition and size.

The table below summarizes the key attributes and skills matrix, identified by the Board of Directors, as required in the context of business, which is to be considered while selecting the Director:

| | |
|-----------------------------------|---|
| Financial and Regulatory | Proficiency in Financial Management, Capital Allocation, Treasury and Accountancy, Costing, Budgetary Controls and in Statutory and Regulatory requirements. |
| Hospitality and Operations | Understanding Organizations, Business processes including but not limited to Hospitality business and Driving change. |
| Risk and Governance | Understanding Risk Management, Corporate Governance, Transparency, Economies of Scale and Protecting the interest of stakeholders, enterprise reputation, accountability and following governance practice. |
| Strategy | Understanding Strategic Planning so as to drive the Company's business into right direction. |
| Sales & Marketing | Handling diverse business scenario, sales and marketing strategies, Global market opportunities, Macro policies and business economics. |
| Technology | Having fair understanding and knowledge about the Technological developments that can be put to right use in the Company's business. |
| Human Resources | Ethics, Communication, Business Leader and Problem Solver. |

GRAVISS HOSPITALITY LIMITED

| Name of the Director | Attributes | | | | | | |
|------------------------------|------------------------|--------------------------|-------------------|----------|-------------------|------------|-----------------|
| | Financial & Regulatory | Hospitality & Operations | Risk & Governance | Strategy | Sales & Marketing | Technology | Human Resources |
| *Mr. Romil Ratra | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mrs. Tina Pardal | ✓ | ✓ | ✓ | ✓ | ✓ | X | X |
| *Mr. Harsh Kumar Varma | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ |
| Mr. Gulshan Mohan Bijlani | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ |
| Mr. Mahendra Vasantrai Doshi | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. Harindra Pal Singh | ✓ | ✓ | ✓ | ✓ | ✓ | X | ✓ |

*Mr. Romil Ratra has been appointed as a Whole Time Director of the Company and Mr. Harsh Kumar Varma has been appointed as an Additional Director of the Company w. e. f. March 01, 2021.

(g) Confirmations:

The Company confirms that in the opinion of the board, the independent directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent of the management.

The required information is duly circulated to the Directors including the Non-Executive Directors who have actively participated in the deliberations of the Board.

3. Audit Committee:

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Independent Directors including its Chairman. The primary objective of the Audit Committee is to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting and the Committee has played an important role in ensuring the same.

The composition and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rules made there under and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Mr. Gulshan Bijlani and Mr. Harindra Pal Singh, as the members are financially literate and Mr. Mahendra Doshi, Chairman has accounting and related financial management expertise /exposure.

The Audit Committee invites such of the executives, as it considers appropriate (particularly the Chief Financial Officer), Chief Financial Officer, Statutory Auditors and Internal Auditors to attend the Audit Committee Meeting(s). The Company Secretary of the Company acts as a Secretary to the Committee. The minutes of each Audit Committee meeting are placed and discussed at the next meeting of the Board.

The previous Annual General Meeting ("AGM") of the Company was held on August 18, 2020 and was attended by Mr. Mahendra V Doshi, Chairman of the Audit Committee.

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Scrutiny of inter-corporate loans and investments;
5. Reviewing, with the management, the quarterly, half-yearly, nine monthly and annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;

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- (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Qualifications in the draft audit report;
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 7. Examination of the financial statement and the auditors' report thereon;
 8. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
 9. Review and monitor the auditor's independence and performance and effectiveness of audit process;
 10. Evaluation of internal financial controls and risk management systems.
 11. Approval or any subsequent modification of transactions of the company with related parties;
 12. Valuation of undertakings or assets of the company, wherever it is necessary;
 13. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
 14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company
 15. Looking into the reasons for substantial defaults (if any), in payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 16. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 17. Discussion with internal auditors of any significant findings and follow up there on;
 18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
 19. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 20. To review the functioning of the Whistle Blower mechanism;
 21. Reviewing the Management Discussion and Analysis for the financial condition and results of operation; and
 22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- (ii) **The details as to the date(s) on which the Audit Committee meetings were held during the financial year ended 31st March, 2021 are as follows:**

| Sl. No. | Dates of Meetings |
|---------|---------------------|
| 1. | 30th June, 2020 |
| 2. | 31st August, 2020 |
| 3. | 10th November, 2020 |
| 4. | 09th February, 2021 |

GRAVISS HOSPITALITY LIMITED

- (iii) The composition of the Audit Committee of the Board of Directors of the Company along with details of the meetings attended during the financial year ended 31st March, 2021 are detailed below:

| Sl. No. | Name | Category | Nature of Membership | No. of Meetings during the year 2020-21 | |
|---------|------------------------|-------------------------------|----------------------|---|----------|
| | | | | Held | Attended |
| 1. | Mr. Mahendra V. Doshi | Non-Executive and Independent | Chairman | 4 | 4 |
| 2. | Mr. Harindra Pal Singh | Non-Executive and Independent | Member | 4 | 1 |
| 3. | Mr. Gulshan Bijlani | Non-Executive and Independent | Member | 4 | 4 |

Four audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

4. Nomination and Remuneration Committee:

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

- (i) The terms of reference of Nomination & Remuneration Committee are as per the SEBI (LODR) Regulations, 2015 and Companies Act, 2013. The broad terms of reference of Nomination & Remuneration Committee as approved by the Board are as under:

1. Formulation of criteria for qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience;
2. Recommend to the Board the appointment or reappointment of directors;
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on diversity of the Board of Directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Carry on the evaluation of every director's performance;
8. Any other matter as the Board may decide from time to time.

- (ii) During the Financial Year ended 31st March, 2021, the meeting of the Nomination and Remuneration Committee was held once on 9th March, 2021.

- (iii) The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with details of the meetings attended during the financial year ended 31st March, 2021 are detailed below:

| Sl. No. | Name | Category | Nature of Membership | No. of Meetings during the year 2020-21 | |
|---------|------------------------|-------------------------------|----------------------|---|----------|
| | | | | Held | Attended |
| 1. | Mr. Mahendra V. Doshi | Non-Executive and Independent | Chairman | 1 | 1 |
| 2. | Mr. Harindra Pal Singh | Non-Executive and Independent | Member | 1 | 1 |
| 3. | Mr. Gulshan Bijlani | Non-Executive and Independent | Member | 1 | 1 |

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(iv) Performance Evaluation Criteria for Independent Directors

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

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

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

The Performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by independent directors. The Directors have expressed their satisfaction with evaluation process.

5. Stakeholders' Relationship Committee:

The terms of reference of the Committee are in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which include, inter-alia:; resolving of grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, measures taken for effective exercise of voting rights by shareholders, adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, if any, and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company and all other acts or deeds as may be necessary or incidental thereto.

The Stakeholders' Relationship Committee consists of three (3) Members, viz. Mr. Gulshan Bijlani, as Chairman, Mr. Mahendra Doshi and Mr. Harindra Pal Singh as Members. Ms. Jalpa H. Salvi, Company Secretary is the Compliance Officer of the Company and acts as Secretary to the Committee.

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- (a) The constitution of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2021 is detailed below:

| Sl. No. | Dates of Meetings |
|---------|----------------------|
| 1. | 30th April, 2020 |
| 2. | 29th May, 2020 |
| 3. | 30th June, 2020 |
| 4. | 31st July, 2020 |
| 5. | 31st August, 2020 |
| 6. | 30th September, 2020 |
| 7. | 31st October, 2020 |
| 8. | 30th November, 2020 |
| 9. | 31st December, 2020 |
| 10. | 30th January, 2021 |
| 11. | 27th February, 2021 |
| 12. | 31st March, 2021 |

| Sl. No. | Name | Category | Nature of Membership | Meeting Details | |
|---------|------------------------|-------------------------------|----------------------|-----------------|----------|
| | | | | Held | Attended |
| 1. | Mr. Gulshan Bijlani | Non Executive and Independent | Chairman | 12 | 12 |
| 2. | Mr. Mahendra Doshi | Non Executive and Independent | Member | 12 | 12 |
| 3. | Mr. Harindra Pal Singh | Non Executive and Independent | Member | 12 | 6 |

- (b) Mr. Gulshan Bijlani, Non Executive and Independent Director is the Chairman of the Committee
- (c) Name and Designation of Compliance Officer: Mrs. Kainaaz Bharucha, Company Secretary & Compliance Officer upto 26th March, 2021
Ms. Jalpa H. Salvi, Company Secretary & Compliance Officer, w. e. f. 19th April, 2021.
- (d) Details of shareholder's complaints received and redressed during the year 2020-21 are as follows:

| Number of complaints pending as on 1st April, 2020 | Number of complaints received | Complaint not resolved to the satisfaction of shareholders | Number of pending complaints (as at 31.03.2021) |
|--|-------------------------------|--|---|
| — | — | — | — |

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6. Remuneration of Directors:

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

NON-EXECUTIVE DIRECTORS

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

Details of Remuneration paid to the Directors of the Company for the Financial Year ended 31st March, 2021 are as follows:

Figures in ₹

| Name of the Director | Salary | Perquisites | Contribution to Provident Fund | Sitting Fees for Board/ Committee Meetings | Performance Linked Bonus | Bonus/Stock Options/ Pension/ Retirement Benefits etc | Commission | Total |
|-------------------------|--------|-------------|--------------------------------|--|--------------------------|---|------------|-------|
| %Mr. Ravi Ghai | 3.75 | 1.48 | 0.45 | — | — | — | — | 5.68 |
| %%Mr. Gaurav Ghai | 3.00 | 0.28 | 0.36 | — | — | — | — | 3.64 |
| Mr. Mahendra Doshi | — | — | — | 2.00 | — | — | — | 2.00 |
| Mr. Gulshan Bijlani | — | — | — | 2.00 | — | — | — | 2.00 |
| Mr. Harindra Pal Singh | — | — | — | 0.50 | — | — | — | 0.50 |
| Mrs. Tina Pardal | — | — | — | 2.00 | — | — | — | 2.00 |
| *Mr. Romil Ratra | 76.68 | — | — | — | — | — | — | 76.68 |
| **Mr. Harsh Kumar Varma | — | — | — | — | — | — | — | — |

% Resigned from Managing Directorship w.e.f. 15.07.2020

%% Resigned from Joint Managing Directorship w.e.f. 15.07.2020

@ Appointed as a Whole Time Director w.e.f. 01.03.2021

@@ Appointed as an Additional Director w.e.f. 01.03.2021

Criteria for making payments to non-executive directors:

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

<https://www.gravishhospitality.com/investor-relations.html>

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

CHAIRMAN AND MANAGING DIRECTOR

The Shareholders of the Company at the 55th Annual General Meeting held on 29th July, 2016 approved the reappointment of Mr. Ravi Ghai as Managing Director of the Company for a period of five (5) years commencing from 1st April, 2017, not liable to retire by rotation. The terms and conditions of his appointment including remuneration payable to him was approved at the said Annual General Meeting, which was in accordance with the provisions of Sections 197, 198 and Schedule V and subject to other provisions

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of the Companies Act, 2013, including any statutory modifications or any amendment or any substitution or any re-enactment thereof for the time being in force. The details of the remuneration paid to the Managing Director are given in the table regarding details of remuneration paid to Directors. Further, Mr. Ravi Ghai resigned from the Managing Directorship wef July 15, 2020.

JOINT MANAGING DIRECTOR

The Shareholders of the Company at the 51st Annual General Meeting held on 10th July, 2012 approved the re-appointment of Mr. Gaurav Ghai as Joint Managing Director of the Company for a period of five (5) years commencing from 11th May, 2012, not liable to retire by rotation. The terms and conditions of his appointment including remuneration payable to him was approved at the said Annual General Meeting, which was in accordance with the applicable provisions of the Companies Act, 1956, including any statutory modifications or any amendment or any substitution or any re-enactment thereof. Further, the Shareholders at the 556th Annual General Meeting of the Company held on 28th July, 2017 approved the re-appointment of Mr. Gaurav Ghai as Joint Managing Director of the Company for a further period of five (5) years commencing from 11th May, 2017 upto 10th May, 2022. The terms and conditions of his appointment including remuneration payable to him was approved at the said Annual General Meeting, which was in accordance with the applicable provisions of the Companies Act, 2013, including any statutory modifications or any amendment or any substitution or any re-enactment thereof. The details of the remuneration paid to the Joint Managing Director are given in the table regarding details of remuneration paid to Directors. Further, Mr. Gaurav Ghai resigned from the Joint Managing Directorship w. e. f July 15, 2020.

WHOLE TIME DIRECTOR

Mr. Romil Ratra, the Chief Executive Officer of the Company has been appointed as an Additional Director and then subject to approval of the shareholders; as a Whole Time Director w. e. f March 01, 2021 at the meeting of the Board of Directors held on March 09, 2021 on the same terms and conditions including the remuneration drawn by him as the Chief Executive Officer of the Company and as was recommended by the Nomination and remuneration Committee of the Company and approved by the Board of Directors at its meeting held on June 30, 2020. Hence, Mr. Romil Ratra is the Chief Executive Officer and Whole Time Director of the Company.

INDEPENDENT DIRECTORS

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

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

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

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7. General Body Meetings:

(a) General Meetings:

(i) Location, time and venue for the last three Annual General Meetings (AGM) held:

| Financial Year | Date | Time | Venue | Whether any special Resolution/s passed |
|----------------|----------------------------|------------|--|--|
| 2017-2018 | Friday, 27th July, 2018 | 12:30 p.m. | Dairy Tops, J-177, M.I.D.C., Bhosari, Pune – 411 026. | <p>YES as mentioned below</p> <ul style="list-style-type: none"> Approval for transaction with Related Party Re-appointment of Mr. Mahendra V. Doshi as an Independent Non-Executive Director Re-appointment of Mr. Gulshan M. Bijlani as an Independent Non-Executive Director Re-appointment of Mr. Harindra Pal Singh as an Independent Non-Executive Director |
| 2018-2019 | Friday, 26th July, 2019 | 12:30 p.m. | Dairy Tops, J-177, M.I.D.C., Bhosari, Pune – 411 026. | <p>YES as mentioned below</p> <ul style="list-style-type: none"> Approve the borrowing limit under Section 180(1)(c) of the Companies Act, 2013. Approve the limits under Section 180 (1) (a) of the Companies Act, 2013 Approval of remuneration of Mr. Ravi Ghai, Managing Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment Approval of remuneration of Mr. Gaurav Ghai, Joint Managing Director in terms of Regulation 17(6)(e) of SEBI Amended Listing Regulations for the remaining tenure of his appointment To keep the Register and Index of Members at a place other than the Registered Office of the Company |
| 2019-2020 | Tuesday, 18th August, 2020 | 12:00 p.m. | Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') | No |

(b) Extraordinary General Meeting:

No extraordinary general meeting of the Members was held during FY 2020-21.

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(c) Special Resolutions:

- (ii) **Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:**

No postal ballot was conducted during financial year 2020-21

- (iii) **Details of special resolution proposed to be conducted through postal ballot:**

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

8. Means of Communication:

- (i) Quarterly Results:

The quarterly, half yearly and annual financial results and quarterly shareholding pattern are posted on Company's official website www.gravishhospitality.com. As per the requirements of the provisions of SEBI (LODR) Regulations, 2015, the Company also provides information to the stock exchanges and updates its website on regular basis to include new developments in the Company, if any. Further, quarterly, half-yearly and annual financial results of the Company are published within the stipulated time period in leading English and local language of the place where Registered Office of the Company is located, newspapers viz. the Financial Express, Mumbai, Financial Express, Pune and Loksatta, Pune (Marathi).

- (ii) Website:

The Company maintains a separate dedicated section viz. "Investor Relation" for the information of shareholders and other stakeholders of the Company on the Company's website www.gravishhospitality.com.

Email ID for Investor Grievances is investors.relations@gravissgroup.com

Quarterly / half-yearly / annual financial results, Annual Reports, status of unclaimed dividend, if any,, various applicable policies of the Company and other required details are available on the Company's website. Full version of the annual report including the notice of Annual General Meeting, Management's Discussion and Analysis Report, Corporate Governance Report, Financial Statements along with the notes thereon, Directors' Report and Auditors' Report are sent to the shareholders electronically within the stipulated time and are also uploaded on Company's official website at the following link : <https://www.gravishhospitality.com/investor-relations.html>

- (iii) There were no Presentations made to institutional investors or to the analysts during the Financial Year 2020-2021.

9. General Shareholder Information:

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

- (i) Annual General Meeting for FY 2020-21-

- (ii) Date: 22nd September, 2021

- (iii) Time: 12:00 Noon

- (iv) Venue: The Company is conducting meeting through Video Conferencing and Other Audio Visual Means pursuant to the MCA Circulars dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, details of Director seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

- (v) Tentative Financial Calendar for FY 2021-22

| | |
|-------------------------------------|---------------|
| Quarter ending 30th June, 2021 | August 2021 |
| Quarter ending 30th September, 2021 | November 2021 |
| Quarter ending 31st December, 2021 | February 2022 |
| Quarter ending 31st March, 2022 | May 2022 |

- (vi) Book Closure Dates: 16th September, 2021 to 22nd September, 2021 (both days inclusive)

- (vii) Financial Year - April, 2020 to March, 2021

- (viii) Dividend Payment Date: The Directors of the Company do not recommend dividend for the Financial Year ended 31st March, 2021.

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

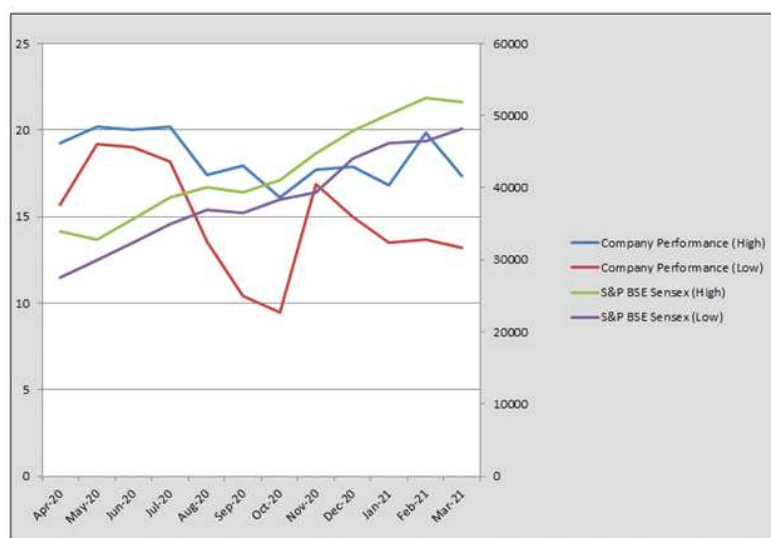
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- (x) The Company's shares are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- (xi) The Company has paid the listing fees to BSE Ltd. for the year 2021-22.
- (xii) Stock Code on BSE Ltd.: 509546
- (xiii) ISIN: INE214F01026
- (xiv) Market Price Data – High/ low, Number and Value of shares traded during each month in the financial year 2020-2021:

| Month | High (in Rupees) | Low (in Rupees) | No. of Shares traded | No. of Trades | Total Turnover (in Rupees) |
|-----------------|---------------------|--------------------|-------------------------|---------------|-------------------------------|
| April, 2020 | 19.25 | 15.7 | 2510 | 19 | 45,712 |
| May, 2020 | 20.2 | 19.2 | 85 | 9 | 1,700 |
| June, 2020 | 20 | 19 | 1199 | 9 | 23,453 |
| July, 2020 | 20.2 | 18.2 | 312 | 10 | 6,108 |
| August, 2020 | 17.4 | 13.55 | 4853 | 51 | 76,825 |
| September, 2020 | 17.95 | 10.4 | 1290 | 60 | 16,812 |
| October, 2020 | 16.1 | 9.48 | 6734 | 57 | 80,520 |
| November, 2020 | 17.7 | 16.85 | 552 | 14 | 9,653 |
| December, 2020 | 17.9 | 15.6 | 9482 | 65 | 1,59,016 |
| January, 2021 | 16.8 | 13.5 | 26247 | 109 | 3,85,730 |
| February, 2021 | 19.85 | 13.7 | 9865 | 165 | 1,60,205 |
| March, 2021 | 17.35 | 13.2 | 55575 | 217 | 8,45,660 |

Performance in comparison to broad-based indices.

The chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of the BSE Sensex for the year 2020-21 (based on month end closing).



The securities are not suspended from trading.

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(xv) Registrar & Share Transfer Agent

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

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

(xvi) Share Transfer System:

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

(xvii) Distribution of Shareholding

| Range | Number of Shareholders | % of Total Shareholders | Total Shares for the Range | % of Issued Capital |
|--------------------|------------------------|-------------------------|----------------------------|---------------------|
| 1 to 500 | 963 | 67.2017 | 245882 | 0.3487 |
| 501 to 1000 | 218 | 15.2128 | 204983 | 0.2907 |
| 1001 to 2000 | 93 | 6.4899 | 162111 | 0.2299 |
| 2001 to 3000 | 39 | 2.7216 | 99609 | 0.1413 |
| 3001 to 4000 | 13 | 0.9072 | 49571 | 0.0703 |
| 4001 to 5000 | 44 | 3.0705 | 199949 | 0.2835 |
| 5001 to 10000 | 26 | 1.8144 | 189126 | 0.2682 |
| Greater than 10000 | 37 | 2.5820 | 69367904 | 98.3675 |
| Total | 1433 | 100.0000 | 70519135 | 100.0000 |

(xviii) Shareholding Pattern as on March 31, 2021:

| Sr. No. | Category of Shareholders | No of shares held | Percentage |
|---------|-----------------------------------|--------------------|---------------|
| 1. | Promoter and Promoter Group | 5,27,36,285 | 74.79 |
| 2. | Overseas Bodies Corporate | 1,06,42,640 | 15.09 |
| 3. | Other Bodies Corporate | 52,08,655 | 07.39 |
| 4. | Trusts | 0 | 0.00 |
| 5. | Hindu Undivided Family | 59,055 | 00.08 |
| 6. | Non Resident Individuals | 13,610 | 00.02 |
| 7. | Directors or Directors' Relatives | 57,350 | 00.08 |
| 8. | Clearing Members | 256 | 00.00 |
| 9. | Individuals | 18,01,284 | 2.55 |
| | Total | 7,05,19,135 | 100.00 |

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(xix) Dematerialization of shares and Liquidity:

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

(xx) Percentage of shares held in physical and dematerialized form as on 31st March, 2021:

| | | |
|---------------------------|---|----------------------|
| Physical form | : | 50,08,455 (7.10%) |
| Electronic form with NSDL | : | 6,52,20,596 (92.49%) |
| Electronic form with CDSL | : | 2,90,084 (0.41%) |

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

(xxii) Commodity Price Risk or Foreign Exchange Risk and hedging activities
Not Applicable.

(xxiii) Plant Locations:

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

(xxiv) Investor Correspondence Address:

Shareholders may correspond at the addresses as given below, quoting respective Folio number/Client ID and DP ID:

| Company's Corporate Office & Secretarial Department | Company's Registrar and Transfer Agent |
|---|---|
| Strand Cinema Building, 1st Floor, C. S. No. 506, Arthur Bunder Road, Colaba, Mumbai - 400 005. Telephone Number: 022-62513131 Email: investor.relations@gravissgroup.com | C-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083. Telephone Number: 022-49186270 Fax Number: 022-49186060 Email: rnt.helpdesk@linkintime.co.in |

Scores: A centralised web based complaints redress system 'Scores' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaint and its current status.

10. Other Disclosures:

(i) Related Party Transactions

All transactions entered into by the Company with related parties, during the financial year 2020-21, were in the ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

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

The Audit Committee, during the financial year 2020-21, has approved Related Party Transactions along with granting omnibus approval in line with the Policy of materiality of Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

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

The Policy for Related Party Transactions has been duly posted on the Company's website on the following link: <https://www.gravishhospitality.com/investor-relations.html>

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

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

The Company was levied a fine of INR. 5,42,800/- and INR. 3,95,300/- for the quarter ended 31st December, 2020 and 31st March, 2021 respectively w. r. t. non-compliance of Regulation 17(1) of SEBI LODR Regulations, 2018. The said fines were

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duly paid on 8th March, 2021 and 20th May, 2021 and the requisite compliances w. r. t. Board Composition under the said regulation have been duly complied with as on 9th March, 2021

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

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

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

<https://www.gravishhospitality.com/invester-relations.html>

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

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

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

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

<https://www.gravishhospitality.com/invester-relations.html>

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

<https://www.gravishhospitality.com/invester-relations.html>

(vii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). – N.A.

(viii) Certificate from Practicing Company Secretary

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

(ix) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: N.A.

(x) Total fees paid to Statutory Auditors of the Company

Total fees of Rs. 10,50,000/- (Rupees Ten Lac Fifty Thousand only) for financial year 2020-21, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The details relating to the number of complaints received and disposed of during the financial year 2020-21 are as under:

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

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Annexure to Report on Corporate Governance for the Financial Year ended 31st March, 2021

To,
The Members of Graviss Hospitality Limited

Declaration by the Chief Executive Officer under Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Romil Ratra, Chief Executive Officer of Graviss Hospitality Limited, hereby confirm that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2021.

Place: Mumbai
Dated: June 07, 2021

Sd/-
ROMIL RATRA
Chief Executive Officer

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

The Board of Directors Graviss Hospitality Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2021 and that to the best of our knowledge and belief:

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

Place: Mumbai
Dated: June 07, 2021

Sd/-
ROMIL RATRA
Chief Executive Officer

Sd/-
FARANGILAL GOYAL
Chief Financial Officer

Certificate on Corporate Governance

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

We have examined the compliance of the conditions of Corporate Governance of **GRAVISS HOSPITALITY LIMITED** ('the Company') for the year ended on 31st March, 2021 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the year ended 31st March, 2021 except to the extent as mentioned below:

The Company has received a mail from BSE Ltd on 05 March 2021 imposing penalty of Rs.5,42,800/- for non-compliance of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31st December, 2020 to which Company has duly paid the penalty amount and appointed Mr. Romil Ratra as a Whole Time Director and Mr. Harsh Kumar Varma as a Non-Executive Director, thereby increasing the strength of Board of Directors to 6 Directors, as required under Regulation 17(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and has thereby fully complied with all the provisions of the said Regulation.

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.

Place: Mumbai
Dated: June 07, 2021

For and on behalf of
Martinho Ferrao & Associates
Company Secretaries

Sd/-
Martinho Ferrao
Proprietor
Membership No. 6221
Certificate of Practice No. 5676
PRN: 951/2020

GRAVISS HOSPITALITY LIMITED

Independent Auditors' Report

To,
The Members of Graviss Hospitality Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Graviss Hospitality Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss(including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

| Key Audit Matter | Response to Key Audit Matter |
|--|--|
| <p>Impact of COVID-19 pandemic on Going Concern</p> <p>During the year, the business of the Company was significantly impacted due to COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year. With the unlocking of restrictions, the hotels have been opened up and business have improved gradually. Presently, the state Government have imposed restrictions due to the resurgence of COVID-19 cases, which has again significantly impacted business of the Company. The Company has assessed the impact of COVID-19 on the future cash flow projections.</p> <p>In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.</p> | <p>With reference to this key audit matter, we have obtained an understanding of the key controls and assumptions relating to the Company's forecasting process, Compared and assessed the forecasted statement of profit and loss and cash flows with the Company's business plan. We have also assessed Government's efforts to counter the impact of resurgence in COVID-19 cases and the impact of the same on future projections. Disclosure with respect to above have been made in the standalone financial statements at Note No.54.</p> <p>Accordingly, we considered the assessment of the management to be appropriate.</p> |

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

Emphasis of Matter

Without qualifying our opinion, attention of the members is drawn to Note 49 & 50 to the standalone financial statement, in view of the matter stated therein relating to the accumulated losses of two subsidiaries as at 31st March, 2021, keeping in mind the factors stated in the Note, there is no diminution in the value of investments in the subsidiaries and the loans given to the subsidiaries are considered good of recovery.

We also draw attention to Note 54 to the standalone financial statement, which describe the possible effect of uncertainties relating to COVID-19 pandemic on the Company’s financial performance as assessed by the Management.

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

Information Other than the Financial Statements and Auditor’s Report Thereon

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

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

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

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

Management’s Responsibility for the Standalone Financial Statements

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

GRAVISS HOSPITALITY LIMITED

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its managing director during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No 35.A of the standalone financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring the amounts required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
SUSHIL JAIN
Partner

Membership No.: 033809
UDIN: 20033809AAAACR2413

Place: Mumbai
Dated: June 07, 2021

GRAVISS HOSPITALITY LIMITED

Annexure A to Auditor's Report

Annexure "A" to the Independent Auditor's Report of even date on the Financial Statements of GRAVISS HOSPITALITY LIMITED for the year ended 31st March, 2021

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification as compared to the record of inventories.
- iii. According to the information and explanations given to us, the company has not granted any loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The company has not granted any loans, guarantees or security and has not made investments to which the provisions of section 185 and 186 of the Companies Act, 2013 apply.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year.
- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act for the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records maintained by the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, goods and service tax, custom duty, excise duty, cess and other statutory dues where applicable.
According to the information and explanations given to us, no undisputed amounts in respect of the aforesaid statutory dues were in arrears, as at 31st March, 2021, for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us and the records of the company, there are no dues of sales tax / customs duty / wealth tax / goods and service tax / excise duty / cess, which have not been deposited on account of any dispute. In case of VAT, there is a disputed demand of tax and penalty of Rs. 88 lacs for the year 2010-11 which is contested before the Appellate Tribunal.
- viii. On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Banks. The company has not taken any loan from any financial institution or by way of issue of debentures.
- ix. In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer during the year. In our opinion, the term loans taken have been applied for the purpose for which they were raised.
- x. According to the information and explanations given to us and based on audit procedures performed and representations obtained from the management, we report that no fraud on or by the company, has been noticed or reported during the year under audit.
- xi. According to the information and explanations given to us and based on verification of records, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence clause (xii) of the order is not applicable.
- xiii. According to the information and explanations given to us, the transactions with related parties were entered in to at reasonable rates and were approved by the Audit Committee or the Board of Directors in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by applicable Indian Accounting Standard.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us and based on verification of records, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
SUSHIL JAIN
Partner

Membership No.: 033809
UDIN: 20033809AAAAACR2413

Place: Mumbai
Dated: June 07, 2021

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Annexure B

Annexure “B” to the Independent Auditor’s Report of even date on the Financial Statements of GRAVISS HOSPITALITY LIMITED for the year ended 31st March, 2021

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

We have audited the internal financial controls over financial reporting of Graviss Hospitality Limited as of March 31st, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

GRAVISS HOSPITALITY LIMITED

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Sd/-
SUSHIL JAIN
Partner

Membership No.: 033809
UDIN: 20033809AAAACR2413

Place: Mumbai
Dated: June 07, 2021

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Balance Sheet as at 31st March, 2021

| Particulars | Note No. | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|----------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Non-current assets: | | | |
| Property, plant and equipment | 5 | 5,181.79 | 5,506.09 |
| Right of Use Asset | 5.1 | 10,092.47 | 10,179.48 |
| Financial Assets | | | |
| Investments | 6 | 190.33 | 189.36 |
| Trade receivables | 11 | 53.78 | 38.25 |
| Loans | 7 | 6,416.05 | 8,216.70 |
| Others | 8 | 65.76 | 68.98 |
| Income Tax assets (Net) | | 8.34 | 59.24 |
| Other Non-current assets | 9 | 14.78 | 300.00 |
| Total Non-current assets | | 22,023.30 | 24,558.10 |
| Current assets | | | |
| Inventories | 10 | 110.07 | 158.64 |
| Financial Assets | | | |
| Investments | | | |
| Trade receivables | 11 | 10.48 | 436.10 |
| Cash and cash equivalents | 12 | 430.97 | 110.06 |
| Other Balances with Banks | 13 | 7.11 | 6.67 |
| Loans | 14 | 3.72 | 9.54 |
| Other Financial Assets | 15 | — | 1.48 |
| Income Tax assets (Net) | | 3.14 | 25.13 |
| Other current assets | 16 | 76.03 | 67.83 |
| Total current assets | | 641.52 | 815.45 |
| Total Assets | | 22,664.82 | 25,373.55 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share capital | 17 | 1,410.39 | 1,410.39 |
| Other Equity | 18 | 17,725.53 | 19,112.90 |
| Total Equity | | 19,135.92 | 20,523.29 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 19 | 94.57 | 238.78 |
| Deferred tax liabilities (Net) | 20 | 1,407.06 | 1,781.93 |
| Total Non-current liabilities | | 1,501.63 | 2,020.71 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 21 | 988.29 | 1,000.57 |
| Trade payables | 22 | — | — |
| Total outstanding dues of Micro and Small Enterprises | | — | — |
| Total outstanding dues of creditors other than Micro and Small Enterprises | | 333.59 | 855.40 |
| Other Financial Liabilities | 23 | 688.02 | 899.61 |
| Other Current liabilities | 24 | 12.41 | 38.93 |
| Provisions | 25 | 4.96 | 35.04 |
| Total current liabilities | | 2,027.27 | 2,829.55 |
| Total Liabilities | | 3,528.90 | 4,850.26 |
| Total Equity and Liabilities | | 22,664.82 | 25,373.55 |

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

1 to 56

As per our separate report of even date

For and on behalf of the Board of Directors of
Graviss Hospitality Limited

For **A.T. Jain & Co.**
Chartered Accountants
Firm Registration No. 103886W

Sd/-
SUSHIL JAIN
Partner (Membership No. 033809)

Place: Mumbai
Dated: June 07, 2021

Sd/-
ROMIL RATRA
Whole Time Director & CEO
(DIN:06948396)

Sd/-
F.L. GOYAL
Chief Financial Officer

Sd/-
M.V. DOSHI
Director
(DIN:00123243)

Sd/-
JALPA H. SALVI
Company Secretary

GRAVISS HOSPITALITY LIMITED

Statement of Profit and Loss Account for the year ended 31st March, 2021

| Particulars | Note No. | For the year ended | For the year ended |
|---|----------|-----------------------------|-----------------------------|
| | | 31/03/2021 (Rs. in lacs) | 31/03/2020 (Rs. in lacs) |
| INCOME | | | |
| Revenue from operations | 26 | 889.78 | 3,946.99 |
| Other Income | 27 | 132.78 | 69.23 |
| Total Income | | 1,022.56 | 4,016.22 |
| EXPENSES | | | |
| Food and Beverages consumed | 28 | 160.56 | 586.03 |
| Employee benefits expense | 29 | 528.45 | 1,330.96 |
| Finance costs | 30 | 118.30 | 162.88 |
| Depreciation and amortisation expenses | 31 | 550.79 | 609.37 |
| Other expenses | 32 | 1,466.44 | 2,459.76 |
| Total Expenses | | 2,824.54 | 5,149.00 |
| PROFIT/(LOSS) BEFORE TAX | | (1,801.98) | (1,132.78) |
| Tax expense: | | | |
| Deferred Tax (Net) (Refer Note "20") | | 385.05 | 254.94 |
| Short Provision for Tax of earlier years | | (0.73) | — |
| Total Tax Expenses | | 384.32 | 254.94 |
| PROFIT/(LOSS) AFTER TAX | | (1,417.66) | (877.84) |
| Other comprehensive income: | | | |
| (i) Items that will not be reclassified to profit or loss | 33 | 40.48 | (36.01) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (10.19) | 9.06 |
| (iii) Items that will be reclassified to profit or loss | | — | — |
| (iv) Income tax relating to items that will be reclassified to profit or loss | | — | — |
| Other comprehensive income for the year | | 30.29 | (26.95) |
| Total comprehensive income for the year | | (1,387.37) | (904.80) |
| Earning per equity share – Rs. | | | |
| (a) Basic | 34 | (1.97) | (1.28) |
| (b) Diluted | | (1.97) | (1.28) |

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

1 to 56

As per our separate report of even date

For and on behalf of the Board of Directors of
Graviss Hospitality Limited

For **A.T. Jain & Co.**
Chartered Accountants
Firm Registration No. 103886W

Sd/-
SUSHIL JAIN
Partner (Membership No. 033809)

Place: Mumbai
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Chief Financial Officer

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M.V. DOSHI
Director
(DIN:00123243)

Sd/-
JALPA H. SALVI
Company Secretary

60TH ANNUAL REPORT

Cash Flow Statement for the Year Ended 31st March, 2021

| Particulars | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) | |
|--|--------------------------------------|--------------------------------------|-------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit before taxation, and extraordinary item | (1,801.98) | (1,132.78) | |
| Less: Remeasurement of Employees Benefits Adjusted in OCI | 40.48 | (36.01) | |
| Net profit before Tax After Adjustment in OCI | (1,761.50) | (1,168.79) | |
| Adjustments for: | | | |
| Non Cash Items | | | |
| Depreciation and Amortisation Expenses | 550.79 | 609.37 | |
| Finance Cost | 118.30 | 162.88 | |
| Interest Income | (3.31) | (4.78) | |
| Dividend Income | — | (0.01) | |
| (Profit) / loss on sale of fixed assets | 0.42 | — | |
| | 666.19 | 767.46 | |
| Operating profit before working capital changes | (1,095.31) | (401.33) | |
| Adjustments for: | | | |
| Trade and other receivables | 410.09 | 442.90 | |
| Inventories | 48.57 | 13.49 | |
| Loans | 1,800.65 | 263.66 | |
| Other current assets | 287.10 | 87.91 | |
| Other Financial Liabilities | (211.60) | 137.16 | |
| Other Current Liabilities | (56.60) | 0.68 | |
| Trade and other payables | (521.81) | (17.00) | |
| | 1,756.42 | 928.82 | |
| Cash generations from operations | 661.11 | 527.49 | |
| Direct taxes paid | 72.15 | (5.48) | |
| | 733.26 | 522.01 | |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (144.40) | (239.66) | |
| Sale of Fixed Assets | 4.50 | — | |
| (Purchase)/Sales of Investments | (0.97) | 6.12 | |
| Investments in Fixed Deposits pledged towards Margin Money | — | — | |
| Interest Income | 3.31 | 4.78 | |
| Dividend Income | — | 0.01 | |
| | (137.56) | (228.74) | |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from Long-term borrowings | 20.88 | 20.40 | |
| Repayment of Long-term borrowings | (165.10) | (165.10) | |
| Short Term borrowings (Net) | (12.28) | 2.12 | |
| Finance Cost | (118.30) | (162.88) | |
| | (274.80) | (305.47) | |
| Net Increase / (Decrease) in Cash and cash equivalents (A+B+C) | 320.90 | (12.20) | |
| Opening Cash and Cash Equivalents | 110.06 | 122.26 | |
| Closing Cash and Cash Equivalents | 430.97 | 110.06 | |
| | (320.90) | 12.20 | |
| Breakup of Opening Cash and Cash Equivalents | | | |
| Balances with Banks | | | |
| In Current Accounts | 78.87 | 97.76 | |
| Cash on Hand | 31.19 | 24.50 | |
| Cash and Cash Equivalents | 110.06 | 122.26 | |
| Breakup of Closing Cash and Cash Equivalents | | | |
| Balances with Banks | | | |
| In Current Accounts | 416.15 | 78.87 | |
| Cash on Hand | 14.82 | 31.19 | |
| Cash and Cash Equivalents | 430.97 | 110.06 | |
| Disclosure as per Ind AS -7 as below: | | | |
| Particulars | 01-04-2020 | Cash Flows | 31-03-2021 |
| Long Term Borrowings | 238.78 | (144.21) | 94.57 |
| Short Term Borrowings | 1,000.57 | (12.28) | 988.29 |
| Total Liabilities from financing activities | 1,239.35 | (156.49) | 1,082.86 |

As per our separate report of even date

For **A.T. Jain & Co.**
Chartered Accountants
Firm Registration No. 103886W

Sd/-
SUSHIL JAIN
Partner (Membership No. 033809)

Place: Mumbai
Dated: June 07, 2021

For and on behalf of the Board of Directors of
Graviss Hospitality Limited

Sd/-
ROMIL RATRA
Whole Time Director & CEO
(DIN:06948396)

Sd/-
M.V. DOSHI
Director
(DIN:00123243)

Sd/-
F.L. GOYAL
Chief Financial Officer

Sd/-
JALPA H. SALVI
Company Secretary

GRAVISS HOSPITALITY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021

| | Opening balance (Rs in lacs) | Changes during the year (Rs in lacs) | Closing balance (Rs in lacs) |
|--------------------------------|------------------------------------|---|------------------------------------|
| A. Equity Share Capital | | | |
| As at 31st March 2021 | 1,410.39 | — | 1,410.39 |
| As at 31st March 2020 | 1410.39 | — | 1,410.39 |

Reserves and Surplus

| | Retained Earnings | General Reserve | Warrants Forfeited | Securities Premium Reserve | Capital Reserve | Capital Redemp- tion Reserve | Other Compre- hensive Income | Total |
|--|----------------------|--------------------|-----------------------|----------------------------------|--------------------|---------------------------------------|---------------------------------------|------------------|
| B. Other Equity | | | | | | | | |
| Balance as at 01st April 2020 | (2,570.45) | 11,320.29 | 850.01 | 9,183.07 | 7.78 | 318.52 | 3.68 | 19,112.90 |
| Additions during the year | — | — | — | — | — | — | — | — |
| Surplus in the Statement of profit and loss | (1,417.66) | — | — | — | — | — | 30.29 | (1,387.37) |
| Balance as at 31 March 2021 | (3,988.11) | 11,320.29 | 850.01 | 9,183.07 | 7.78 | 318.52 | 33.97 | 17,725.53 |

C. Nature of reserves

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

60TH ANNUAL REPORT

NOTES FORMING PART OF THE BALANCE SHEET

NOTE NO 1

Company Overview

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

NOTE NO. 2

Basis for preparation:

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

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

The Financial Statements were authorized for issue in accordance with a resolution of the directors on 07-06-2021.

NOTE NO. 3

Use of Judgement, Assumptions and Estimates

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

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

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

NOTE NO. 4

SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant & equipment

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

B Right of use asset

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

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

C Depreciation

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

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

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

D Accounting for Leases

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

The Company as a Lessee

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

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

60TH ANNUAL REPORT

NOTES FORMING PART OF THE BALANCE SHEET

E Inventories

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

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

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

F Revenue Recognition

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

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

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

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

G Employee Benefits

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

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

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

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

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

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

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

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

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

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

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

H Borrowing costs

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

I Foreign Currency Transactions

Monetary items:

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

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

NOTES FORMING PART OF THE BALANCE SHEET

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

Non – Monetary items:

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

J Provisions, Contingent Liabilities and Contingent assets

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

K Fair Value measurement

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

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

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

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

L Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial Assets at amortised cost

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

Financial Assets at amortised cost

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

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

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

60TH ANNUAL REPORT

NOTES FORMING PART OF THE BALANCE SHEET

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

Financial assets at FVTPL

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

Equity investments in subsidiaries

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

Derecognition

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

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

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

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

Financial liabilities

Initial recognition and measurement.

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

Subsequent measurement

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

Loans and borrowings

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

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

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

This category generally applies to borrowings.

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

Derecognition

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

Offsetting of financial instruments

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

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

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

NOTES FORMING PART OF THE BALANCE SHEET

N Impairment

Financial Assets

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

Non-financial Assets

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

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

O Taxes on Income

Current Tax

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

Deferred tax

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

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

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

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

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

P Earnings per share

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

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

Q Cash and Cash equivalents

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

Cash Flows

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

R Government Grants

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

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NOTES FORMING PART OF THE BALANCE SHEET

NOTE '5' – PROPERTY, PLANT AND EQUIPMENT:

(Rs. in lacs)

| DESCRIPTION OF ASSETS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------|--------------------------------|-------------------------------|---|----------------------------|--------------------------------|---------------------------------------|--------------|--------------------|------------------|------------------|------------------|
| | At fair value as on 01/04/2020 | Additions and other transfers | Reclassified on account of adoption of Ind AS 116 | Sales and other deductions | At fair value as on 31/03/2021 | Opening Depreciation as on 01/04/2020 | For the year | Dep on sold assets | As at 31/03/2021 | As at 31/03/2021 | As at 31/03/2020 |
| Building | 5,013.03 | — | — | — | 5,013.03 | 748.31 | 203.98 | — | 952.29 | 4,060.74 | 4,264.71 |
| Premises | 43.93 | — | — | — | 43.93 | 43.93 | — | — | 43.93 | — | — |
| Plant and Machinery | 291.60 | 131.26 | — | — | 422.86 | 170.77 | 23.50 | — | 194.27 | 228.59 | 120.83 |
| Furniture & Fixtures | 1,439.03 | 5.17 | — | — | 1,444.20 | 661.42 | 184.05 | — | 845.47 | 598.73 | 777.60 |
| Office Equipments | 453.82 | 6.82 | — | — | 460.64 | 268.67 | 16.51 | — | 285.18 | 175.46 | 185.16 |
| Vehicles | 246.91 | — | — | 98.36 | 148.55 | 114.08 | 20.38 | 93.44 | 41.02 | 107.53 | 132.83 |
| Computers | 74.49 | 1.15 | — | — | 75.64 | 49.53 | 15.37 | — | 64.90 | 10.74 | 24.96 |
| Total | 7,562.81 | 144.40 | — | 98.36 | 7,608.85 | 2,056.71 | 463.79 | 93.44 | 2,427.06 | 5,181.79 | 5,506.09 |
| Previous year | 17,464.73 | 364.56 | 10266.48 | — | 7,562.81 | 1,534.34 | 522.37 | — | 2,056.71 | 5,506.09 | |

NOTE '5.1' – RIGHT OF USE ASSET:

(Rs. in lacs)

| DESCRIPTION OF ASSETS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------|--------------------------------|-------------------------------|---|----------------------------|--------------------------------|---------------------------------------|--------------|--------------------|------------------|------------------|------------------|
| | At fair value as on 01/04/2020 | Additions and other transfers | Reclassified on account of adoption of Ind AS 116 | Sales and other deductions | At fair value as on 31/03/2021 | Opening Depreciation as on 01/04/2020 | For the year | Dep on sold assets | As at 31/03/2021 | As at 31/03/2021 | As at 31/03/2020 |
| Land | 10,266.48 | — | — | — | 10,266.48 | 87.00 | 87.00 | — | 174.01 | 10,092.47 | 10,179.48 |
| Total | 10,266.48 | — | — | — | 10,266.48 | 87.00 | 87.00 | — | 174.01 | 10,092.47 | 10,179.48 |
| Previous year | — | — | 10,266.48 | — | 10,266.48 | — | 87.00 | — | 87.00 | 10,179.48 | — |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '6' – NON CURRENT INVESTMENTS: | | |
| TRADE INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE): | | |
| Unquoted equity instruments: | | |
| Investment in subsidiaries | | |
| 50,000 of Graviss Hotels and Resorts Limited of Rs. 10 each | 5.00 | 5.00 |
| 76,422 (out of which 50 jointly held with third parties) of Graviss Catering Private Limited of Rs. 10 each | 12.89 | 12.89 |
| 245,000 of Hotel Kankeshwar Private Limited of Rs. 10 each | 170.00 | 170.00 |
| NON-TRADE INVESTMENTS: | | |
| INVESTMENTS AT COST | | |
| Unquoted: | | |
| 20 Shares of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each | 0.01 | 0.01 |
| INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS | | |
| Quoted: | | |
| 3,820 Equity Shares of Edelweiss Capital Limited of Rs.1 each | 2.43 | 1.46 |
| | <u>190.33</u> | <u>189.36</u> |
| Aggregate value of unquoted investments | 187.90 | 187.90 |
| Aggregate value of quoted investments | 2.43 | 1.46 |
| Market value of quoted investments | 2.43 | 1.46 |
| NOTE '7' – LONG-TERM LOANS AND ADVANCES: | | |
| Security Deposits | 37.52 | 1,095.24 |
| Loans to Related Parties: | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 6,378.53 | 7,121.46 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Credit Impaired | — | — |
| | <u>6,416.05</u> | <u>8,216.70</u> |
| NOTE '8' – OTHER NON-CURRENT FINANCIAL ASSETS: | | |
| Margin Money Deposit with Bank | 65.76 | 68.98 |
| | <u>65.76</u> | <u>68.98</u> |
| NOTE '9' – OTHER NON-CURRENT ASSETS: | | |
| Capital advance | 14.78 | 300.00 |
| NOTE '10' – INVENTORIES (Valued at lower of cost and net realisable value): | | |
| Food and Beverages | 95.86 | 121.10 |
| Stores and Other Operating Supplies | 14.21 | 37.54 |
| | <u>110.07</u> | <u>158.64</u> |

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NOTES FORMING PART OF THE BALANCE SHEET

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '11' – TRADE RECEIVABLES: | | |
| Non Current: | | |
| (a) Trade receivable from others | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 53.78 | 38.25 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | <u>53.78</u> | <u>38.25</u> |
| Current: | | |
| (a) Trade receivable from others | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 10.03 | 46.22 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | <u>10.03</u> | <u>46.22</u> |
| (b) Trade receivable from related parties | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 0.45 | 389.88 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | <u>0.45</u> | <u>389.88</u> |
| | <u>64.26</u> | <u>474.35</u> |
| NOTE '12' – CASH AND CASH EQUIVALENTS: | | |
| Current accounts | 416.15 | 78.87 |
| Cash on hand | 14.82 | 31.19 |
| | <u>430.97</u> | <u>110.06</u> |
| NOTE '13' – OTHER BALANCES WITH BANKS: | | |
| Fixed Deposit with banks maturing within one year | 7.11 | 6.67 |
| | <u>7.11</u> | <u>6.67</u> |
| NOTE '14' – SHORT-TERM LOANS AND ADVANCES: | | |
| Advances to others: | | |
| Loans to employees: | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 3.72 | 9.54 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Credit Impaired | — | — |
| | <u>3.72</u> | <u>9.54</u> |
| NOTE '15' – OTHER FINANCIAL ASSETS: | | |
| Other advances | — | 1.48 |
| | <u>—</u> | <u>1.48</u> |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '16' – OTHER CURRENT ASSETS: | | |
| Advance to suppliers | 12.16 | 29.60 |
| Prepaid expenses | 57.08 | 38.23 |
| Balances with statutory/government authorities | 6.79 | — |
| | <u>76.03</u> | <u>67.83</u> |
| NOTE '17' – SHARE CAPITAL: | | |
| a Authorised : | | |
| 230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company | 230.00 | 230.00 |
| 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> |
| b Issued, Subscribed and fully paid-up : | | |
| 70,519,135 Equity shares of Rs. 2 each for cash | 1,410.39 | 1,410.39 |
| | <u>1,410.39</u> | <u>1,410.39</u> |
| (70,519,135) | | |
| c Reconciliation of the number of equity shares at the beginning and end of the year | | |
| Opening | 70,519,135 | 70,519,135 |
| Issued during the year | — | — |
| Closing | <u>70,519,135</u> | <u>70,519,135</u> |
| d Shares held by each shareholder holding more than 5% shares | | |
| Equity shares of Rs. 2 each fully paid | | |
| Graviss Holdings Private Limited - 30.93% (30.93%) | 21,813,970 | 21,813,970 |
| Satinetta Finlease & Investments Private Limited- 32.57% (32.57%) | 22,967,844 | 22,967,844 |
| Dunearn Investments (Mauritius) Pte Limited- 9.96% (9.96%) | 7,025,708 | 7,025,708 |
| Inter Continental Hotels Corporation, USA- 6.22% (6.22%) | 4,385,235 | 4,385,235 |

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NOTES FORMING PART OF THE BALANCE SHEET

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '18' – OTHER EQUITY: | | |
| A Reserves and Surplus | | |
| i Capital Reserves: | | |
| Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad - As per last account | 7.78 | 7.78 |
| ii Warrants Forfeited Account: | | |
| As per last account | 850.01 | 850.01 |
| iii Securities Premium Account: | | |
| As per last account | 9,183.07 | 9,183.07 |
| iv Capital Redemption Reserve Account: | | |
| As per last account | 318.52 | 318.52 |
| v General Reserve: | | |
| As per last account | 11,320.29 | 11,320.29 |
| vi Retained Earnings: | | |
| Opening balance | (2,570.45) | (1,692.61) |
| Add : Net profit after tax transferred from Statement of Profit and Loss | (1,417.66) | (877.84) |
| Balance in Profit and Loss account | (3,988.11) | (2,570.45) |
| | 17,691.56 | 19,109.22 |
| B Other Comprehensive Income | | |
| As per last account | 3.68 | 30.63 |
| Addition during the year | 30.29 | (26.95) |
| Closing balance | 33.97 | 3.68 |
| | 17,725.53 | 19,112.90 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

Non-current Liabilities:

NOTE '19' – BORROWINGS:

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

Axis Bank

| | | |
|----------------------------|---|-------|
| — Term Loan (Secured) - II | — | 13.37 |
|----------------------------|---|-------|

Note:

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

| | | |
|-----------------------------|------|-------|
| — Term Loan (Secured) - III | 3.36 | 18.54 |
|-----------------------------|------|-------|

Note:

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

| | | |
|----------------------------|-------|--------|
| — Term Loan (Secured) - IV | 91.21 | 121.57 |
|----------------------------|-------|--------|

Note:

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

| | | |
|----------------------------------|---|-------|
| b) Deferred payment liabilities: | — | 85.30 |
|----------------------------------|---|-------|

(carry interest rates ranging from 10% to 12%, repayable in various EMIs and secured by hypothecation of vehicles. Last EMI maturing on March 2022)

| | | |
|--|-------|--------|
| | 94.57 | 238.78 |
|--|-------|--------|

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NOTES FORMING PART OF THE BALANCE SHEET

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

(Rs. in lacs)

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

| Particulars | Opening Balance | Recognised in P&L | Recognised in OCI | Closing Balance |
|---|-----------------|-------------------|-------------------|-----------------|
| For The Year Ended 31st March 2021 | | | | |
| Deferred Tax Liabilities | | | | |
| Difference between accounting and tax | 157.11 | 20.39 | — | 177.50 |
| On revaluation of leasehold land | 2,371.41 | (20.27) | — | 2,351.14 |
| Total Deferred Tax Liabilities | 2,528.52 | 0.12 | — | 2,528.64 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 129.35 | 14.81 | (10.19) | 133.97 |
| Unabsorbed Depreciation | 617.24 | 370.37 | — | 987.61 |
| Total Deferred Tax Assets | 746.59 | 385.17 | (10.19) | 1,121.58 |
| Deferred Tax Liabilities (Net) | 1,781.93 | (385.05) | 10.19 | 1,407.06 |
| For The Year Ended 31st March 2020 | | | | |
| Deferred Tax Liabilities | | | | |
| Difference between accounting and tax | 151.30 | 5.81 | — | 157.11 |
| On revaluation of leasehold land | 2,393.04 | (21.63) | — | 2,371.41 |
| Total Deferred Tax Liabilities | 2,544.34 | (15.82) | — | 2,528.52 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 116.30 | 3.99 | 9.06 | 129.35 |
| Unabsorbed Depreciation | 382.11 | 235.13 | — | 617.24 |
| Total Deferred Tax Assets | 498.41 | 239.12 | 9.06 | 746.59 |
| Deferred Tax Liabilities (Net) | 2,045.93 | (254.94) | (9.06) | 1,781.93 |

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

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

| Particulars | 2020-21 | 2019-20 |
|--|-----------------|-----------------|
| Profit Before Tax | (1,801.98) | (1,132.78) |
| Applicable Tax Rate | 25.17% | 25.17% |
| Tax Using the Applicable Tax Rate | (453.52) | (285.10) |
| Add: Recognition of Tax Effect of Previously Unrecognized Tax Gains / (Losses) | 68.47 | (10.63) |
| Less: Rate Difference | — | 31.73 |
| Tax Expense Recognized in the Statement of Profit & Loss | (385.05) | (264.00) |
| Weighted Average Tax Rate | 21.37% | 23.31% |

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

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

| | For the Year ended 31/03/2021 (Rs. in lacs) | For the Year ended 31/03/2020 (Rs. in lacs) |
|--|--|--|
| Tax Expenses recognized in the Statement of Profit & Loss / Other Comprehensive Income (OCI) are as below: | | |
| Particulars | 2020-21 | 2019-20 |
| A. Current Tax Expense | — | — |
| B. Deferred Tax Expense / (Asset) relating to | | |
| — Origination and reversal of temporary differences | (385.05) | (295.73) |
| — Change in tax rates | — | 31.73 |
| Total | (385.05) | (264.00) |
| Tax Expenses recognized in the Statement of Profit & Loss | (385.05) | (264.00) |
| Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI | 10.19 | 9.06 |
| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
| Current Liabilities: | | |
| NOTE '21' – SHORT-TERM BORROWINGS: | | |
| Loans repayable on demand from Bank (secured): | | |
| Axis Bank | 988.29 | 1,000.57 |
| Note: | | |
| Overdraft from bank carries interest @ 11.65% p.a. The loan is repayable on demand. The loan is secured by exclusive first charge by way of hypothecation over entire current assets and first charge on entire movable fixed assets of the company. | | |
| | <u>988.29</u> | <u>1,000.57</u> |
| NOTE '22' – TRADE PAYABLES: | | |
| Total outstanding dues of Micro and Small Enterprises | — | — |
| Total outstanding dues of creditors other than Micro and Small Enterprises | 333.59 | 855.40 |
| | <u>333.59</u> | <u>855.40</u> |
| NOTE '23' – OTHER CURRENT FINANCIAL LIABILITIES: | | |
| Expenses payable | 357.75 | 418.05 |
| Interest free security deposits | 7.87 | 7.87 |
| Advance from customers | 100.88 | 79.69 |
| Gratuity obligation | 39.90 | 217.54 |
| Others (Provident Fund, ESIC etc) | 6.23 | 10.57 |
| Current maturities of long term debt: (Refer Note "19") | | |
| Term Loans repayable in 12 months | | |
| — Indian Rupee Loan | 91.61 | 135.04 |
| — Deferred Payment Liability | 83.78 | 30.86 |
| | <u>688.02</u> | <u>899.62</u> |
| NOTE '24' – OTHER CURRENT LIABILITIES: | | |
| Statutory dues payable* | 12.41 | 38.93 |
| | <u>12.41</u> | <u>38.93</u> |

*Statutory dues primarily include payables in respect of service tax, VAT, SGST, CGST, tax deducted at source)

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NOTES FORMING PART OF THE BALANCE SHEET

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|--|--|
| NOTE '25' – SHORT-TERM PROVISIONS: | | |
| Provision for leave benefits | 4.96 | 35.04 |
| | <u>4.96</u> | <u>35.04</u> |
| | | |
| | For the Year ended 31/03/2021 (Rs. in lacs) | For the Year ended 31/03/2020 (Rs. in lacs) |
| NOTE '26' – REVENUE FROM OPERATIONS: | | |
| Sales-Rooms | 148.12 | 1,514.37 |
| Sales-Food and Beverages | 730.31 | 2,302.25 |
| Sale of services | 11.35 | 130.37 |
| | <u>889.78</u> | <u>3,946.99</u> |
| | | |
| NOTE '27' – OTHER INCOME: | | |
| Interest on deposits with banks | 3.31 | 2.64 |
| Interest on income tax refund | 8.29 | 2.14 |
| Dividend income | — | 0.01 |
| Mark to Market gain /(loss) on equity shares | 0.97 | (6.07) |
| Unclaimed Credit balances written back | 72.02 | 65.86 |
| Miscellaneous receipts | 48.19 | 4.65 |
| | <u>132.78</u> | <u>69.23</u> |
| | | |
| NOTE '28' – FOOD AND BEVERAGES CONSUMED: | | |
| Opening stock | 121.10 | 117.38 |
| Add: Purchases | 135.32 | 589.75 |
| | <u>256.42</u> | <u>707.13</u> |
| Less: Closing stock | 95.86 | 121.10 |
| | <u>160.56</u> | <u>586.03</u> |
| | | |
| NOTE '29' – EMPLOYEE BENEFITS EXPENSE: | | |
| (refer Note "37") | | |
| Salaries and wages (including bonus and gratuity) | 490.86 | 1,227.97 |
| Contributions to : | | |
| Provident, Family Pension and other Funds | 21.99 | 69.25 |
| Staff welfare expenses | 15.60 | 33.74 |
| | <u>528.45</u> | <u>1,330.96</u> |
| | | |
| NOTE '30' – FINANCE COSTS: | | |
| Interest expense | 118.30 | 162.88 |
| | <u>118.30</u> | <u>162.88</u> |
| | | |
| NOTE '31' – DEPRECIATION AND AMORTISATION EXPENSES: | | |
| Depreciation of tangible assets | 463.79 | 522.37 |
| Depreciation of right of use assets | 87.00 | 87.00 |
| | <u>550.79</u> | <u>609.37</u> |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

| | For the Year ended 31/03/2021 (Rs. in lacs) | For the Year ended 31/03/2020 (Rs. in lacs) |
|--|--|--|
| NOTE '32' – OTHER EXPENSES: | | |
| Operating Expenses: | | |
| Power, Fuel and Water | 165.05 | 320.45 |
| Repairs and Maintenance: | | |
| Building | 129.50 | 63.86 |
| Machinery | 13.98 | 15.07 |
| Others | 180.09 | 185.94 |
| Stores and Supplies including Linen and Uniforms | 45.01 | 153.14 |
| Washing and Laundry expenses | 34.18 | 80.52 |
| Business Operating expenses | 105.59 | 274.99 |
| Music and other Operating expenses | 4.51 | 68.06 |
| General Expenses: | | |
| Rent | 7.28 | 19.47 |
| Rates and Taxes | 107.01 | 129.67 |
| Insurance | 34.44 | 33.86 |
| Hire charges | 0.21 | 5.25 |
| Advertisement and Sales Promotion | 29.21 | 228.99 |
| Credit Card charges | 16.70 | 50.03 |
| Travelling and Conveyance | 100.73 | 207.59 |
| Printing and Stationery | 5.08 | 18.13 |
| Postage and Telephones | 17.88 | 31.75 |
| Other expenses | 54.15 | 200.26 |
| Payments to Auditors (Note "38") | 10.50 | 12.96 |
| Legal and Professional charges | 84.46 | 218.25 |
| Exchange Rate Difference | — | (0.14) |
| Franchise and Corporate Service fees | 8.86 | 105.34 |
| Directors Sitting fees | 6.53 | 5.81 |
| Loss on sale of Assets | 0.42 | — |
| Service / Sales Tax Paid | 0.15 | 30.52 |
| Advance written off | 304.93 | — |
| | 1,466.44 | 2,459.76 |
| NOTE '33' – OTHER COMPREHENSIVE INCOME: | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of Defined Benefit Plans | 40.48 | (36.01) |
| Income tax relating to items that will not be reclassified to profit or loss | | |
| Remeasurement of Defined Benefit Plans | (10.19) | 9.06 |
| NOTE '34' – EARNINGS PER EQUITY SHARE (BASIC AND DILUTED): | | |
| Net profit after Taxation (in Rs.) | (1,387.37) | (904.80) |
| Weighted average number of equity shares | 70,519,135 | 70,519,135 |
| Earnings per equity shares (in Rs.) | (1.97) | (1.28) |
| Nominal value per share (Rs.) | 2.00 | 2.00 |
| NOTE '35' – A. CONTINGENT LIABILITIES: | | |
| i Bank Guarantees given to the extent of Rs. 3.65 lacs (previous year Rs. 13.61 lacs). | | |
| ii In the matter of VAT demand and penalty of Rs. 88 lacs for the year 2010-11, the Company is hopeful of getting the order in its favour and hence has not made provision for the same in the financial statements. | | |
| B. Capital and Other Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account- Rs. NIL -(Previous year-Rs. NIL lacs) | | |
| Note: Commitments which are material and which will result in a penalty disproportionate to the benefits involved, based on the judgement of the management are only disclosed. | | |

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NOTES FORMING PART OF THE BALANCE SHEET

NOTE '36' – RETIREMENT BENEFIT:

Disclosure pursuant to Indian Accounting Standard -19 “Employee Benefits”:

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

a Defined Contribution Plans:

The company has recognized contribution to Provident Fund of Rs.21.99 lacs in the Profit & Loss Account.

b Defined Benefit Plans:

| | Gratuity Funded | |
|--|--------------------------|--------------------------|
| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
| Changes in the Present Value of Obligation | | |
| Present Value of Obligation at beginning of period | 221 | 193 |
| Interest Cost | 3 | 3 |
| Current Service Cost | 16 | 39 |
| Benefits Paid | (160) | (48) |
| Actuarial (Gain)/Loss on obligation | (41) | 34 |
| Present Value of Obligation at end of period | 40 | 221 |
| Amount Recognized in the Balance Sheet and statement of profit and loss account | | |
| Present Value of Obligation at end of period | 40 | 221 |
| Fair Value of Plan Assets at end of period | — | 4 |
| Funded Status | (40) | (218) |
| Net Asset/ (Liability) recognized in the balance sheet | (40) | (218) |
| Expenses Recognized in the statement of Profit and Loss Account | | |
| Current Service Cost | 16 | 39 |
| Net Interest | 3 | 3 |
| Expenses Recognized in the statement of Profit and Loss Account | 19 | 42 |
| Other Comprehensive Income (OCI) | | |
| Actuarial (Gain)/Loss recognized for the period | (41) | 34 |
| Return on Plan Assets excluding net interest | 0 | 2 |
| Total Actuarial (Gain)/Loss recognized in (OCI) | (40) | 36 |
| Assumptions as at | | |
| Mortality | | IALM(2012-14) Ult |
| Interest / Discount Rate | | 5.61% |
| Rate of increase in compensation | | 10.00% |
| Employee Attrition Rate (Past Service(PS)) | | PS:0 to 40:20% |
| Sensitivity Analysis on PVO | | |
| Delta effect of 1% increase in rate of discounting | (2) | (2) |
| Delta effect of 1% decrease in rate of discounting | 2 | 3 |
| Delta effect of 1% increase in rate of rate of salary escalation | 1 | 2 |
| Delta effect of 1% decrease in rate of rate of salary escalation | (1) | (2) |
| Projected benefits payable in future years from the date of reporting | | |
| 1st following year | 12 | 173 |
| Sum of years 2 to 5 | 17 | 31 |
| Sum of years 6 to 10 | 14 | 22 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

NOTE '37' – EMPLOYEES' REMUNERATION AND BENEFITS INCLUDES REMUNERATION PAID TO THE MANAGING DIRECTOR, JOINT MANAGING DIRECTOR AND WHOLE TIME DIRECTOR & CEO

| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
|--------------------------------|--------------------------|--------------------------|
| Salary | 83 | 54 |
| Contribution to provident fund | 1 | 6 |
| Other Perquisites | 2 | 14 |
| | 86 | 75 |

NOTE '38' – PAYMENTS TO AUDITORS

| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
|-------------------|--------------------------|--------------------------|
| Audit Fee | 7 | 7 |
| Certification fee | 1 | 2 |
| Other service | 3 | 5 |
| | 11 | 13 |

NOTE '39'

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

| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
|---|--------------------------|--------------------------|
| Trade Receivables (Current) | | |
| Graviss Holdings Private Limited | 0.5 | 336.2 |
| Graviss Foods Private Limited | — | 2.6 |
| Ice Hospitality Pvt Ltd | — | 51.1 |
| | 0.5 | 389.9 |
| Loans and Advances: | | |
| Security Deposits: (Non Current) | | |
| Graviss Holdings Private Limited | — | 250 |
| Cross Word Beverages Private Limited | — | 800 |
| Graviss Brands Pvt Ltd. | — | 2 |
| | — | 1,052 |

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

NOTE '40'

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

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

i. Subsidiaries of the Company

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

ii Directors

| | |
|----------------------------------|---------------------------|
| Mr Ravi Ghai (upto 30-06-2020) | Non-Independent |
| Mr Gaurav Ghai (upto 30-06-2020) | Non-Independent |
| Mr. Harindra Singh | Independent |
| Ms Tina Pardal | Non-Independent |
| Mr. Gulshan Bijlani | Independent |
| Mr. Mahendra V Doshi | Independent |
| Mr. Romil Ratra (wef 01-03-2021) | Whole Time Director & CEO |
| Mr. Harsh Varma (wef 01-03-2021) | Additional Director |

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iii Other Related parties:

Graviss Holdings Pvt Ltd, Cross Word Beverages Pvt Ltd, Graviss Brands Pvt Ltd, Ice Hospitality Pvt Ltd, *Graviss Fast Foods Pvt Ltd
 *Satinetta Trading LLP, Amphitrite Trading LLP,
 *Oregon Realty LLP, Perfect Livestock LLP, Kquality Fantasy Limited, Kquality Real Estate Pvt Ltd, West Hills Realty Pvt Ltd
 *QSR Concepts Pvt Ltd, ICE Holdings Pvt Ltd, *Famed Properties Pvt Ltd
 (* no transactions during the year)

iv Key Managerial Personnel

| | |
|--------------------------------------|---------------------------|
| Mr Ravi Ghai (upto 30-06-2020) | Managing Director |
| Mr Gaurav Ghai (upto 30-06-2020) | Joint Managing Director |
| Mr. F.L. Goyal | Chief Financial Officer |
| Ms. Kainaaz Bharucha upto 26-03-2021 | Company Secretary |
| Ms. Jalpa Salvi (wef 19-04-2021) | Company Secretary |
| Mr. Romil Ratra (wef 01-03-2021) | Whole Time Director & CEO |

B. Transactions with Related Parties:

| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
|--|--------------------------|--------------------------|
| i Sales | | |
| Graviss Holding Private Limited | 0.45 | 302 |
| ii Expenditure and other services fees paid | | |
| Directors (Non-Executives) Sitting Fee | | |
| Mr. Harindra Singh Independent | 1 | 1 |
| Ms Tina Pardal Non-Independent | 2 | 2 |
| Mr. Gulshan Bijlani Independent | 2 | 2 |
| Mr. Mahendra V Doshi Independent | 2 | 2 |
| Other related parties where the common control exists | 47 | 31 |
| iii Managerial Remuneration | | |
| Managing Director, Joint Managing Director and Whole Time Director & CEO | 86 | 75 |
| Chief Financial Officer | 10 | 38 |
| Company Secretary | 9 | 10 |
| iv Loans /Advances/ Deposits given | | |
| Other related parties where the common control exists | 6,379 | 8,174 |
| v Debtors | | |
| Other related parties where the common control exists | 0.45 | 390 |
| vi Outstanding payables | | |
| Other related parties where the common control exists | — | 31 |

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

| | 2020-21 | | 2019-20 | |
|-----------------------|---------------------------------|----------------------|---------------------------------|----------------------|
| | Percentage of total consumption | Amount (Rs. in lacs) | Percentage of total consumption | Amount (Rs. in lacs) |
| Raw Materials: | | | | |
| Imported | — | — | — | — |
| Indigenous | 100 | 161 | 100 | 586 |
| Stores: | | | | |
| Imported | — | — | — | — |
| Indigenous | 100 | 26 | 100 | 88 |

NOTE '42' – EARNINGS IN FOREIGN EXCHANGE:

| | 2020-21 | 2019-20 |
|--|---------|---------|
| a) Sale of Rooms and Food and Beverages Income | 9 | 768 |
| b) Encashment of Foreign Exchange | — | 19 |

NOTE '43' – EXPENDITURE IN FOREIGN CURRENCIES:

| | 2020-21 | 2019-20 |
|---------------------------|---------|---------|
| a) Travelling - Directors | — | 14 |
| b) Agency Commission | 9 | 26 |
| c) Franchise Fees | 54 | 84 |
| d) Others | 0 | 4 |

44. Amounts if any due to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
45. The Company does not have any asset whose useful life is different from the significant part of that asset.
46. (i) Due to losses, no provision for current tax has been made.
(ii) Excess provision for tax of earlier years has been reversed based on the assessment / appellate orders received during the year.
47. Current and non-current classification of assets and liabilities in the balance sheet has been made based on the professional judgement of the management.
48. Hospitality business is the Company's only business segment and hence disclosure of segment-wise information is not applicable under Ind AS 108 Operating Segments.
49. The Company has an investment in the equity shares of Graviss Catering Private Limited, a subsidiary, with a share capital of Rs. 7.65 lacs and has also granted interest free loans to the said subsidiary of Rs. 337.41 lacs. The accumulated losses of the said subsidiary exceed its net worth. In the opinion of the management, having regard to the long term interest of the Company in the said subsidiary and considering that the subsidiary will be able to get regular orders of decoration and earn sufficient margin to meet the fixed costs, there is no diminution in the value of investments and the Company is also hopeful of recovering the loan.
50. The Company has an investment in the equity shares of Graviss Hotels and Resorts Limited, a subsidiary, with a share capital of Rs. 5 lacs and also has granted interest free loan to the said subsidiary of Rs. 6,041.12 lacs. The accumulated losses of the said subsidiary exceed its net worth. The said subsidiary had purchased lands at various places for developing hotels. Due to change in the business plans, the subsidiary is exploring to sell these lands alongwith the buildings constructed so far. In the assessment of the management, the market value of the lands acquired would be more than the original cost and hence there is no diminution in the value of investment and company is also hopeful of recovering the loan.
51. In the opinion of the management there are no indications that the assets of the company may be impaired as on the balance sheet date.

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NOTE '52' – FAIR VALUE MEASUREMENTS:

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

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

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

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

| Financial Liabilities | Carrying amount at Amortised Cost | Fair value | Fair value measurement hierarchy level |
|------------------------------|--|-------------------|---|
| As on 31 March 2021 | | | |
| Fixed Rate Borrowings | — | — | — |
| As on 31 March 2020 | | | |
| Fixed Rate Borrowings | — | — | — |

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

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

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

Financial risk management

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

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

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

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

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

Credit Risk

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

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

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

| | (Rs. in lacs) | | | | |
|----------------------------|-------------------|-----------------------|----------------------|----------------------|-------|
| | Up to 6 months | 6 months to 1 year | 1 year to 3 years | More than 3 years | Total |
| As on 31 March 2021 | | | | | |
| Gross Carrying Amount | — | 10 | — | 54 | 64 |
| Specific Provision | — | — | — | — | — |
| Carrying Amount | — | 10 | — | 54 | 64 |
| As on 31 March 2020 | | | | | |
| Gross Carrying Amount | — | 436 | — | 38 | 474 |
| Specific Provision | — | — | — | — | — |
| Carrying Amount | — | 436 | — | 38 | 474 |

Cash and cash equivalents:

The Company held cash and cash equivalents of Rs 430.97 lacs as at 31 March 2021 (31 March 2020-Rs. 110.06 lacs). The cash and cash equivalents are held with reputed banks.

Liquidity Risk:

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

| | Contractual cash flows | | | | | Rs in lacs |
|--------------------------------------|------------------------|-----------------|-----------|-----------|-----------------------|------------|
| | Carrying amount | Up to 1 year | 1-2 years | 2-5 years | More than 5 years* | Total |
| As on 31 March 2021 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Borrowings | 1,258 | 1,164 | 95 | — | — | 1,258 |
| Interest | — | — | — | — | — | — |
| Trade payables | 334 | 334 | — | — | — | 334 |
| As on 31 March 2020 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Borrowings | 1,405 | 1,166 | 135 | 104 | — | 1,405 |
| Interest | — | — | — | — | — | — |
| Trade payables | 855 | 855 | — | — | — | 855 |

Liquidity Risk:

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

Interest rate risk:

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

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Exposure to Interest rate risk:

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

| Particulars | 31st March 2021 (Rs. in lacs) | 31st March 2020 (Rs. in lacs) |
|--|----------------------------------|----------------------------------|
| Fixed-rate instruments | | |
| Financial liabilities - measured at amortised cost | — | — |
| Variable-rate instruments | | |
| Financial liabilities - measured at amortised cost | 95 | 239 |
| Total | 95 | 239 |

Cash flow sensitivity analysis for variable-rate instruments: A reasonably possible decrease by 100 basis points in interest rates at the reporting date would have positive impact (before tax) by Rs 0.95 lacs and Rs. 2.39 lacs for the outstanding balances as on 31st March 2021 and 31st March 2020. Similarly a reasonable possible increase by 100 basis points in interest would have negative impact (before tax) by same amounts.

Currency risk:

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

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

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

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31st March 2021 and 31st March 2020 are as below:

| | Total | INR | USD |
|-------------------------------------|----------------|----------------|-----|
| (Rs. in lacs) | | | |
| As on 31 Mar. 2021 | | | |
| Financial assets | | | |
| Trade and other receivables | 64 | 64 | — |
| Loans | 6,420 | 6,420 | — |
| Other Non-current assets | 66 | 66 | — |
| Cash and Cash equivalents | 431 | 431 | — |
| Other Balances with Banks | 7 | 7 | — |
| Other Financial Assets | — | — | — |
| Exposure for assets (A) | 6,988 | 6,988 | — |
| Financial liabilities | | | |
| Long term borrowings | 95 | 95 | — |
| Short term borrowings | 988 | 988 | — |
| Trade and other payables | 334 | 334 | — |
| Other Current financial liabilities | 688 | 688 | — |
| Exposure for liabilities (B) | 2,104 | 2,104 | — |
| Net exposure (B-A) | (4,883) | (4,883) | — |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF THE BALANCE SHEET

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

Sensitivity analysis:

A reasonably possible strengthening of the Indian Rupees against USD at March, 31 by Rs. NIL would have positive impact (before tax) by Rs. NIL and Rs. NIL for the net outstanding balance as on 31-03-2021 and 31-03-2020 respectively. Similarly a reasonably possible weakening of the Indian Rupee against USD would have a negative impact (before tax) by same amounts.

Capital Management

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

53. Leases Ind AS 116

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

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

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

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

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

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

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NOTES FORMING PART OF THE BALANCE SHEET

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

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

The company's business has been impacted during the period on account of COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year. With the unlocking of restrictions, the hotels have been opened up and business is expected to improve gradually. The Company witnessed some signs of recovery of demand towards the year end.

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

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

56. **Previous year figures:**

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

Signature to Notes 1 to 56

As per our separate report of even date

For **A.T. Jain & Co.**
Chartered Accountants
Firm Registration No. 103886W

Sd/-
SUSHIL JAIN
Partner (Membership No. 033809)

Place: Mumbai
Dated: June 07, 2021

For and on behalf of the Board of Directors of
Graviss Hospitality Limited

Sd/-
ROMIL RATRA
Whole Time Director & CEO
(DIN:06948396)

Sd/-
F.L. GOYAL
Chief Financial Officer

Sd/-
M.V. DOSHI
Director
(DIN:00123243)

Sd/-
JALPA H. SALVI
Company Secretary

GRAVISS HOSPITALITY LIMITED

Independent Auditors' Report

To,
The Members of Graviss Hospitality Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Graviss Hospitality Limited** ("the Parent"), and its subsidiaries, (the parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statement of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated loss, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

| Key Audit Matter | Response to Key Audit Matter |
|--|---|
| <p>Impact of COVID-19 pandemic on Going Concern</p> <p>During the year, the business of the Company was significantly impacted due to COVID-19. The Company witnessed softer revenues due to the lockdown imposed during the first six months of the year. With the unlocking of restrictions, the hotels have been opened up and business have improved gradually. Presently, the state Government have imposed restrictions due to the resurgence of COVID-19 cases, which has again significantly impacted business of the Company. The Company has assessed the impact of COVID-19 on the future cash flow projections.</p> <p>In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.</p> | <p>With reference to this key audit matter, we have obtained an understanding of the key controls and assumptions relating to the Company's forecasting process, Compared and assessed the forecasted statement of profit and loss and cash flows with the Company's business plan. We have also assessed Government's efforts to counter the impact of resurgence in COVID-19 cases and the impact of the same on future projections. Disclosure with respect to above have been made in the standalone financial statements at Note No. 58.</p> <p>Accordingly, we considered the assessment of the management to be appropriate.</p> |

Emphasis of Matter

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

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

GRAVISS HOSPITALITY LIMITED

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statement of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

We did not audit the financial statement of a subsidiary, whose financial statement reflects total assets of 217.02 Lakhs as at 31 March 2021, total revenues of Rs.23.97 lakhs and net profit after tax of Rs.9.25 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its managing director during the year is in accordance with the provisions of section 197 of the Act.

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

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

Sd/-
SUSHIL JAIN
Partner
Membership No.: 033809
UDIN: 20033809AAAACU4197

Place: Mumbai
Dated: June 07, 2021

GRAVISS HOSPITALITY LIMITED

ANNEXURE “A”

To the Independent Auditor’s Report of even date on the Consolidated Financial Statements of GRAVISS HOSPITALITY LIMITED for the year ended 31st March, 2021

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

In conjunction with our audit of the consolidated Ind As financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Graviss Hospitality Limited (hereinafter referred to as “Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on “the criteria for internal financial control over financial reporting established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

Other Matters

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

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

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

Sd/-
SUSHIL JAIN
Partner

Place: Mumbai
Dated: June 07, 2021

Membership No.: 033809
UDIN: 20033809AAAACU4197

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Consolidated Balance Sheet as at 31st March, 2021

| Particulars | Note No. | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|----------|--------------------------------------|--------------------------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Property, plant and equipment | 6 | 6,268.95 | 6,599.63 |
| Capital Work-in-Progress | 6 | 933.44 | 999.39 |
| Right of Use Asset | 6.1 | 10,092.47 | 10,179.48 |
| Financial Assets | | | |
| Investments | 7 | 2.44 | 1.47 |
| Trade receivables | 12 | 53.78 | 38.25 |
| Loans | 8 | 43.36 | 1,101.08 |
| Others | 9 | 77.04 | 105.26 |
| Income Tax assets (Net) | | 30.50 | 78.90 |
| Other Non-current assets | 10 | 14.78 | 300.00 |
| Total Non-current assets | | 17,516.76 | 19,403.46 |
| Current assets | | | |
| Inventories | 11 | 3,420.78 | 4,416.78 |
| Financial Assets | | | |
| Trade receivables | 12 | 432.74 | 441.82 |
| Cash and cash equivalents | 13 | 513.48 | 294.32 |
| Other Balances with Banks | 14 | 355.16 | 374.74 |
| Loans | 15 | 3.72 | 9.54 |
| Other Financial Assets | 16 | — | 1.48 |
| Income Tax assets (Net) | | 3.90 | 25.13 |
| Other current assets | 17 | 76.80 | 73.53 |
| Total current assets | | 4,806.58 | 5,637.34 |
| Total Assets | | 22,323.34 | 25,040.80 |
| EQUITY AND LIABILITIES | | | |
| Equity: | | | |
| Equity Share capital | 18 | 1,410.39 | 1,410.39 |
| Other Equity | 19 | 16,534.10 | 18,028.62 |
| Total Equity | | 17,944.49 | 19,439.01 |
| Liabilities: | | | |
| Non-current Liabilities: | | | |
| Financial Liabilities: | | | |
| Borrowings | 20 | 118.33 | 260.25 |
| Other non-current liabilities | 21 | 144.71 | 170.90 |
| Deferred tax liabilities (Net) | 22 | 1,407.06 | 1,781.93 |
| Total Non-current liabilities | | 1,670.10 | 2,213.08 |
| Current Liabilities: | | | |
| Financial Liabilities: | | | |
| Borrowings | 23 | 1,188.29 | 1,000.57 |
| Trade payables | | | |
| Total outstanding dues of Micro and Small Enterprises | 24 | — | — |
| Total outstanding dues of creditors other than Micro and Small Enterprises | | 409.76 | 858.27 |
| Other Financial Liabilities | 25 | 1,031.90 | 1,447.26 |
| Other Current liabilities | 26 | 73.85 | 47.58 |
| Provisions | 27 | 4.96 | 35.04 |
| Total current liabilities | | 2,708.75 | 3,388.72 |
| Total Liabilities | | 4,378.85 | 5,601.80 |
| Total Equity and Liabilities | | 22,323.34 | 25,040.80 |

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

1 TO 60

As per our separate report of even date

For **A.T. Jain & Co.**
Chartered Accountants
Firm Registration No. 103886W

Sd/-
SUSHIL JAIN
Partner (Membership No. 033809)

Place: Mumbai
Dated: June 07, 2021

For and on behalf of the Board of Directors of
Graviss Hospitality Limited

Sd/-
ROMIL RATRA
Whole Time Director & CEO
(DIN:06948396)

Sd/-
M.V. DOSHI
Director
(DIN:00123243)

Sd/-
F.L. GOYAL
Chief Financial Officer

Sd/-
JALPA H. SALVI
Company Secretary

GRAVISS HOSPITALITY LIMITED

Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2021

| Particulars | Note No. | For the Year ended 31/03/2021 (Rs. in lacs) | For the Year ended 31/03/2020 (Rs. in lacs) |
|---|----------------|--|--|
| INCOME | | | |
| Revenue from operations | 28 | 2,286.78 | 3,954.11 |
| Other Income | 29 | 146.31 | 107.61 |
| TOTAL INCOME | | 2,433.09 | 4,061.72 |
| EXPENSES | | | |
| Cost of material consumed | 30 | 1,531.62 | 586.32 |
| Employee benefits expense | 31 | 528.45 | 1,330.96 |
| Finance costs | 32 | 120.75 | 163.38 |
| Depreciation and amortisation expenses | 33 | 557.16 | 615.75 |
| Other expenses | 34 | 1,604.24 | 2,500.28 |
| TOTAL EXPENSES | | 4,342.22 | 5,196.69 |
| PROFIT/(LOSS) BEFORE TAX | | (1,909.13) | (1,134.97) |
| Tax expense: | | | |
| Current tax | | — | (2.25) |
| Short provision of tax of earlier years | | (0.77) | (0.07) |
| Deferred tax (Net) (Refer Note "22") | | 385.05 | 254.94 |
| Total tax expenses | | 384.28 | 252.62 |
| PROFIT /(LOSS) AFTER TAX | | (1,524.85) | (882.35) |
| Other comprehensive income: | | | |
| | 35 | | |
| (i) Items that will not be reclassified to profit or loss | | 40.48 | (36.01) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (10.19) | 9.06 |
| (iii) Items that will be reclassified to profit or loss | | — | — |
| (iv) Income tax relating to items that will be reclassified to profit or loss | | — | — |
| Other comprehensive income for the year | | 30.29 | (26.95) |
| Total comprehensive income for the year | | (1,494.56) | (909.30) |
| Earning per equity share- Rs. | | | |
| | 36 | | |
| (a) Basic | | (2.12) | (1.29) |
| (b) Diluted | | (2.12) | (1.29) |
| SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS | 1 TO 60 | | |

As per our separate report of even date

For **A.T. Jain & Co.**
Chartered Accountants
Firm Registration No. 103886W

Sd/-
SUSHIL JAIN
Partner (Membership No. 033809)

Place: Mumbai
Dated: June 07, 2021

For and on behalf of the Board of Directors of
Graviss Hospitality Limited

Sd/-
ROMIL RATRA
Whole Time Director & CEO
(DIN:06948396)

Sd/-
F.L. GOYAL
Chief Financial Officer

Sd/-
M.V. DOSHI
Director
(DIN:00123243)

Sd/-
JALPA H. SALVI
Company Secretary

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Consolidated Cash Flow Statement for the Year Ended 31st March, 2021

| Particulars | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) | |
|--|--------------------------------------|--------------------------------------|-----------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit before taxation, and extraordinary item | (1,909.13) | (1,134.97) | |
| Less: Remeasurement of Employees Benefits Adjusted in OCI | 40.48 | (36.01) | |
| Net profit before Tax After Adjustment in OCI | (1,868.65) | (1,170.98) | |
| Adjustments for: | | | |
| Non Cash Items | | | |
| Depreciation and Amortisation Expenses | 557.16 | 615.75 | |
| Finance Cost | 120.75 | 163.38 | |
| Interest Income | (16.99) | (40.46) | |
| Dividend Income | — | (0.01) | |
| (Profit) / loss on sale of fixed assets | 0.42 | — | |
| | 661.34 | 738.67 | |
| Operating profit before working capital changes | (1,207.32) | (432.32) | |
| Adjustments for: | | | |
| Trade and other receivables | (6.45) | 457.29 | |
| Inventories | 996.00 | (9.32) | |
| Loans | 1,057.72 | 1.00 | |
| Other current assets | 337.04 | (204.34) | |
| Other Financial Liabilities | (415.36) | 653.07 | |
| Other Current Liabilities | 26.27 | (17.63) | |
| Other Non Current Liabilities | (26.19) | 152.85 | |
| Trade and other payables | (478.53) | (2.09) | |
| | 1,490.49 | 1,030.82 | |
| Cash generations from operations | 283.19 | 598.50 | |
| Direct taxes paid | 68.85 | (8.91) | |
| | 352.04 | 589.59 | |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of fixed assets, including intangible assets, CWIP and capital advances | (78.45) | (81.32) | |
| Sale of Fixed Assets | 4.50 | — | |
| (Purchase)/Sales of Investments | (0.97) | 6.12 | |
| Interest Income | 16.99 | 40.46 | |
| Dividend Income | — | 0.01 | |
| | (57.94) | (34.72) | |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from Long-term borrowings | (307.01) | (397.00) | |
| Repayment of Long-term borrowings | 165.10 | 165.10 | |
| Short Term borrowings (Net) | 187.72 | 2.12 | |
| Finance Cost | (120.75) | (163.38) | |
| | (74.94) | (393.16) | |
| Net Increase / (Decrease) in Cash and cash equivalents (A+B+C) | 219.16 | 161.71 | |
| Opening Cash and Cash Equivalents | 294.32 | 132.61 | |
| Closing Cash and Cash Equivalents | 513.48 | 294.32 | |
| | (219.16) | (161.71) | |
| Breakup of Opening Cash and Cash Equivalents | | | |
| Balances with Banks | | | |
| In Current Accounts | 231.72 | 107.76 | |
| Cash on Hand | 62.60 | 24.85 | |
| Cash and Cash Equivalents | 294.32 | 132.62 | |
| Breakup of Closing Cash and Cash Equivalents | | | |
| Balances with Banks | | | |
| In Current Accounts | 449.58 | 231.72 | |
| Cash on Hand | 63.90 | 62.60 | |
| Cash and Cash Equivalents | 513.48 | 294.32 | |
| Disclosure as per Ind AS -7 as below: | | | |
| Particulars | 01/04/2020 | Cash Flows | 31/03/2021 |
| Long Term Borrowings | 260.25 | (141.91) | 118.34 |
| Short Term Borrowings | 1,000.57 | 187.72 | 1,188.29 |
| Total Liabilities from financing activities | 1,260.82 | 45.81 | 1,306.63 |

As per our separate report of even date

For **A.T. Jain & Co.**
Chartered Accountants
Firm Registration No. 103886W

Sd/-
SUSHIL JAIN
Partner (Membership No. 033809)

Place: Mumbai
Dated: June 07, 2021

For and on behalf of the Board of Directors of
Graviss Hospitality Limited

Sd/-
ROMIL RATRA
Whole Time Director & CEO
(DIN:06948396)

Sd/-
M.V. DOSHI
Director
(DIN:00123243)

Sd/-
F.L. GOYAL
Chief Financial Officer

Sd/-
JALPA H. SALVI
Company Secretary

GRAVISS HOSPITALITY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2021

A. Equity Share Capital

(Rs. in lacs)

| | Opening balance | Changes during the year | Closing balance |
|-----------------------|-----------------|-------------------------|-----------------|
| As at 31st March 2021 | 1,410.39 | — | 1,410.39 |
| As at 31st March 2020 | 1,410.39 | — | 1,410.39 |

B. Other Equity

(Rs. in lacs)

| | Reserves and Surplus | | | | | | Goodwill on consolidation | Other Comprehensive Income | Total |
|---|----------------------|------------------|--------------------|----------------------------|-----------------|----------------------------|---------------------------|----------------------------|------------------|
| | Retained Earnings | General Reserve | Warrants Forfeited | Securities Premium Reserve | Capital Reserve | Capital Redemption Reserve | | | |
| Balance as at 01st April 2020 | (3,542.34) | 11,320.29 | 850.01 | 9,183.07 | 7.78 | 318.52 | (112.44) | 3.68 | 18,028.62 |
| Additions during the year | — | — | — | — | — | — | — | — | — |
| Surplus in the Statement of profit and loss | (1,524.85) | — | — | — | — | — | — | 30.29 | (1,494.56) |
| Balance as at 31 March 2021 | (5,067.19) | 11,320.29 | 850.01 | 9,183.07 | 7.78 | 318.52 | (112.44) | 33.97 | 16,534.08 |

C. Nature of reserves

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

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Group Overview:

The consolidated financial statements relate to Graviss Hospitality Limited and its subsidiary companies (referred collectively as the "Group") as at 31st March, 2021. Graviss Hospitality Limited was incorporated in 1959. The Registered Office of the Group is located at Pune. Its shares are listed in Bombay Stock Exchange (BSE). The Group and its subsidiaries are engaged in the hospitality business.

2. Basis for preparation, Principles of Consolidation:

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

The Financial Statements of the Group have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating the intra group balances and intra group transactions and unrealized profits or losses resulting from intra group transactions. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Group's separate financial statements. The Financial Statements of the Subsidiary Companies used in the consolidation are drawn up to the same reporting date as that of the Group, i.e 31st March, 2021.

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

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on 07-06-2021.

3. Companies included in Consolidation:

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

4. Use of Judgement, Assumptions and Estimates:

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

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

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

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

5. SIGNIFICANT ACCOUNTING POLICIES

A. Property, plant & equipment

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

B Right of Use Asset

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

C Depreciation

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

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

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

D Accounting for Leases

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

The Group as a Lessee

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

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The Group as a lessor

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

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

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

E Inventories

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

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

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

F Revenue Recognition

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

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

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

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

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

G Employee Benefits

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

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

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

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

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

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

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

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

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

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

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

H Borrowing costs

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

I Foreign Currency Transactions

Monetary items:

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

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

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

Non – Monetary items:

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

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

J Provisions, Contingent Liabilities and Contingent assets

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

K Fair Value measurement

- a) The Group measures financial instruments at fair value at each balance sheet date.
- b) Fair value is the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.
- c) While measuring the fair value of an asset or liability, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure the fair value using observable market data as far as possible and minimising the use of unobservable inputs. Fair values are categorised into 3 levels as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices that are observable for the assets or liability, either directly (i.e. as prices for similar item) or indirectly (i.e. derived from prices)
Level 3: inputs that are not based on observable market data (unobservable inputs)

L Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial Assets at amortised cost

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

Financial Assets at amortised cost

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Financial assets at FVTPL

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

Equity investments in subsidiaries

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

Derecognition

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

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

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

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

Financial liabilities

Initial recognition and measurement.

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

Subsequent measurement

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

Loans and borrowings

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

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

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

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This category generally applies to borrowings.

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

Derecognition

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

Offsetting of financial instruments

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

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

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

N Impairment

Financial Assets

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

Non-financial Assets

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

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

O Taxes on Income

Current Tax

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

Deferred tax

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

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

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

P Earnings per share

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

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

Q Cash and Cash equivalents

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

Cash Flows

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

R Government Grants

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

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE '6' – PROPERTY, PLANT AND EQUIPMENT:

(Rs. in lacs)

| DESCRIPTION OF ASSETS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------|--------------------------------|-------------------------------|---|----------------------------|--------------------------------|---------------------------------------|--------------|--------------------|------------------|------------------|------------------|
| | At fair value as on 01/04/2020 | Additions and other transfers | Reclassified on account of adoption of Ind AS 116 | Sales and other deductions | At fair value as on 31/03/2021 | Opening Depreciation as on 01/04/2020 | For the year | Dep on sold assets | As at 31/03/2021 | As at 31/03/2021 | As at 31/03/2020 |
| Land | 953.13 | — | — | — | 953.13 | — | — | — | — | 953.13 | 953.13 |
| Building | 5,159.32 | — | — | — | 5,159.32 | 763.05 | 208.60 | — | 971.65 | 4,187.67 | 4,396.25 |
| Premises | 43.93 | — | — | — | 43.93 | 43.93 | — | — | 43.93 | — | — |
| Plant and Machinery | 291.60 | 131.26 | — | — | 422.86 | 170.77 | 23.50 | — | 194.27 | 228.59 | 120.83 |
| Furniture & Fixtures | 1,451.11 | 5.17 | — | — | 1,456.28 | 666.16 | 185.56 | — | 851.72 | 604.56 | 784.96 |
| Office Equipments | 455.01 | 6.82 | — | — | 461.83 | 269.19 | 16.75 | — | 285.94 | 175.89 | 185.82 |
| Vehicles | 247.76 | — | — | 98.36 | 149.40 | 114.08 | 20.38 | 93.44 | 41.02 | 108.38 | 133.70 |
| Computers | 75.82 | 1.15 | — | — | 76.97 | 50.87 | 15.37 | - | 66.24 | 10.73 | 24.95 |
| Total | 8,677.68 | 144.40 | — | 98.36 | 8,723.72 | 2,078.05 | 470.16 | 93.44 | 2,454.77 | 6,268.95 | 6,599.63 |
| Previous year | 18,579.62 | 364.56 | 10,266.48 | — | 8,677.68 | 1,549.30 | 528.73 | — | 2,078.05 | 6,599.63 | — |

NOTE '6.1' – RIGHT OF USE ASSET:

(Rs. in lacs)

| DESCRIPTION OF ASSETS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------|--------------------------------|-------------------------------|---|----------------------------|--------------------------------|---------------------------------------|--------------|--------------------|------------------|------------------|------------------|
| | At fair value as on 01/04/2020 | Additions and other transfers | Reclassified on account of adoption of Ind AS 116 | Sales and other deductions | At fair value as on 31/03/2021 | Opening Depreciation as on 01/04/2020 | For the year | Dep on sold assets | As at 31/03/2021 | As at 31/03/2021 | As at 31/03/2020 |
| Land | 10,266.48 | — | — | — | 10,266.48 | 87.00 | 87.00 | — | 174.01 | 10,092.47 | 10,179.48 |
| Total | 10,266.48 | — | — | — | 10,266.48 | 87.00 | 87.00 | — | 174.01 | 10,092.47 | 10,179.48 |
| Previous year | — | — | 10,266.48 | — | 10,266.48 | — | 87.00 | — | 87.00 | 10,179.48 | — |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '7' – NON CURRENT INVESTMENTS: | | |
| NON-TRADE INVESTMENTS: | | |
| INVESTMENTS AT COST: | | |
| Unquoted: | | |
| 20 Shares of Hotel and Restaurant Co-operative Services Society Ltd of Rs. 50 each | 0.01 | 0.01 |
| INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS: | | |
| Quoted: | | |
| 3,820 Equity Shares of Edelweiss Capital Limited of Rs. 1 each | 2.43 | 1.46 |
| | 2.44 | 1.47 |
| Aggregate value of unquoted investments | 0.01 | 0.01 |
| Aggregate value of quoted investments | 2.43 | 1.46 |
| Market value of quoted investments | 2.43 | 1.46 |
| NOTE '8' – LONG-TERM LOANS AND ADVANCES | | |
| Security Deposits | 43.36 | 1,101.08 |
| Loans to Related Parties | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | — | — |
| iii Which have significant increase in Credit Risk | — | — |
| iv Credit Impaired | — | — |
| | 43.36 | 1,101.08 |
| NOTE '9' – OTHER NON-CURRENT FINANCIAL ASSETS: | | |
| Margin Money Deposit with Bank | 77.04 | 105.10 |
| Other receivables from related parties | — | 0.16 |
| | 77.04 | 105.26 |
| NOTE '10' – OTHER NON-CURRENT ASSETS: | | |
| Capital advance | 14.78 | 300.00 |
| NOTE '11' – INVENTORIES (Valued at lower of cost and net realisable value): | | |
| Food and Beverages | 95.86 | 121.10 |
| Stores and Other Operating Supplies | 14.21 | 37.54 |
| Stock in trade | 3,310.71 | 4,258.13 |
| | 3,420.78 | 4,416.78 |

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '12' – TRADE RECEIVABLES: | | |
| Non Current: | | |
| (a) Trade receivable from others | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 53.78 | 38.25 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | <u>53.78</u> | <u>38.25</u> |
| Current: | | |
| (b) Trade receivable from others | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 432.29 | 51.94 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | <u>432.29</u> | <u>51.94</u> |
| (c) Trade receivable from related parties | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 0.45 | 389.88 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Unsecured, Considered Doubtful | — | — |
| | <u>0.45</u> | <u>389.88</u> |
| | <u>486.52</u> | <u>480.07</u> |
| NOTE '13' – CASH AND CASH EQUIVALENTS: | | |
| Current accounts | 449.58 | 231.72 |
| Cash on hand | 63.90 | 62.60 |
| | <u>513.48</u> | <u>294.32</u> |
| NOTE '14' – OTHER BALANCES WITH BANKS: | | |
| Fixed Deposit with banks maturing within one year | 355.16 | 374.74 |
| | <u>355.16</u> | <u>374.74</u> |
| NOTE '15' – SHORT-TERM LOANS AND ADVANCES: | | |
| Loans to employees: | | |
| i Secured, Considered Good | — | — |
| ii Unsecured, Considered Good | 3.72 | 9.54 |
| iii Which have significant increase in Credit Risk | — | — |
| iv Credit Impaired | — | — |
| | <u>3.72</u> | <u>9.54</u> |
| NOTE '16' – OTHER FINANCIAL ASSETS: | | |
| Other advances | — | 1.48 |
| | <u>—</u> | <u>1.48</u> |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '17' – OTHER CURRENT ASSETS: | | |
| Advance to suppliers | 12.16 | 29.77 |
| Prepaid expenses | 57.08 | 38.23 |
| Balances with statutory/government authorities | 7.56 | 5.53 |
| | 76.80 | 73.53 |
| | 76.80 | 73.53 |
| NOTE '18' – SHARE CAPITAL: | | |
| a Authorised : | | |
| 230,000 Preference shares of Rs. 100 each to be issued on such terms and conditions including rate of dividend and redemption of the shares as the Company shall from time to time decide as per Clause 4 (ii) of the amended Articles of Association of the Company | 230.00 | 230.00 |
| 113,500,000 Equity shares of Rs. 2 each | 2,270.00 | 2,270.00 |
| | 2,500.00 | 2,500.00 |
| | 2,500.00 | 2,500.00 |
| b Issued, Subscribed and fully paid-up : | | |
| 70,519,135 Equity shares of Rs. 2 each for cash | 1,410.39 | 1,410.39 |
| | 1,410.39 | 1,410.39 |
| (70,519,135) | | |
| c Reconciliation of the number of equity shares at the beginning and end of the year | | |
| Opening | 70,519,135 | 70,519,135 |
| Issued during the year | — | — |
| Closing | 70,519,135 | 70,519,135 |
| | 70,519,135 | 70,519,135 |
| d Shares held by each shareholder holding more than 5% shares | | |
| Equity shares of Rs. 2 each fully paid | | |
| Graviss Holdings Private Limited - 30.93% (30.93%) | 21,813,970 | 21,813,970 |
| Satinetta Finlease & Investments Private Limited- 32.57% (32.57%) | 22,967,844 | 22,967,844 |
| Dunearn Investments (Mauritius) Pte Limited- 9.96% (9.96%) | 7,025,708 | 7,025,708 |
| Inter Continental Hotels Corporation, USA- 6.22% (6.22%) | 4,385,235 | 4,385,235 |

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--|--------------------------------------|--------------------------------------|
| NOTE '19' – OTHER EQUITY: | | |
| A Reserves and Surplus | | |
| i Capital Reserves: | | |
| Subsidy from the Central Government under 15% Central Subsidy Scheme 1971 for Aurangabad - As per last account | 7.78 | 7.78 |
| ii Warrants Forfeited Account: | | |
| As per last account | 850.01 | 850.01 |
| iii Securities Premium Account: | | |
| As per last account | 9,183.07 | 9,183.07 |
| iv Capital Redemption Reserve Account: | | |
| As per last account | 318.52 | 318.52 |
| v General Reserve: | | |
| As per last account | 11,320.29 | 11,320.29 |
| vi Retained Earnings: | | |
| Opening balance | (3,542.30) | (2,659.95) |
| Add : Net profit after tax transferred from Statement of Profit and Loss | (1,524.81) | (882.35) |
| Balance in Profit and Loss account | (5,067.11) | (3,542.30) |
| Goodwill on consolidation | (112.44) | (112.44) |
| | 16,500.13 | 18,024.95 |
| B Other Comprehensive Income | | |
| As per last account | 3.68 | 30.63 |
| Addition during the year | 30.29 | (26.95) |
| Closing balance | 33.97 | 3.68 |
| | 16,534.10 | 18,028.63 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|---|--------------------------------------|--------------------------------------|
| Non-current Liabilities: | | |
| NOTE '20' – BORROWINGS: | | |
| a) Term loans from Bank : (Refer Note "25") | | |
| Axis Bank | | |
| — Term Loan (Secured) – II | — | 13.37 |
| Note: | | |
| Term loan from bank carries interest @ 12.15% p.a. The loan is repayable in 60 monthly installments of Rs. 6.25 lacs each along with interest, from April 2016. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company. | | |
| — Term Loan (Secured) – III | 3.36 | 18.54 |
| Note: | | |
| Term loan from bank carries interest @ 12% p.a. The loan is repayable in 60 monthly installments of Rs. 1.67 lacs each along with interest, from March 2017. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company. | | |
| — Term Loan (Secured) – IV | 91.21 | 121.57 |
| Note: | | |
| Term loan from bank carries interest @ 11.15% p.a. The loan is repayable in 60 monthly installments of Rs. 3.33 lacs each along with interest, from April 2019. The loan is secured by exclusive first charge of entire movable fixed assets and extension of first charge by way of hypothecation over entire current assets of the company. | | |
| b) Deferred payment liabilities: | — | 85.30 |
| (carry interest rates ranging from 10% to 12%, repayable in various EMIs and secured by hypothecation of vehicles. Last EMI maturing on March 2022) | | |
| c) Other non-current liabilities: | | |
| Unsecured- At Amortized cost | | |
| 18,35,000 (prev year-18,35,000) Zero coupons unsecured optionally convertible debenture of Rs. 10 each | 23.76 | 21.31 |
| Note: 18,35,000 (prev year- 18,35,000) Zero coupons unsecured optionally convertible debenture of Rs. 10 each issued on 14-01-2020. Debentures are redeemable / optionally convertible in equity shares at fair value on conversion within a period of 20 years from the date of issue. | | |
| Other payables | — | 0.16 |
| | <u>118.33</u> | <u>260.25</u> |
| NOTE '21' – OTHER NON-CURRENT LIABILITIES: | | |
| Deferred Income | — | 18.06 |
| Deferred liability / income on account of Zero coupon unsecured optionally convertible debentures | 144.71 | 152.84 |
| Deferred Income | 144.71 | 170.90 |

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(Rs. in lacs)

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

| Particulars | Opening Balance | Recognised in P&L | Recognised in OCI | Closing Balance |
|---|-----------------|-------------------|-------------------|-----------------|
| For The Year Ended 31st March 2021 | | | | |
| Deferred Tax Liabilities | | | | |
| Difference between accounting and tax | 157.11 | 20.39 | — | 177.50 |
| On revaluation of leasehold land | 2,371.41 | (20.27) | — | 2,351.14 |
| Total Deferred Tax Liabilities | 2,528.52 | 0.12 | — | 2,528.64 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 129.35 | 14.81 | (10.19) | 133.97 |
| Unabsorbed Depreciation | 617.24 | 370.37 | — | 987.61 |
| Total Deferred Tax Assets | 746.59 | 385.17 | (10.19) | 1,121.58 |
| Deferred Tax Liabilities (Net) | 1,781.93 | (385.05) | 10.19 | 1,407.06 |
| For The Year Ended 31st March 2020 | | | | |
| Deferred Tax Liabilities | | | | |
| Difference between accounting and tax | 151.30 | 5.81 | — | 157.11 |
| On revaluation of leasehold land | 2,393.04 | (21.63) | — | 2,371.41 |
| Total Deferred Tax Liabilities | 2,544.34 | (15.82) | — | 2,528.52 |
| Deferred Tax Assets | | | | |
| Expenses Allowed on Payment Basis | 116.30 | 3.99 | 9.06 | 129.35 |
| Unabsorbed Depreciation | 382.11 | 235.13 | — | 617.24 |
| Total Deferred Tax Assets | 498.41 | 239.12 | 9.06 | 746.59 |
| Deferred Tax Liabilities (Net) | 2,045.93 | (254.94) | (9.06) | 1,781.93 |

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

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

| Particulars | 2020-21 | 2019-20 |
|--|-----------------|-----------------|
| Profit Before Tax | (1,909.13) | (1,134.97) |
| Applicable Tax Rate | 25.17% | 25.17% |
| Tax Using the Applicable Tax Rate | (480.49) | (285.65) |
| Add: Recognition of Tax Effect of Previously Unrecognized Tax Gains / (Losses) | 95.44 | (12.40) |
| Less: Rate difference | — | 31.73 |
| Tax Expense Recognized in the Statement of Profit & Loss | (385.05) | (266.32) |
| Weighted Average Tax Rate | 20.17% | 23.46% |

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

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

| Particulars | 2020-21 | 2019-20 |
|--|-----------------|---------------|
| A. Current Tax Expense | — | — |
| B. Deferred Tax Expense / (Asset) relating to | | |
| — Origination and reversal of temporary differences | (385.05) | 264.00 |
| Total | (385.05) | 264.00 |
| Tax Expenses recognized in the Statement of Profit & Loss | (385.05) | 264.00 |
| Deferred Tax Liability / (Asset) relating to re-measurement of the defined benefit plan (gratuity) recognized in OCI | 10.19 | 9.06 |

| As at 31/03/2021 (Rs. in lacs) | As at 31/03/2020 (Rs. in lacs) |
|--------------------------------------|--------------------------------------|
|--------------------------------------|--------------------------------------|

Current Liabilities:

NOTE '23' – SHORT-TERM BORROWINGS:

Loans repayable on demand from Bank (secured):

| | | |
|-----------|--------|----------|
| Axis Bank | 988.29 | 1,000.57 |
|-----------|--------|----------|

Note:

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

From Others (Unsecured):

| | | |
|-----------------|-----------------|-----------------|
| Gaurika Chandok | 200.00 | — |
| | 1,188.29 | 1,000.57 |

NOTE '24' – TRADE PAYABLES

| | | |
|--|---------------|---------------|
| Total outstanding dues of Micro and Small Enterprises | — | — |
| Total outstanding dues of creditors other than Micro and Small Enterprises | 409.76 | 858.22 |
| | 409.76 | 858.22 |

NOTE '25' – OTHER CURRENT FINANCIAL LIABILITIES:

| | | |
|---|-----------------|-----------------|
| Expenses payable | 358.27 | 418.62 |
| Interest free security deposits | 12.87 | 12.87 |
| Advance from customers | 431.06 | 602.53 |
| Gratuity obligation | 39.90 | 217.54 |
| Others (Provident Fund, ESIC etc) | 6.23 | 10.57 |
| Liability for capital expenditure | 8.18 | 19.23 |
| Current maturities of long term debt: (Refer Note "20") | | |
| Term Loans repayable in 12 months | | |
| — Indian Rupee Loan | 91.61 | 135.04 |
| — Deferred Payment Liability | 83.78 | 30.86 |
| | 1,031.90 | 1,447.26 |

NOTE '26' – OTHER CURRENT LIABILITIES:

| | | |
|---|--------------|--------------|
| Deferred liability / income on account of Zero coupon unsecured optionally convertible debentures | 8.13 | 8.13 |
| Statutory dues payable* | 65.71 | 39.45 |
| | 73.85 | 47.58 |

*Statutory dues primarily include payables in respect of service tax, VAT, SGST, CGST, tax deducted at source)

NOTE '27' – SHORT-TERM PROVISIONS:

| | | |
|------------------------------|-------------|--------------|
| Provision for leave benefits | 4.96 | 35.04 |
| | 4.96 | 35.04 |

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | For the year ended 31/03/2021 (Rs. in lacs) | For the year ended 31/03/2020 (Rs. in lacs) |
|---|--|--|
| NOTE '28' – REVENUE FROM OPERATIONS: | | |
| Sales-Rooms | 148.12 | 1,514.37 |
| Sales-Food and Beverages | 730.31 | 2,309.37 |
| Sale of services | 11.35 | 130.37 |
| Sale of Apartments | 1,397.00 | — |
| | <u>2,286.78</u> | <u>3,954.11</u> |
| NOTE '29' – OTHER INCOME: | | |
| Interest on deposits with banks | 8.71 | 38.32 |
| Interest on income tax refund | 8.29 | 2.14 |
| Dividend income | — | 0.01 |
| Mark to Market gain on equity shares | 0.97 | (6.07) |
| Unclaimed Credit balances written back | 72.02 | 66.85 |
| Other financial liabilities carried at amortized costs | 8.12 | 1.72 |
| Miscellaneous receipts | 48.19 | 4.65 |
| | <u>146.31</u> | <u>107.61</u> |
| NOTE '30' – COST OF MATERIAL CONSUMED: | | |
| (A) Food and Beverages consumed | | |
| Opening stock | 121.10 | 117.38 |
| Add: Purchases | 135.32 | 590.04 |
| | <u>256.42</u> | <u>707.42</u> |
| Less: Closing stock | 95.86 | 121.10 |
| | <u>160.56</u> | <u>586.32</u> |
| (B) Cost of Apartments Sold | | |
| | 1,371.06 | — |
| | <u>1,531.62</u> | <u>586.32</u> |
| NOTE '31' – EMPLOYEE BENEFITS EXPENSE: | | |
| (refer Note "39") | | |
| Salaries and wages (including bonus and gratuity) | 490.86 | 1,227.97 |
| Contributions to : | | |
| Provident, Family Pension and other Funds | 21.99 | 69.25 |
| Staff welfare expenses | 15.60 | 33.74 |
| | <u>528.45</u> | <u>1,330.96</u> |
| NOTE '32' – FINANCE COSTS: | | |
| Interest expense | 118.30 | 162.88 |
| Interest expenses on liabilities carried at amortized costs | 2.45 | 0.50 |
| | <u>120.75</u> | <u>163.38</u> |
| NOTE '33' – DEPRECIATION AND AMORTISATION EXPENSES: | | |
| Depreciation of tangible assets | 470.16 | 528.75 |
| Depreciation of right of use assets | 87.00 | 87.00 |
| | <u>557.16</u> | <u>615.75</u> |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

| | For the year ended 31/03/2021 (Rs. in lacs) | For the year ended 31/03/2020 (Rs. in lacs) |
|---|--|--|
| NOTE '34' – OTHER EXPENSES: | | |
| Operating Expenses: | | |
| Power, Fuel and Water | 165.05 | 320.45 |
| Repairs and Maintenance: | | |
| Building | 129.50 | 63.86 |
| Machinery | 13.98 | 15.07 |
| Others | 180.18 | 185.94 |
| Stores and Supplies including Linen and Uniforms | 45.01 | 153.14 |
| Washing and Laundry expenses | 34.18 | 80.52 |
| Business Operating expenses | 107.82 | 276.49 |
| Music and other Operating expenses | 4.51 | 68.06 |
| General Expenses: | | |
| Rent | 7.28 | 19.47 |
| Rates and Taxes | 107.01 | 129.82 |
| Insurance | 34.44 | 33.86 |
| Hire charges | 0.21 | 5.25 |
| Advertisement and Sales Promotion | 29.21 | 228.99 |
| Credit Card charges | 131.09 | 46.70 |
| Travelling and Conveyance | 103.97 | 207.77 |
| Printing and Stationery | 5.27 | 18.17 |
| Postage and Telephones | 17.88 | 31.75 |
| Other expenses | 66.71 | 237.05 |
| Payments to Auditors (Note "40") | 12.36 | 14.11 |
| Legal and Professional charges | 87.48 | 222.33 |
| Exchange Rate Difference | — | (0.14) |
| Franchise and Corporate Service fees | 8.86 | 105.34 |
| Directors Sitting fees | 6.75 | 5.81 |
| Loss on sale of Assets | 0.42 | — |
| Service / Sales Tax Paid | 0.15 | 30.52 |
| Advance written off | 304.93 | — |
| | 1,604.24 | 2,500.28 |
| NOTE '35' – OTHER COMPREHENSIVE INCOME: | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurement of Defined Benefit Plans | 40.48 | (36.01) |
| Income tax relating to items that will not be reclassified to profit or loss | | |
| Remeasurement of Defined Benefit Plans | (10.19) | 9.06 |
| | 30.29 | (26.95) |
| NOTE '36' – EARNINGS PER EQUITY SHARE (BASIC AND DILUTED): | | |
| Net profit after Taxation (in Rs.) | (1,494.56) | (909.30) |
| Weighted average number of equity shares | 70,519,135 | 70,519,135 |
| Earnings per equity shares (in Rs.) | (2.12) | (1.29) |
| Nominal value per share (Rs.) | 2.00 | 2.00 |

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NOTE '37' – A. CONTINGENT LIABILITIES:

- i Bank Guarantees given to the extent of Rs. 3.65 lacs (previous year Rs. 33.49 lacs).
- ii In the matter of VAT demand and penalty of Rs. 88 lacs for the year 2010-11, the Company is hopeful of getting the order in its favour and hence has not made provision for the same in the financial statements.

Note: Commitments which are material and which will result in a penalty disproportionate to the benefits involved, based on the judgement of the management are only disclosed.

NOTE '38' – RETIREMENT BENEFIT:

Disclosure pursuant to Indian Accounting Standard -19 (Revised) Employee Benefits:

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

Defined Contribution Plans:

The company has recognised contribution to Provident Fund of Rs.21.99 lacs in the Profit & Loss Account.

Defined Benefit Plans:

| | Gratuity Funded | |
|--|--------------------------|--------------------------|
| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
| Changes in the Present Value of Obligation | | |
| Present Value of Obligation at beginning of period | 221 | 193 |
| Interest Cost | 3 | 3 |
| Current Service Cost | 16 | 39 |
| Benefits Paid | (160) | (48) |
| Actuarial (Gain)/Loss on obligation | (41) | 34 |
| Present Value of Obligation at end of period | 40 | 221 |
| Amount Recognized in the Balance Sheet and statement of profit and loss account | | |
| Present Value of Obligation at end of period | 40 | 221 |
| Fair Value of Plan Assets at end of period | — | 4 |
| Funded Status | (40) | (218) |
| Net Asset/ (Liability) recognized in the balance sheet | (40) | (218) |
| Expenses Recognized in the statement of Profit and Loss Account | | |
| Current Service Cost | 16 | 39 |
| Net Interest | 3 | 3 |
| Expenses Recognized in the statement of Profit and Loss Account | 19 | 42 |
| Other Comprehensive Income (OCI) | | |
| Actuarial (Gain)/Loss recognized for the period | (41) | 34 |
| Return on Plan Assets excluding net interest | 0 | 2 |
| Total Actuarial (Gain)/Loss recognized in (OCI) | (40) | 36 |
| Assumptions as at | | |
| Mortality | | IALM(2012-14) Ult |
| Interest / Discount Rate | | 5.67% |
| Rate of increase in compensation | | 10.00% |
| Employee Attrition Rate (Past Service(PS) | | PS:0 to 40:20% |
| Sensitivity Analysis on PVO | | |
| Delta effect of 1% increase in rate of discounting | (2) | (2) |
| Delta effect of 1% decrease in rate of discounting | 2 | 3 |
| Delta effect of 1% increase in rate of rate of salary escalation | 1 | 2 |
| Delta effect of 1% decrease in rate of rate of salary escalation | (1) | (2) |
| Projected benefits payable in future years from the date of reporting | | |
| 1st following year | 12 | 173 |
| Sum of years 2 to 5 | 17 | 31 |
| Sum of years 6 to 10 | 14 | 22 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE '39' – EMPLOYEES' REMUNERATION AND BENEFITS INCLUDES REMUNERATION PAID TO THE MANAGING DIRECTOR,JOINT MANAGING DIRECTOR AND WHOLE TIME DIRECTOR & CEO:

| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
|--------------------------------|--------------------------|--------------------------|
| Salary | 83 | 54 |
| Contribution to provident fund | 1 | 6 |
| Other Perquisites | 2 | 14 |
| | <u>86</u> | <u>75</u> |

NOTE '40' – PAYMENTS TO AUDITORS

| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
|-------------------------------|--------------------------|--------------------------|
| Audit Fee | 7.56 | 7.65 |
| Certification charges and fee | 1.25 | 1.50 |
| Other service | 3.55 | 4.96 |
| | <u>12.36</u> | <u>14</u> |

NOTE '41'

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

| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
|---|--------------------------|--------------------------|
| Trade Receivables (Current) | | |
| Graviss Holdings Private Limited | 0.45 | 336 |
| Graviss Foods Private Limited | — | 3 |
| Ice Hospitality Pvt Ltd | — | 51 |
| | <u>0.45</u> | <u>390</u> |
| Loans and Advances: | | |
| Security Deposits: (Non Current) | | |
| Graviss Holdings Private Limited | — | 250 |
| Cross Word Beverages Private Limited | — | 800 |
| Graviss Brands Pvt Ltd | — | 2 |
| | <u>—</u> | <u>1,052</u> |

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

NOTE '42'

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

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

i. Holding Company

Graviss Hospitality Limited

ii Directors

| | |
|----------------------------------|---------------------------|
| Mr Ravi Ghai (upto 30-06-2020) | Non-Independent |
| Mr Gaurav Ghai (upto 30-06-2020) | Non-Independent |
| Mr. Harindra Singh | Independent |
| Ms Tina Pardal | Non-Independent |
| Mr. Gulshan Bijlani | Independent |
| Mr. Mahendra V Doshi | Independent |
| Mr. Romil Ratra (wef 01-03-2021) | Whole Time Director & CEO |
| Mr. Harsh Varma (wef 01-03-2021) | Additional Director |

iii Other Related parties:

Graviss Holdings Pvt Ltd, Cross Word Beverages Pvt Ltd, Graviss Brands Pvt Ltd, Ice Hospitality Pvt Ltd, *Satinetta Trading LLP, *Amphitrite Trading LLP, *Oregon Realty LLP,*Perfect Livestock LLP, *Kwality Fantasy Limited, *Kwality Real Estate Pvt Ltd, *QSR Concepts Pvt Ltd, *ICE Holdings Pvt Ltd,Graviss Fast Foods Pvt Ltd, *West Hills Realty Pvt Ltd Famed Properties Pvt Ltd

(* no transactions during the year)

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iv Key Managerial Personnel

| | |
|-------------------------------------|---------------------------|
| Mr Ravi Ghai (upto 30-06-2020) | Managing Director |
| Mr Gaurav Ghai (upto 30-06-2020) | Joint Managing Director |
| Mr. F.L. Goyal | Chief Financial Officer |
| Ms.Kainaaz Bharucha upto 26-03-2021 | Company Secretary |
| Ms. Jalpa Salvi (wef 19-04-2021) | Company Secretary |
| Mr. Romil Ratra (wef 01-03-2021) | Whole Time Director & CEO |

B. Transactions with Related Parties:

| | 2020-21 (Rs. in lacs) | 2019-20 (Rs. in lacs) |
|--|--------------------------|--------------------------|
| i Sales | | |
| Graviss Holdings Private Limited | 0.45 | 302 |
| ii Expenditure and other services fees paid | | |
| Shareholders/Directors/Managing Director | | |
| Mr. Harindra Singh Independent | 0.50 | 0.50 |
| Mr. Gulshan Bijlani Independent | 2.00 | 1.70 |
| Mr. Mahendra V Doshi Independent | 2.00 | 1.70 |
| Ms Tina Pardal Non-Independent | 2.00 | 1.70 |
| Other related parties where the common control exists | 31 | 27 |
| iii Managerial Remuneration | | |
| Managing Director, Joint Managing Director and Whole Time Director & CEO | 86 | 75 |
| Chief Financial Officer | 10 | 38 |
| Company Secretary | 9 | 10 |
| iv Loans /Advances/ Deposits given | — | 1,052 |
| Other related parties where the common control exists | | |
| v Debtors | 0 | 390 |
| Other related parties where the common control exists | | |
| vi Outstanding payables | — | 30 |
| Other related parties where the common control exists | | |

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

| | 2020-21 | | 2019-20 | |
|-----------------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
| | Percentage of total consumption | Amount (Rs. in lacs) | Percentage of total consumption | Amount (Rs. in lacs) |
| Raw Materials: | | | | |
| Imported | — | — | — | — |
| Indigenous | 100 | 161 | 100 | 586 |
| Stores: | | | | |
| Imported | — | — | — | — |
| Indigenous | 100 | 26 | 100 | 88 |

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

NOTE '44' – EARNINGS IN FOREIGN EXCHANGE:

| | 2020-21 | 2019-20 |
|--|---------|---------|
| a) Sale of Rooms and Food and Beverages Income | 9 | 768 |
| b) Encashment of Foreign Exchange | — | 19 |

NOTE '45' – EXPENDITURE IN FOREIGN CURRENCIES:

| | | |
|---------------------------|----|----|
| a) Travelling - Directors | — | 14 |
| b) Agency Commission | 9 | 26 |
| c) Franchise Fees | 54 | 84 |
| d) Others | 0 | 4 |

46. (i) Provision for current tax during the year has been made on regular basis.
(ii) Excess provision for tax of earlier years has been reversed based on the assessment / appellate orders received during the year.
47. Amounts if any due to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 could not be disclosed as such parties could not be identified from the records of the Company.
48. The Company does not have any asset whose useful life is different from the significant part of that asset.
49. Current and non-current classification of assets and liabilities in the balance sheet has been made based on the professional judgement of the management.
50. Disclosure as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments

Operating segments of the Company:

- (a) Hospitality
(b) Real Estate

Identification of segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment Revenue and Results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure & income.

Segment Assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Summary of the Segmental Information as at and for the year ended 31st March, 2021 is as follows:

| Particulars | (Rs in lacs) | | | |
|---|--------------|-------------|-------------|------------|
| | Hospitality | Real Estate | Unallocated | Total |
| Net Revenue | 889.77 | 1,397.00 | — | 2,286.77 |
| Segment Results before Interest and Taxes | (1,944.98) | (110.47) | — | (2,055.46) |
| Add: Other income | — | — | 146.31 | 146.31 |
| Profit before tax | (1,944.98) | (110.47) | 146.31 | (1,909.15) |
| Other information | | | | |
| Segment assets | 18,205.93 | 4,117.41 | — | 22,323.34 |
| Segment Liabilities | 3,924.63 | 454.22 | — | 4,378.85 |
| Capital expenditure during the year | 144.40 | — | — | 144.40 |
| Depreciation and amortization | 557.16 | — | — | 557.16 |

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Summary of the Segmental Information as at and for the year ended 31st March, 2020 is as follows:

| Particulars | (Rs in lacs) | | | |
|---|--------------|-------------|-------------|------------|
| | Hospitality | Real Estate | Unallocated | Total |
| Net Revenue | 3,954.10 | — | — | 3,954.10 |
| Segment Results before Interest and Taxes | (1,216.25) | (26.50) | — | (1,242.75) |
| Add: Other income | — | — | 107.75 | 107.75 |
| Profit before tax | (1,216.25) | (26.50) | 107.75 | (1,134.99) |
| Other information | | | | |
| Segment assets | 20,249.27 | 4,791.53 | — | 25,040.80 |
| Segment Liabilities | 5,078.08 | 523.72 | — | 5,601.80 |
| Capital expenditure during the year | 364.56 | — | — | 364.56 |
| Depreciation and amortization | 615.75 | — | — | 615.75 |

51. The accumulated losses of Graviss Catering Private Limited, a subsidiary, are more than the net worth. In the opinion of the management, having regard to the long term interest of the holding Company in the Company and considering that the Company will get regular orders of decoration and earns sufficient margin to meet the fixed costs which will enable the Company to recoup the losses incurred, the going concern assumptions are not affected.

The accumulated losses of Graviss Hotels and Resorts Limited, another subsidiary, are more than the net worth. The subsidiary had purchased lands at various places viz. Shirdi and Alibaug for construction of hotels. Due to change in business plans, the subsidiary is exploring to sell these lands. In assessment of the management, the market value of the lands alongwith buildings constructed so far is more than the book values and therefore the preparation of financial statements of the subsidiary (included in the preparation of the consolidated financial statements) on going concern basis is not affected.

52. In the opinion of the management there are no indications that the assets of the company may be impaired as on the balance sheet date.
53. "Advances on Capital Account against Purchase of Land" includes an amount of Rs.217.70 lacs (previous year Rs. 217.70 lacs) being the advance paid to three parties for purchase of lands against a total consideration of Rs. 2,832 lacs. Since the lands were not capable of being developed, the company issued a notice of termination of agreements entered into with the parties and invoked Arbitration. The arbitrator has been appointed and the arbitration proceedings are pending. The company is hopeful of getting decision in its favour and hence considers the advance good of recovery.
54. The Conveyance of the Agricultural lands at Alibaug and Shirdi which were purchased in 2007 for the beneficial interest of the Company in terms of the resolutions of the Board of Directors of the Company, are in the name of Mr Gaurav Ghai and Mr Ravi Ghai, the promoters of Graviss Hospitality Limited, the holding company.

NOTE '55' – DISCLOSURE OF NET ASSETS AND SHARE IN PROFIT OR LOSS:

| Sr. No. | Name of the Entity | Net Assets Total Assets minus Total Liabilities | | Share in profit or loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---------|--|--|----------------------------|--|----------------------------|--|----------------------------|--|----------------------------|
| | | As % of consoli- dated net assets | Amount (Rs. in lacs) | As % of consoli- dated profit or (loss) | Amount (Rs. in lacs) | As % of consoli- dated profit or (loss) | Amount (Rs. in lacs) | As % of consoli- dated profit or (loss) | Amount (Rs. in lacs) |
| 1 | Graviss Hospitality Limited - Parent | 70.05% | 12,569.48 | 91.93% | (1,401.82) | 100.00% | 30.29 | 91.77% | (1,371.53) |
| 2 | Graviss Catering Private Limited – Subsidiary | 0.07% | 12.45 | 0.64% | (9.75) | 0.00% | — | 0.65% | (9.75) |
| 3 | Graviss Hotels & Resorts Limited – Subsidiary | 29.68% | 5,325.37 | 7.00% | (106.69) | 0.00% | — | 7.14% | (106.69) |
| 4 | Hotel Kankeshwar Private Limited – Subsidiary | 0.21% | 37.19 | 0.43% | (6.59) | 0.00% | — | 0.44% | (6.59) |
| | | 100.00% | 17,944.49 | 100.00% | (1,524.85) | 100.00% | 30.29 | 100.00% | (1,494.56) |

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NOTE '56' – FAIR VALUE MEASUREMENTS:

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

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

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

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

| Financial Liabilities | Carrying amount at Amortised | | Fair value | Fair value measurement hierarchy level |
|----------------------------|---------------------------------|---|------------|---|
| | Cost | | | |
| As on 31 March 2021 | | | | |
| Fixed Rate Borrowings | — | — | — | Level 2 |
| As on 31 March 2020 | | | | |
| Fixed Rate Borrowings | — | — | — | Level 2 |

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

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

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

Financial risk management

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

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

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

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

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

Credit Risk

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

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

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

| | (Rs. in lacs) | | | | |
|----------------------------|-------------------|-----------------------|----------------------|----------------------|-------|
| | Up to 6 months | 6 months to 1 year | 1 year to 3 years | More than 3 years | Total |
| As on 31 March 2021 | | | | | |
| Gross Carrying Amount | 423 | 10 | — | 54 | 487 |
| Specific Provision | — | — | — | — | — |
| Carrying Amount | 423 | 10 | — | 54 | 487 |
| As on 31 March 2020 | | | | | |
| Gross Carrying Amount | — | 442 | — | 38 | 480 |
| Specific Provision | — | — | — | — | — |
| Carrying Amount | — | 442 | — | 38 | 480 |

Cash and cash equivalents:

The Company held cash and cash equivalents of Rs 513.48 lacs as at 31 March 2021 (31 March 2020-Rs. 294.32). The cash and cash equivalents are held with reputed banks.

Liquidity Risk:

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

| | Rs in lacs | | | | | |
|--------------------------------------|------------------------|-----------------|-----------|-----------|-----------------------|-------|
| | Contractual cash flows | | | | | |
| | Carrying amount | Up to 1 year | 1-2 years | 2-5 years | More than 5 years* | Total |
| As on 31 March 2021 | | | | | | |
| Non-derivative financial liabilities | — | — | — | — | — | — |
| Borrowings | 1,458 | 1,164 | 95 | — | 200 | 1,458 |
| Interest | — | — | — | — | — | — |
| Trade payables | 410 | 410 | — | — | — | 410 |
| As on 31 March 2020 | | | | | | |
| Non-derivative financial liabilities | — | — | — | — | — | — |
| Borrowings | 1,405 | 1,166 | 135 | 104 | — | 1,405 |
| Interest | — | — | — | — | — | — |
| Trade payables | 858 | 858 | — | — | — | 858 |

Liquidity Risk:

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

Interest rate risk:

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

GRAVISS HOSPITALITY LIMITED

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Exposure to Interest rate risk:

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

| Particulars | 31st March 2021 (Rs. in lacs) | 31st March 2020 (Rs. in lacs) |
|--|----------------------------------|----------------------------------|
| Fixed-rate instruments | | |
| Financial liabilities – measured at amortised cost | — | — |
| Variable-rate instruments | | |
| Financial liabilities – measured at amortised cost | 95 | 239 |
| Total | 95 | 239 |

Cash flow sensitivity analysis for variable-rate instruments: A reasonably possible decrease by 100 basis points in interest rates at the reporting date would have positive impact (before tax) by Rs 0.95 lacs and Rs. 2.39 lacs for the outstanding balances as on 31st March 2021 and 31st March 2020. Similarly a reasonable possible increase by 100 basis points in interest would have negative impact (before tax) by same amounts.

Currency risk:

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

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

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

Exposure to currency risk:

The currency profile of financial assets and financial liabilities as on 31st March 2021 and 31st March 2020 are as below:

| | (Rs. in lacs) | | |
|-------------------------------------|---------------|--------------|----------|
| | Total | INR | USD |
| As on 31 March 2021 | | | |
| Financial assets | | | |
| Trade receivables | 487 | 487 | — |
| Cash and Cash Equivalents | 513 | 513 | — |
| Other Balances with Banks | 355 | 355 | — |
| Loans | 47 | 47 | — |
| Other Current / Non Current Assets | 77 | 77 | — |
| Exposure for assets (A) | 1,479 | 1,479 | — |
| Financial liabilities | | | |
| Long term borrowings | 118 | 118 | — |
| Short term borrowings | 1,188 | 1,188 | — |
| Trade and other payables | 410 | 410 | — |
| Other Current financial liabilities | 1,032 | 1,032 | — |
| Exposure for liabilities (B) | 2,748 | 2,748 | — |
| Net exposure (B-A) | 1,269 | 1,269 | — |

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| | (Rs. in lacs) | | |
|-------------------------------------|---------------|--------------|----------|
| | Total | INR | USD |
| As on 31 March 2020 | | | |
| Financial assets | | | |
| Trade receivables | 480 | 480 | — |
| Cash and Cash Equivalents | 294 | 294 | — |
| Other Balances with Banks | 375 | 375 | — |
| Loans | 1,111 | 1,111 | — |
| Other Current / Non Current Assets | 107 | 107 | — |
| Exposure for assets (A) | 2,366 | 2,366 | — |
| Financial liabilities | | | |
| Long term borrowings | 260 | 260 | — |
| Short term borrowings | 1,001 | 1,001 | — |
| Trade and other payables | 858 | 858 | — |
| Other Current financial liabilities | 1,447 | 1,447 | — |
| Exposure for liabilities (B) | 3,566 | 3,566 | — |
| Net exposure (B-A) | 1,200 | 1,200 | — |

Sensitivity analysis:

A reasonably possible strengthening of the Indian Rupees against USD at March, 31 by NIL would have positive impact (before tax) by Rs NIL and Rs NIL for the net outstanding balance as on 31-03-2021 and 31-03-2020 respectively. Similarly a reasonably possible weakening of the Indian Rupee against USD would have a negative impact (before tax) by same amounts.

Capital Management

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

57. Leases Ind AS 116

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

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

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

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

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

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

GRAVISS HOSPITALITY LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Group's business has been impacted during the period on account of COVID-19. The Group witnessed softer revenues due to the lockdown imposed during the first six months of the year. With the unlocking of restrictions, the hotels have been opened up and business is expected to improve gradually. The Group witnessed some signs of recovery of demand towards the year end.

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

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

60. **Previous year figures:**

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

Signature to Notes 1 to 60

As per our separate report of even date

For **A.T. Jain & Co.**
Chartered Accountants
Firm Registration No. 103886W

Sd/-
SUSHIL JAIN
Partner (Membership No. 033809)

Place: Mumbai
Dated: June 07, 2021

For and on behalf of the Board of Directors of
Graviss Hospitality Limited

Sd/-
ROMIL RATRA
Whole Time Director & CEO
(DIN:06948396)

Sd/-
F.L. GOYAL
Chief Financial Officer

Sd/-
M.V. DOSHI
Director
(DIN:00123243)

Sd/-
JALPA H. SALVI
Company Secretary



GRAVISS HOSPITALITY LIMITED

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