

Tel. : 2200 4465, 2206 7440
Fax : 91-22-2200 0649
E-mail : mumbai@vsa.co.in
Website : www.vsa.co.in

V. Sankar Aiyar & Co.

CHARTERED ACCOUNTANTS

2-C, Court Chambers
35, New Marine Lines
Mumbai - 400 020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GRAVISS CATERING PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GRAVISS CATERING PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, attention of the members is drawn to Note no 18.B.4 of the financial statements. In view of the matter stated therein relating to the accumulated losses as at 31st March 2015, keeping in mind the factors stated to be achieved in the note, the accompanying financial statements have been prepared on a going concern basis.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, as the Company is not covered by the said Order.

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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, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **V. SANKAR AIYAR & CO**
Chartered Accountants
(Firm's Registration No.109208W)



(G. Sankar)

Partner

Membership No. 46050

Place: Mumbai

Date: 28th April, 2015

GRAVISS CATERING PRIVATE LIMITED

Balance Sheet as at 31 March, 2015

(Rs in lacs)

Particulars	Note No.	As at 31-03-2015	As at 31-03-2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share capital	1	7.65	7.65
Reserves and surplus	2	(278.92)	(295.77)
		(271.27)	(288.12)
Non-current Liabilities			
Long-term borrowings	3	360.38	385.16
		360.38	385.16
Current Liabilities			
Trade payables		17.19	22.66
Other current liabilities	4	6.67	13.54
		23.86	36.20
		112.97	133.24
<u>ASSETS</u>			
Non-current Assets			
Fixed Assets :			
Tangible assets	5	16.14	27.40
		16.14	27.40
Deferred tax assets (Net)	6	37.46	45.46
		53.60	72.86
Current Assets			
Trade receivables	7	5.99	5.98
Cash and Bank Balances	8	6.89	6.97
Short-term loans and advances	9	46.49	47.43
		59.37	60.38
		112.97	133.24

Significant Accounting policies and other
Notes forming part of financial statements

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As per our separate report of even date

For V. Sankar Aiyar & Co.

Chartered Accountants

Firm Registration No. 109208W

G. Sankar

G. Sankar

Partner

Membership No. 046050

Vikram Seth
Vikram Seth
Director

V.P. Garg
V.P. Garg
Director

Place: Mumbai

Date: 28-04-2015



GRAVISS CATERING PRIVATE LIMITED

Statement of Profit and Loss Account for the year ended 31 March, 2015

(Rs in lacs)

Particulars	Note No.	For the Year ended 31-03-2015	For the Year ended 31-03-2014
Income			
Revenue from operations	10	288.16	372.13
Total Revenue		288.16	372.13
Expenses			
Purchases	11	-	12.39
Employee benefits expense	12	15.44	17.01
Finance costs	13	17.71	17.94
Depreciation and amortisation expenses	14	11.26	9.21
Other expenses	15	218.90	235.23
Total Expenses		263.31	291.78
Profit / (loss) before tax		24.85	80.35
Tax expense :			
Deferred tax (Net) (Refer Note "6")		(8.00)	(25.00)
Profit / (loss) for the period after tax		16.85	55.35
Earning per equity share- Rs.			
(a) Basic	16	22.03	72.35
(b) Diluted		22.03	72.35

Significant Accounting policies and other Notes forming part of financial statements 17

As per our separate report of even date
For V. Sankar Aiyar & Co.
 Chartered Accountants
 Firm Registration No. 109208W

G. Sankar

G. Sankar
 Partner
 Membership No. 046050

Place: Mumbai
 Date: 28-04-2015



Vikram Seth
Vikram Seth
 Director

V.P. Garg
V.P. Garg
 Director

Cash Flow Statement for the year ended 31 March, 2015

(Rs in lacs)

Particulars	As at 31-03-2015	As at 31-03-2014
Cash flows from operating activities		
Net profit before taxation, and extraordinary item	24.85	80.35
<u>Adjustments for:</u>		
Depreciation	11.26	9.21
Interest expense	17.71	17.94
Operating profit before working capital changes	53.82	107.50
Increase / (decrease) in trade payables	(5.47)	(3.74)
Increase / (decrease) in other current liabilities	(6.87)	(70.83)
Decrease / (Increase) in trade receivables	(0.01)	7.92
Decrease / (Increase) in short-terms loans and advances	0.94	7.31
	(11.41)	(59.34)
Cash generated from operations	42.41	48.16
Income taxes paid	-	-
Net cash from operating activities (A)	42.41	48.16
Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	-	(36.35)
Net cash from investing activities (B)	-	(36.35)
Cash flows from financing activities		
Proceeds from issuance of share capital		
Repayment of Long-term borrowings	(24.77)	(46.29)
Interest paid	(17.71)	(17.94)
Net cash used in financing activities (C)	(42.49)	(64.23)
Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)	(0.08)	(52.42)
Net increase in cash and cash equivalents		
<u>Cash and cash equivalents at beginning of year</u>		
Cash on hand and balances with banks	6.97	59.39
Total (D)	6.97	59.39
<u>Cash and cash equivalents at end of year</u>		
Cash on hand and balances with banks	6.89	6.97
Total (E)	6.89	6.97
Net Increase / (Decrease) in Cash and cash equivalents (E-D)	(0.08)	(52.42)

As per our separate report of even date

For V. Sankar Aiyar & Co.

Chartered Accountants

Firm Registration No. 109208W

G. Sankar

G. Sankar

Partner

Membership No. 046050

Place: Mumbai

Date: 28-04-2015



Vikram Seth

Vikram Seth
Director

V.P. Garg

V.P. Garg
Director

Notes forming part of the Financial Statements as at 31 March, 2015

(Rs in lacs)

		As at 31-03-2015	As at 31-03-2014
1	Share Capital		
a	Authorised : 1,00,000 Equity shares of Rs. 10 each	10.00	10.00
		<u>10.00</u>	<u>10.00</u>
b	Issued, Subscribed and fully paid-up : 76,502 Equity shares of Rs. 10 each for cash <u>(76,502)</u>	7.65	7.65
		<u>7.65</u>	<u>7.65</u>
c	Reconciliation of the number of shares Opening	76,502	76,502
	Closing	<u>76,502</u>	<u>76,502</u>
d	Shares held by holding company- Graviss Hospitality Limited 76,422 Equity shares of Rs. 10 each for cash	7.64	7.64
2	Reserve and Surplus		
	Profit and Loss Account		
	Opening balance	(295.77)	(351.12)
	Add : Net profit after tax transferred from Statement of Profit and Loss	16.85	55.35
	Balance in Profit and Loss account	<u>(278.92)</u>	<u>(295.77)</u>
		<u>(278.92)</u>	<u>(295.77)</u>
3	Long-term borrowings :		
a)	Unsecured Loans:		
	(i) From Holding Company (Interest free not re-payable within one year)	174.61	195.74
	(ii) From Graviss Holdings Private Limited (a related party) (interest @ 12.5% on Rs. 120 lacs p.a. and interest free on Rs. 46.32 lacs and not re-payable within one year)	166.32	166.32
		<u>340.93</u>	<u>362.06</u>
b)	Deferred payment liabilities (Leases): (secured by hypothecation of Vehicles) (carry interest rate @10.88%, repayable in 84 EMIs and secured by hypothecation of vehicle)	19.45	23.10
		<u>360.38</u>	<u>385.16</u>
4	Other Current liabilities		
	Expenses payable	2.66	9.49
	Statutory dues payable		
	- TDS payable	0.52	0.52
	- VAT payable	0.12	0.12
	- Others	0.00	0.04
	Current maturities of long term debt:		
	-Deferred payment liability	3.37	3.37
		<u>6.67</u>	<u>13.54</u>



Notes forming part of the Financial Statements as at 31 March, 2015

(Rs in lacs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01-04-2014	Additions	Deductions / Adjustments	As at 31-03-2015	Upto 31-03-2014	For the year	Deductions / Adjustments	Upto 31-03-2015	As at 31-03-2015	As at 31-03-2014
5. Tangible Assets:										
Vehicles.	35.95	-	-	35.95	9.05	10.76		19.81	16.14	26.90
Computers	0.93	-	-	0.93	0.43	0.50	-	0.93	0.70	0.50
Total	36.88	-	-	36.88	9.48	11.26	-	20.74	16.84	27.40
Total (previous year)	0.53	36.35	-	36.88	0.27	9.21	-	9.48	27.40	



Notes forming part of the Financial Statements as at 31 March, 2015

(Rs in lacs)

		As at 31-03-2015	As at 31-03-2014
6	Deferred tax assets :		
	Deferred tax liability:		
	Depreciation on fixed assets	(3.17)	(3.17)
	Deferred tax assets :		
	Carried Forward Loss	34.29	42.29
		37.46	45.46
7	Trade receivables		
	(unsecured, considered good)		
	Other debts	5.99	5.98
		5.99	5.98
8	Cash and Bank Balances		
	Cash and Cash Equivalents		
	Balances with banks in:		
	Current accounts	4.00	6.60
	Cash on hand	2.89	0.37
		6.89	6.97
9	Short-term loans and advances		
	(Unsecured, considered good)		
	Advances to others:		
	Prepaid expenses	0.38	-
	Loans to employees	19.00	19.00
	Balances with statutory/government authorities	0.28	0.01
	Advance to suppliers	-	0.29
	Advance Income tax (net)	6.43	7.73
	Security and other deposits	20.40	20.40
		46.49	47.43



Notes forming part of the Financial Statements as at 31 March, 2015

(Rs in lacs)

		For the Year ended 31- 03-2015	For the Year ended 31-03-2014
10	Revenue from Operations		
	Sales-Food and Beverages	-	87.89
	Sale of services	288.16	284.24
		288.16	372.13
11	Purchases		
	Food & Beverages items	-	12.39
12	Employee benefits expense		
	Salaries and wages (including bonus and gratuity)	15.44	16.70
	Contributions to :		
	Provident, Family Pension and other Funds	0.00	0.31
		15.44	17.01
13	Finance costs		
	Other borrowing costs	17.71	17.94
		17.71	17.94
14	Depreciation and Amortisation expenses:		
	Depreciation of tangible assets	11.26	9.21
		11.26	9.21
15	Other expenses		
	Operating Expenses:		
	Power, Fuel and Water	-	0.98
	Repairs and Maintenance -others	0.92	6.09
	Washing and Laundry expenses	-	0.71
	Business Operating expenses	-	11.05
	Hall Decoration	162.69	124.61
	General Expenses:		
	Rent	1.80	1.80
	Rates and Taxes	-	4.38
	Insurance	2.11	0.93
	Hire charges	8.97	12.61
	Commission on Sales	-	0.32
	Travelling and Conveyance	10.35	15.93
	Printing and Stationery	2.33	2.52
	Postage and Telephones	1.28	1.74
	Other expenses	13.90	27.42
	Payments to Auditors -Audit fees	0.50	0.50
	Legal and Professional charges	14.05	16.15
	Bad debts	-	7.49
		218.90	235.23
16	Earnings per Equity share		
	Net profit after Taxation (in Rs.)	16.85	55.35
	Weighted average number of equity shares	76,502	76,502
	Earnings per equity shares (in Rs.)	22.03	72.35
	Nominal value per share (Rs.)	10.00	10.00



GRAVISS CATERING PRIVATE LIMITED

Note 17

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015.

A SIGNIFICANT ACCOUNTING POLICIES

I SYSTEM OF ACCOUNTING

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

The financial statements have been prepared in all material respects in accordance with the accounting standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) rules, 2014.

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

II USE OF ESTIMATES.

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

III FIXED ASSETS AND DEPRECIATION :

A) Fixed Assets

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

B) Depreciation

Depreciation is charged in the Accounts on written down value method in accordance with the useful life specified in Schedule II of the Companies Act, 2013.

IV REVENUE RECOGNITION

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

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

V INVENTORIES

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

VI EMPLOYEE BENEFITS

- a) Contributions to Provident are made to Employees Provident Fund of the Government and are charged to Profit & Loss Account.
- b) Liabilities towards Gratuity and Leave Encashment Benefit are provided for based on actuarial valuation done at the year end.

VII TAXES ON INCOME

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

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



VIII IMPAIRMENT OF ASSET

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

IX LEASES

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

B Other Notes forming part of Financial Statements

1 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.

2 Revenue from operations during the year are from decoration and Food & Beverages.

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

I Shareholders/Directors

The Graviss Hospitality Limited, *Mr Ravi Ghai., *Mr Gaurav Ghai
Sumita Ghai, (*no transactions during the year)

ii Other related parties where the common control exists

Graviss Holdings Pvt Ltd,

	2014-15 (Rs. in lacs)	2013-14 (Rs. in lacs)
Expenditure and other services fees paid		
Other related parties where the common control exists	15	15
Unsecured Loan taken		
Other related parties where the common control exists	341	362

4 The Company's accumulated losses are more than the net worth. In the opinion of the management, having regard to the long term interest of the holding Company in the Company and considering that the Company gets regular orders of decoration and earns sufficient margin to meet the fixed costs which will enable the Company to recoup the losses incurred, the going concern assumptions are not affected.

5 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.

6 In view of carry forward losses under both income tax and books, no provision is made for current tax.

7 With effect from 01-04-2014, the company has revised depreciation rate on . fixed assets in accordance with the useful life specified in the Companies Act 2013 . Accordingly an amount of Rs 4.18 lacs has been charged to Profit & loss account over & above the normal depreciation in respect of assets which have remaining useful life as at 01.04.2014.

8 Previous year figures:

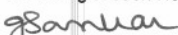
Previous year's figures have been reclassified / regrouped wherever necessary to conform to current year's classification / grouping. Figures in brackets are in respect of the previous year.

SIGNATURES TO NOTES 1 TO 17

For V. SANKAR AIYAR & CO.

Chartered Accountants

Firm Registration No. 109208W



G. Sankar

Partner

Membership No. 46050

Place: Mumbai

28 APR 2015




Vikram Seth
Director


V.P. Garg
Director