

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF GRAVISS HOTELS & RESORTS LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of GRAVISS HOTELS & RESORTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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.



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. 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, 2016, and its loss 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 15.B.11 in view of the matter stated therein relating to the losses incurred by the Company during the year and the accumulated losses as at 31st March, 2016, keeping in mind the factors stated in the note, the accompanying financial statements of the company have been prepared on a going concern basis.

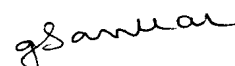
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 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, 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 15.B.9 to the financial statements;
  - ii. The Company did not have any foreseeable losses on long-term contracts including derivative contracts.
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (g) 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".

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



(G. Sankar)  
Partner  
Membership No. 46050

Place: Mumbai  
Date: 24<sup>th</sup> May, 2016

**ANNEXURE A REFERRED TO IN THE AUDITOR'S REPORT TO THE MEMBERS OF GRAVISS HOTELS & RESORTS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - (b) As explained to us, physical verification of fixed assets was carried out by the management during the year. There were no discrepancies 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 except in case of the agricultural lands at Shirdi and Alibaug are in the name of the Managing Director and Joint Managing Director of the holding company, respectively. (Refer Note 15.B.4 of the financial statements).
- ii. Clause (ii) of the Order regarding inventories is not applicable to the Company.
  - 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.  
  
The company had granted interest free long term unsecured loans to its wholly owned subsidiary in terms of Special Resolution passed by the Shareholders on 28<sup>th</sup> April 2006 in accordance with the provisions of section 372A of the Companies Act, 1956.
  - 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 any of the products of the Company.
  - vii. (a) According to the records maintained by the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues where applicable.

*gh*

According to the information and explanations given to us, no undisputed amounts in respect of the aforesaid statutory dues were in arrears, as at 31<sup>st</sup> March, 2016, for a period of more than six months from the date they became payable.

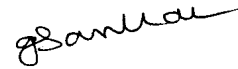
(b) According to the information and explanations given to us and the records of the company, there are no dues of income tax/ sales tax / customs duty / wealth tax / service tax / excise duty /value added tax /cess, which have not been deposited on account of any dispute.

- viii. The company has not taken any loan from any financial institution/bank or by way of issue of debentures.
- ix. According to the information and explanations given to us and the records of the company, the company has not raised money by way of initial public offer or further public offer during the year. The company has not taken any term loans from banks during the year.
- 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. Clause (xi) of the Order regarding managerial remuneration is not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence clause (xii) of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 188 of Companies Act, 2013 with respect to related party transactions entered in to during the year under review and the details have been disclosed in the Financial Statements etc., as required under Accounting Standard 18 – Related Party Disclosures.
- 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 **V. Sankar Aiyar & Co.,**  
**Chartered Accountants.**  
**Firm Reg No. 109208W**



**G. SANKAR**  
**Partner**  
**Membership No. 46050**

Place: Mumbai  
Date: 24<sup>th</sup> May , 2016

**"ANNEXURE B" REFERRED TO IN THE AUDITOR'S REPORT TO THE MEMBERS OF GRAVISS HOTELS & RESORTS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

Report on the Internal Financial Controls 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 HOTELS & RESORTS LIMITED as of March 31<sup>st</sup>, 2016 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 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding



of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

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

#### **Opinion**

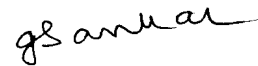
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were





operating effectively as at March 31, 2016 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".

For **V. Sankar Aiyar & Co.,**  
**Chartered Accountants.**  
**Firm Reg No. 109208W**



**G. SANKAR**  
Partner  
Membership No. 46050

Place: Mumbai  
Date: 24<sup>th</sup> May , 2016

# GRAVISS HOTELS AND RESORTS LIMITED

Balance Sheet as at 31 March, 2016

(Rs in lacs)

Particulars	Note No.	As at 31-03-2016	As at 31-03-2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share capital	1	5.00	5.00
Reserves and surplus	2	(622.39)	(522.70)
		<b>(617.39)</b>	<b>(517.70)</b>
<b>Non-current Liabilities</b>			
Long-term borrowings	3	9,240.32	9,031.52
		<b>9,240.32</b>	<b>9,031.52</b>
<b>Current Liabilities</b>			
Other current liabilities	4	47.17	60.60
		<b>47.17</b>	<b>60.60</b>
		<b>8,670.10</b>	<b>8,574.42</b>
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
Fixed Assets :			
Tangible assets	5	2,373.13	2,309.13
Capital work-in-progress		5,980.53	5,938.24
		<b>8,353.66</b>	<b>8,247.37</b>
Non-current Investments	6	170.00	170.00
Long-term loans and advances	7	96.26	96.41
Other non-current assets	8	27.86	55.68
		<b>8,647.78</b>	<b>8,569.46</b>
<b>Current Assets</b>			
Cash and Bank Balances	9	18.38	1.56
Short-term loans and advances	10	3.94	3.40
		<b>22.32</b>	<b>4.96</b>
		<b>8,670.10</b>	<b>8,574.42</b>

Significant Accounting policies and other  
Notes forming part of financial statements

15

As per our separate report of even date

**For V. Sankar Aiyar & Co.**

Chartered Accountants

Firm Registration No. 109208W

*G. Sankar*

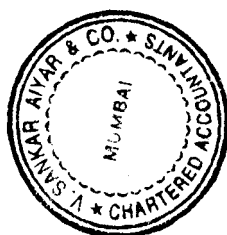
**G. Sankar**

Partner

Membership No. 046050

Place: Mumbai

Date: 24 May 2016



*Dalip Sehgal*  
**Dalip Sehgal**  
Director

*Amit Jain*  
**Amit Jain**  
Director

## GRAVISS HOTELS AND RESORTS LIMITED

Statement of Profit and Loss Account for the year ended 31 March, 2016

(Rs in lacs)

Particulars	Note No.	For the Year ended 31-03-2016	For the Year ended 31-03-2015
<b>Income</b>			
Other Income	11	3.36	4.50
<b>Total Revenue</b>		<b>3.36</b>	<b>4.50</b>
<b>Expenses</b>			
Depreciation and amortisation expenses	12	-	16.39
Other expenses	13	101.85	0.56
<b>Total Expenses</b>		<b>101.85</b>	<b>16.95</b>
<b>Profit / (loss) before tax</b>		<b>(98.49)</b>	<b>(12.45)</b>
<b>Tax expense :</b>			
Current tax		(1.20)	(1.50)
<b>Profit / (loss) for the period</b>		<b>(99.69)</b>	<b>(13.95)</b>
<b>Earning per equity share- Rs.</b>			
(a) Basic	14	(199.34)	(27.90)
(b) Diluted		(199.34)	(27.90)

Significant Accounting policies and other Notes forming part of financial statements

15

As per our separate report of even date

**For V. Sankar Ayer & Co.**

Chartered Accountants

Firm Registration No. 109208W

*G. Sankar*

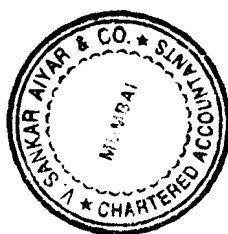
**G. Sankar**

Partner

Membership No. 046050

Place: Mumbai

Date: 24 May 2016



*Dalip Sehgal*  
Dalip Sehgal  
Director

*Amit Jain*  
Amit Jain  
Director

Cash Flow Statement for the year ended 31 March, 2016

(Rs in lacs)

Particulars	As at 31-03-2016	As at 31-03-2015
<b>Cash flows from operating activities</b>		
Net profit before taxation, and extraordinary item	(98.49)	(12.45)
<u>Adjustments for:</u>		
Depreciation	-	16.39
Non cash items	101.28	-
Interest income	(3.36)	(4.50)
<b>Operating profit before working capital changes</b>	<b>(0.57)</b>	<b>(0.56)</b>
Increase / (decrease) in other current liabilities	(13.43)	(7.01)
Decrease / (Increase) in long-terms loans and advances	0.15	(0.01)
Decrease / (Increase) in other non-current assets	27.82	(3.93)
	14.54	(10.95)
<b>Cash generated from operations</b>	<b>13.97</b>	<b>(11.51)</b>
Income taxes paid	(1.74)	(1.36)
<b>Net cash from operating activities (A)</b>	<b>12.23</b>	<b>(12.87)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(207.57)	(154.00)
Interest received	3.36	4.50
<b>Net cash from investing activities (B)</b>	<b>(204.21)</b>	<b>(149.50)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Long-term borrowings	208.80	161.62
<b>Net cash used in financing activities (C)</b>	<b>208.80</b>	<b>161.62</b>
<b>Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)</b>	<b>16.82</b>	<b>(0.75)</b>
<b>Net increase in cash and cash equivalents</b>		
<u>Cash and cash equivalents at beginning of year</u>		
Cash on hand and balances with banks	1.56	2.31
<b>Total (D)</b>	<b>1.56</b>	<b>2.31</b>
<u>Cash and cash equivalents at end of year</u>		
Cash on hand and balances with banks	18.38	1.56
<b>Total (E)</b>	<b>18.38</b>	<b>1.56</b>
<b>Net Increase / (Decrease) in Cash and cash equivalents (E-D)</b>	<b>16.82</b>	<b>(0.75)</b>

As per our separate report of even date

For V. Sankar Aiyar & Co.

Chartered Accountants

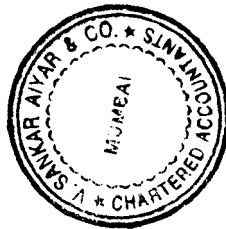
Firm Registration No. 109208W

*G. Sankar*

G. Sankar

Partner

Membership No. 046050



*Dalip Sehgal*  
Dalip Sehgal  
Director

*Armit Jain*  
Armit Jain  
Director

Place: Mumbai

Date: 24 May 2016

## Notes forming part of the Financial Statements as at 31 March 2016

(Rs in lacs)

		As at 31-03-2016	As at 31-03-2015
<b>1</b>	<b>Share Capital</b>		
<b>a</b>	<b>Authorised :</b>		
	1,00,000 Equity shares of Rs. 10 each	10.00	10.00
		<b>10.00</b>	<b>10.00</b>
<b>b</b>	<b>Issued, Subscribed and fully paid-up :</b>		
	50,010 Equity shares of Rs. 10 each for cash (50,010)	5.00	5.00
		<b>5.00</b>	<b>5.00</b>
<b>c</b>	<b>Reconciliation of the number of shares</b>		
	Opening	50,010	50,010
	Closing	<b>50,010</b>	<b>50,010</b>
<b>d</b>	<b>Shares held by holding company- Graviss Hospitality Limited</b>		
	50,000 Equity shares of Rs. 10 each	5.00	5.00
<b>2</b>	<b>Reserve and Surplus</b>		
	<b>Profit and Loss Account</b>		
	Opening balance	(522.70)	(508.75)
	Add : Net profit after tax transferred from Statement of Profit and Loss	(99.69)	(13.95)
	Balance in Profit and Loss account	<b>(622.39)</b>	<b>(522.70)</b>
		<b>(622.39)</b>	<b>(522.70)</b>
<b>3</b>	<b>Long-term borrowings :</b>		
	<b>Unsecured Loans:</b>		
	<b>From Holding Company</b>		
	(interest free and not re-payable within one year)	9,240.32	9,031.52
		<b>9,240.32</b>	<b>9,031.52</b>
		<b>9,240.32</b>	<b>9,031.52</b>
<b>4</b>	<b>Other Current liabilities</b>		
	Statutory dues payable		
	- TDS payable	0.48	0.10
	- Others	-	0.04
	Liability for capital expenditure	46.69	58.39
	<b>Current maturities of long term debt:</b>		
	Loan re-payable in 12 months		
	-Deferred payment liability	-	2.07
		<b>47.17</b>	<b>60.60</b>

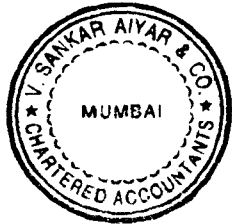


**NOTE: 5**

Notes forming part of the Financial Statements as at 31 March 2016

(Rs in lacs)

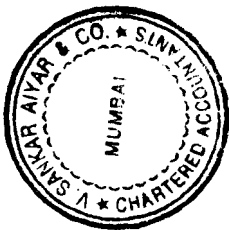
DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01-04-2015	Additions	Deductions / Adjustments	As at 31-03-2016	Upto 31-03-2015	For the year	Deductions / Adjustments	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
<b>5. Tangible Assets:</b>										
Land - Freehold	2,308.25	-	(64.00)	2,372.25	-	-	-	-	2,372.25	2,308.25
Buildings.	-	-	-	-	-	-	-	-	-	-
Premises	-	-	-	-	-	-	-	-	-	-
Plant and Equipment.	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures.	-	-	-	-	-	-	-	-	-	-
Vehicles	17.73	-	-	17.73	16.85	-	-	16.85	0.88	0.88
Office equipment	2.68	-	-	2.68	2.68	-	-	2.68	0.00	0.00
Computers	10.55	-	-	10.55	10.55	-	-	10.55	0.00	0.00
<b>Total</b>	<b>2,339.21</b>	<b>-</b>	<b>(64.00)</b>	<b>2,403.21</b>	<b>30.08</b>	<b>-</b>	<b>-</b>	<b>30.08</b>	<b>2,373.13</b>	<b>2,309.13</b>
Total (previous year)	2,339.12	0.09	-	2,339.21	13.69	16.39	-	30.08	2,309.13	



## Notes forming part of the Financial Statements as at 31 March 2016

(Rs in lacs)

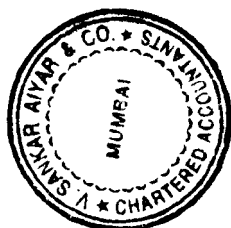
		As at 31-03-2016	As at 31-03-2015
<b>6</b>	<b>Non Current Investments</b> Trade Investments (valued at cost unless stated otherwise): Unquoted equity instruments Investment in subsidiaries 2,45,000 Equity shares of Hotel Kankeshwar Private Limited of Rs. 10 each	170.00	170.00
		<b>170.00</b>	170.00
<b>7</b>	<b>Long-term loans and advances- unsecured, considered good</b> Security Deposits <b>Loans to subsidiary companies:</b> - Hotel Kankeshwar Private Limited	12.69 83.57	12.84 83.57
		<b>96.26</b>	96.41
<b>8</b>	<b>Other non-current assets</b> Margin Money Deposit with bank	27.86	55.68
		<b>27.86</b>	55.68
<b>9</b>	<b>Cash and Bank Balances:</b> <b>Cash and cash equivalents</b> <b>Balances with banks in:</b> Current accounts Cash on hand	0.96 17.42	0.47 1.09
		<b>18.38</b>	1.56
<b>10</b>	<b>Short-term loans and advances</b> (Unsecured, considered good) <b>Advances to others:</b> Advance Income tax	3.94	3.40
		<b>3.94</b>	3.40



Notes forming part of the Financial Statements as at 31 March 2016

(Rs in lacs)

		For the Year ended 31-03-2016	For the Year ended 31-03-2015
<b>11</b>	<b>Other Income</b>		
	Interest received on deposits with banks	3.36	4.50
		<b>3.36</b>	<b>4.50</b>
<b>12</b>	<b>Depreciation expenses:</b>		
	Depreciation of tangible assets	-	16.39
		-	16.39
<b>13</b>	<b>Other expenses</b>		
	Construction period expenses charged off	101.28	-
	Payments to Auditors -Audit fees	0.57	0.56
		<b>101.85</b>	<b>0.56</b>
<b>14</b>	<b>Earnings per Equity share</b>		
	Net profit after Taxation (in Rs.)	(99.69)	(13.95)
	Weighted average number of equity shares	50,010	50,010
	Earnings per equity shares (in Rs.)	(199.34)	(27.90)
	Nominal value per share (Rs.)	10.00	10.00





# GRAVISS HOTELS AND RESORTS LIMITED

## Note -15

### SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016.

#### 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 straight line method in accordance with the rates and in the manner specified in Schedule II of Companies Act, 2013.

##### IV EMPLOYEE BENEFITS

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

##### V IMPAIRMENT OF ASSETS

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.

##### VI LEASES

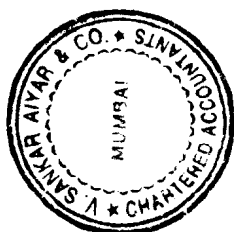
Operating lease expenses is recognized in the Profit and Loss Account on straight line basis over the lease term.

##### VII PROVISIONS & CONTINGENCIES

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

#### B Other Notes forming part of Financial Statements

- 1 Current and non-current classification of assets and liabilities in the balance sheet has been made based on the professional judgement of the management.
- 2 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.
- 3 Estimated amount of contracts remaining to be executed on capital account and not provided for is approximately -NIL (previous year NIL). There are no other commitments.
- 4 The Conveyance of the Agricultural lands at Alibaug and Shirdi which were purchased in 2007 for the beneficial interest of the Company in terms of the resolutions of the Board of Directors of the Company, are in the name of Mr Gaurav Ghai the Joint Managing Director of Graviss Hospitality Limited, the holding company and Mr Ravi Ghai, the Chairman and Managing Director of Graviss Hospitality Limited, the holding company respectively.
- 5 Some of the confirmations of Advance on Capital Account against Development Work are not available for verification.
- 6 **Retirement benefit**  
There are no eligible employees as on 31-03-2016 and therefore there are no long term employee benefits which require recognition based on actuarial valuation.



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

I Shareholders/Directors  
Graviss Hospitality Limited,\*Mr Ravi Ghai.\*Mr Gaurav Ghai  
(\*no transactions during the year)

II Holding Company- Graviss Hospitality Limited

III Other related parties where the common control exists  
Hotel Kankeshwar Pvt Ltd.

	(Rs. in lacs) 2015-16	(Rs. in lacs) 2014-15
<b>Unsecured Loans taken</b>		
Holding Company	9,240	9,032
<b>Unsecured Loans given</b>		
Other related parties where the common control exists	83	83

8 The Company had purchased lands at various places viz Goa, Alibaug and Shirdi for development of hotels. Since there is change in the business plans, the Company is exploring to sell these lands alongwith the buildings constructed so far.

9 "Advances on Capital Account against Purchase of Land" includes an amount of Rs. 270 lacs being the advance paid to three parties for purchase of lands against a total consideration of Rs. 2832 lacs. The Sole Arbitrator appointed by the Punjab & Haryana High Court, has vide Award dated 18-02-2016 passed order in favour of the Company and ordered the said parties to refund the aforesaid amount. The Company therefore considers the said advance as good of recovery.

10 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.

11 Based on the assessment of the management, the market value of the lands acquired at various places viz Goa, Alibaug and Shirdi, would be more than the original cost and would be more than sufficient to pay the loan taken by the Company from the holding Company and other liabilities.

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 the market value of lands as stated above, the going concern assumptions are not affected.

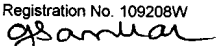
12 The Company does not have any asset whose useful life is different from the significant part of that asset.

13 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.

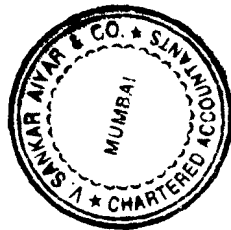
SIGNATURES TO NOTES 1 TO 15

As per our separate report of even date  
For V. SANKAR AIYAR & CO.  
Chartered Accountants  
Firm Registration No. 109208W



G. Sankar  
Partner  
Membership No. 46050

Place: Mumbai  
Date: 24 May 2016



  
Dalip Sehgal  
Director

  
Arjit Jain  
Director