

GRAVISS HOSPITALITY LIMITED

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BOARD OF DIRECTORS

Ravi Ghai	: Chairman & Managing Director
Gaurav Ghai	: Joint Managing Director
R.K.P. Shankardass	: Director
Mahendra V. Doshi	: Director
Harindra Singh	: Director
Gulshan Bijlani	: Director
Arun Tadarwal	: Director
Dalip Sehgal	: Director

COMPANY SECRETARY

Lajja Shah

REGISTRAR & SHARE TRANSFER AGENTS

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

BANKERS

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

Axis Bank

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

AUDITORS

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

REGISTERED OFFICE

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

ADMINISTRATIVE OFFICE

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

UNIT

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

MAYFAIR BANQUETS

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

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Notice

NOTICE is hereby given that the 51st Annual General Meeting of the members of GRAVISS HOSPITALITY LIMITED will be held on Tuesday, 10th July, 2012 at 2.00 p.m. at Dairy Tops, Plot No. J-177, M.I.D.C., Bhosari, Pune-411 026, Maharashtra to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date together with the schedules annexed thereto as well as the reports of the Board of Directors and Auditors' attached thereon.
2. To confirm the payment of Interim Dividend, being final dividend.
3. To appoint a Director in place of Mr. Gulshan Bijlani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Harindra Singh, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Pursuant to the provisions of section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. V. Sankar Aiyer & Co., Chartered Accountants (Firm Reg. No.0027855), be and are hereby re-appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration, taxes and out of pocket expenses, as may be fixed by the Board of Directors of the Company;

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

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

Appointment of Mr. Dalip Sehgal as Director of the Company:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Dalip Sehgal who was appointed as an Additional Director, pursuant to Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company subject to retirement of rotation under the provisions of the Articles of Association of the Company."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in accordance with provision of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provision of the Companies Act, 1956 and any statutory modification and re-enactment thereof for the time being in force and the Articles of Association of the Company, the Company hereby accords its approval for the re-appointment of Mr. Ravi Ghai as Managing Director of the Company effective from 1st April, 2012 for a further period of five years till 31st March 2017 on the existing terms and conditions mentioned below:

- A. Salary : not exceeding Rs. 36 lacs per annum
- B. Performance based incentive/commission: Amount not exceeding 50 % of the total salary and perquisites.
- C. Allowances and Perquisites: not exceeding Rs. 12 lacs per annum.
- D. The total remuneration including the salary, allowances, perquisites and commission shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things as the Board may consider necessary or expedient to give effect to this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above-stated remuneration as may be agreed to between the Board of Directors and Mr. Ravi Ghai.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Ravi Ghai, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under para 2 of Section II, Part II of Schedule XIII under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER THAT in terms of Article 118 of the Articles of Association of the Company, Mr. Ravi Ghai shall continue to hold office of director, without being subject to retire by rotation, so far as he continues to be the Managing Director.”

8. To consider and if thought fit to pass with or without modification, the following resolution as a **Ordinary Resolution**:

“RESOLVED THAT in accordance with provision(s) of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provision of the Companies Act, 1956 including any statutory modification and re-enactment thereof for the time being in force and the Articles of Association of the Company, the Company hereby accords its approval for the re-appointment of Mr. Gaurav Ghai as Joint Managing Director of the Company effective from 11th May, 2012 for a further period of five years on the existing terms and conditions mentioned below:

- A. Salary not exceeding Rs.30 Lacs per annum with authority granted to the Board of Directors (hereinafter referred to as “the Board” which term shall include a Committee of Directors) to determine the salary and grant increases from time to time within the aforesaid limit.
- B. Perquisites: He will be entitled to perquisites, allowances, benefits, facilities and amenities (collectively “allowances & perquisites”) such as rent free furnished residential accommodation or house rent allowance in lieu thereof, maintenance of such accommodation, gas, electricity & power, water, furnishings, utility allowance, medical reimbursement, foreign travel, leave travel assistance/allowance, membership fees for clubs, hospitalization and accident insurance, security at residence and any other “allowances & perquisites” as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time provided that aggregate value of such allowances & perquisites shall not exceed Rs. 16 lacs per annum. Allowances & Perquisites to be valued as per the Income-tax rules, wherever applicable and at actual cost to the Company in other cases.

In addition to the above, he will also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board from time to time:

(i) Company maintained car(s) with driver(s); (ii) Telephone(s) and fax at residence; (iii) Company's contribution to the provident Fund and Superannuation Fund; (iv) Payment of gratuity and other retiral benefits and (v) Encashment of leave

- C. Performance based incentive/commission: Amount not exceeding 50 % of the total salary and perquisites.
- D. The total remuneration including salary, allowances, perquisites and commission shall not exceed the limits specified in Schedule XIII to the Companies Act, 1956
- E. Subject to superintendence, control and direction of the Board and Managing Director, he shall perform such duties and functions as would be commensurate with his position as Joint Managing Director of the Company and as may be delegated to him from time to time.
- F. The Company or he shall be entitled to terminate his appointment by giving 12 months notice in writing or such shorter notice as may be mutually agreed between him and Company.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take such steps as the Board may consider necessary or expedient to give effect to this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above-stated remuneration as may be agreed to between the Board of Directors and Mr. Gaurav Ghai.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Gaurav Ghai, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under para 2 of Section II, Part II of Schedule XIII under the Companies Act, 1956 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.

RESOLVED FURTHER that in terms of Article 118 of the Articles of Association of the Company, Mr. Gaurav Ghai

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shall continue to hold office of director, without being subject to retire by rotation, so far as he continues to be the Joint Managing Director.”

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

Lajja Shah
Company Secretary

Dated: April 27, 2012.

Registered Office:

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

Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY FORM IS ENCLOSED.
- (b) Members are requested to bring their copy of the Annual Report to the Meeting.
- (c) Members are requested to intimate changes in their addresses, if any, to the Company.
- (d) Members are requested to note that the Register of Members and the Share Transfer Books of the Company will be closed from Monday, July 2, 2012 to Tuesday, July 10, 2012 (both days inclusive).
- (e) As required under Clause 49 of the Listing Agreement particulars of directors seeking appointment/re-appointment are annexed to this Notice below.
- (f) Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 3.00 p.m. and 5.00 p.m. on all working days up-to the date of the Annual General Meeting.
- (g) The Directors would appreciate advance mailing of queries on accounts, if any, which the members may wish to raise so as to enable the Directors to keep the replies ready.
- (h) It is requested that the queries be mailed to Registrars and Share Transfer Agents:
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400 078.
Phone No. 022-2596 3838, Fax No. 022-2596 2691
- (i) Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the administrative office of the Company.
- (j) The Company had declared an Interim dividend of Rs. 0.24 per equity share for the financial year ended 31st March 2012. The dividend remaining unpaid or unclaimed has been transferred to the unpaid dividend account of the company. However, there is no dividend remaining unpaid or unclaimed which requires to be transferred to Investor Education and Protection Fund.
- (k) At the ensuing Annual General Meeting, Mr. Dalip Sehgal, is seeking appointment as Director of the Company. The details pertaining to him required to be provided pursuant to clause 49 of the Listing Agreement is furnished as an Annexure to this Notice.
- (l) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereunder and forms part of the Notice.

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

Lajja Shah
Company Secretary

Dated: April 27, 2012

Registered Office:

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

Explanatory Statement as Annexure to the Notice

[Pursuant to section 173(2) of the Companies Act, 1956]

ITEM No. 6:

The Board of Directors of the Company (Board) in its meeting held on October 21, 2012 has appointed Mr. Dalip Sehgal as Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Article no.91 of the Articles of Association of the Company.

In terms of the provisions of section 260 of the Companies Act, 1956, Mr. Dalip Sehgal, will hold the office upto the date of this Annual General Meeting.

The Company had received notice in writing from the members of the company along with deposit of Rs.500/- proposing the candidature of Mr. Dalip Sehgal for the office of the Director under the provisions of section 257 of the Companies Act, 1956.

Brief resume of Mr. Dalip Sehgal, Director, nature of his experience in specific functional area and name of the companies in which he holds directorship, number of shares held in the company and membership/Chairmanship of the Board Committees as stipulated under the clause 49 of the Listing Agreement with the stock exchanges, are provided in the Annexure to the Notice.

The Board recommends the proposed resolution set out at item no.6 of the Notice for your approval.

None of the director except Mr. Dalip Sehgal is concerned or interested in the said resolution.

ITEM NO.7

Mr. Ravi Ghai was re-appointed as Managing Director with effect from 1st April 2012 for a further period of five years on the existing remuneration and terms and conditions at the Board Meeting held on 31st January 2012. The said appointment is within the limits stipulated in the Companies Act, 1956.

Mr. Ravi Ghai, born in the year 1943 is known as one of the pioneers in the hotel industry in India. Mr. Ravi Ghai was appointed on the Board of Company in the year 1977 and is serving as Chairman and Managing Director since the last 2 decades. He is well-respected for his vast and varied experience in the field of Hospitality business. Mr. Ravi Ghai has played a lead role in formulating the Company's strategy and has also been actively involved in international collaborations.

The pre dominant position which the Company occupies in the Hotel industry today is due to his very advanced and specialized knowledge in the field of Hospitality coupled with wide and varied experience in that field. The Directors consider it to be in the interest of the company to continue to avail the services of Mr. Ravi Ghai as its Managing Director.

The contents of the text of special resolution are self-explanatory in so far as terms and conditions of re-appointment are concerned and may be treated, for the purposes of section 302 of the Act, as an abstract of the contract between the Company and the Managing Director.

Your Directors recommend approval of this special resolution. None of other Directors except Mr. Ravi Ghai and Mr. Gaurav Ghai are interested or concerned in the said resolution.

ITEM NO.8

Mr. Gaurav Ghai was re-appointed as Joint Managing Director with effect from 11th May 2012 for a period of further period of five years on the existing remuneration and terms and conditions at the Board Meeting held on 27th April 2012. The said appointment is within the limits stipulated in the Companies Act, 1956.

Mr. Gaurav Ghai is the promoter of the Company and has 15 years of experience in Hotel Industry. Mr. Gaurav Ghai is in charge of day-to-day management of the company.

The contents of the text of ordinary resolution are self-explanatory in so far as terms and conditions of re-appointment are concerned and may be treated, for the purposes of section 302 of the Act, as an abstract of the contract between the Company and the Joint Managing Director.

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Your Directors recommend approval of this ordinary resolution. None of other Director other than Mr. Gaurav Ghai and Mr. Ravi Ghai are interested or concerned in the said resolution.

By Order of the Board

For **GRAVISS HOSPITALITY LIMITED**

Lajja Shah
Company Secretary

Dated: April 27, 2012

Registered Office:

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

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

Name of the Director	Mr. Gulshan Bijlani	Mr. Harinder Singh	Mr. Dalip Sehgal
Date of Birth	14th September, 1951	15th August, 1960	27th December, 1958
Date of Appointment	27th April 2007	30th April 2007	21st October 2011
Areas of Expertise	Director & Producer in films	Advertising and Media	Marketing, General Management
List of other Public Companies incorporated in India, in which directorships held.	None	Percept Limited	Graviss Hotels & Resorts Ltd.
List of Chairmanships/ memberships of committees of the Board of other Public Companies incorporated in India in which directorships held.	None	Percept Limited	None
No. of shares held in the Company prior to the appointment/re-appointment	17350 Equity shares of Rs. 2/- each.	None	None

Directors' Report**The Members of Graviss Hospitality Limited**

Your Directors are pleased to present their 51st Annual Report together with the Audited Financial Accounts for the year ended 31st March, 2012 :

1. SNAP SHOT OF FINANCIAL RESULTS:

(Rs. in Lacs)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Income	6210	7,136
Profit before Interest & Depreciation	1472	1,824
Interest	89	160
Depreciation	502	520
Profit before Taxation	881	1,144
Provision for Taxation:		
Current tax	(290)	(220)
Deferred Tax Credit	45	100
MAT Credit set off	0	(255)
Profit for the year	636	769
Balance brought forward from last period	1490	1,109
Balance carried forward	1821	1,490

2. OPERATIONAL PERFORMANCE:

During the financial year ended 31st March, 2012, the sales and operating income was Rs. 6210 Lacs and last year it was Rs.7162 Lacs (which includes Rs. 636 lacs of special catering). The net profit after tax stood at Rs.636 Lacs as against Rs. 769 Lacs during the previous year.

3. DIVIDEND:

During the year under review, your company had declared an Interim dividend of Rs. 0.24 (12%) per equity share for the financial year ended 31st March, 2012 at its Board meeting held on January 31, 2012 which is treated as the final dividend.

4. DIRECTORS:

During the year, Mr. Ravi Ghai was re-appointed as the Managing Director for a term of five years w.e.f. 1st April, 2012 at the Board Meeting dated 31st January, 2012, subject to the approval of the Members of the Company at the forthcoming Annual General Meeting of the Company.

Mr. Gaurav Ghai will be re-appointed as the Joint Managing Director of the company w.e.f 11th May, 2012 for a further term of five years, as approved by the Board of Directors vide their Meeting held on 27th April, 2012, subject to the approval of the Members of the company at the forthcoming Annual General Meeting of the Company.

In terms of the provisions of sections 255 and 256 of the Companies Act, 1956, Mr. Gulshan Bijlani and Mr. Harindra Singh, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

During the year under review, Mr. Vikram Seth ceased to be the Director of the Company due to his pre-occupation.

Mr. Dalip Sehgal was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 in its meeting held on 21st October, 2012. The approval of the shareholders is being sought for the appointment of Mr. Dalip Sehgal as Director of the Company at its ensuing Annual General Meeting of the company.

A brief resume of the Director reappointed/appointed at the ensuing Annual General Meeting, nature of expertise and name of companies in which he holds directorship and/or membership/chairmanship of the committees of the Board as stipulated under clause 49 of the Listing Agreement is annexed to the Notice forming part of the Annual Report.

5. MANAGEMENT DISCUSSION AND ANALYSIS:

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

6. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- In preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the Profits of the Company for the year ended 31st March, 2012;
- The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis.

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7. SUBSIDIARY COMPANIES:

In terms of the approval granted by your Directors vide circular resolution dated March 7, 2011 and in compliance with the circular issued by Ministry of Corporate Affairs on February 8, 2011, copies of the Balance Sheet, Profit and Loss account, Report of the Board of Directors and Auditors of Subsidiaries have not been attached with the Balance Sheet of the Company. The Annual Accounts and other related detailed information of the Company as well as of the subsidiary companies will be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. The Annual accounts of the company as well as of the subsidiary companies will also be kept for inspection by any shareholders in the head office of the company and the subsidiary companies concerned.

8. CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the duly audited Consolidated Financial Statements of the holding company and all its subsidiaries as a part of the Annual Report and prepared in accordance with the Accounting Standards 21 issued by the Institute of Chartered Accountants of India and where applicable, Listing Agreement, as prescribed by the Securities Exchange Board of India.

9. FIXED DEPOSITS:

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

10. CORPORATE GOVERNANCE:

The Company has adopted the corporate governance policies which has set out the systems, process and policies vital to enable companies to compete globally in a sustained manner and let them flourish and grow. A separate report on Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual report. A Certificate from the auditors of the Company M/s V. Sankar Aiyar & Co., confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid clause 49 is annexed to this report.

11. CODE OF BUSINESS CONDUCT AND ETHICS:

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

12. LISTING:

The equity shares of your company are presently listed on Bombay Stock Exchange Limited and company has paid the listing fees for the financial year 2012-2013.

13. PARTICULARS OF EMPLOYEES:

During the year under review, the Company has not employed any person who was in receipt of remuneration which, in aggregate, was not less than Rupees Five Lacs per month or Rupees Sixty Lacs per annum.

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

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

FOREIGN EXCHANGE EARNING AND OUTGO:

(Rs. in Lacs)		
Particulars	Current Year 2011-2012	Previous year 2010-2011
CIF Value of Imports	63.47	57
Expenditure in Foreign Currency	216	376
Earnings in Foreign Exchange	1826	2,025

15. RELATED PARTY DISCLOSURES:

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

17. AUDITORS:

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

18. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the continued support and co-operation of the shareholders, banks, various regulatory authorities and central and state government officials, vendors, customers and for valuable contributions made by the employees of the company.

For and on behalf of the Board of Directors

Management Discussion and Analysis

Industry Structure and Developments

Overview of Tourism and Indian Economy:

The financial year 2011-2012 has been challenging for the world at large. With the global economic machinery almost shuttering to a halt, the corporate world had been engaged in cost cutting via drastic cut backs on non essential expenses; this drop in corporate travel had adversely affected the Indian Hospitality sector. The government too is making conscious efforts to revive the industry through a slew of policy decisions as many new and ongoing hotel projects had stalled during the downturn. These includes Reserve Bank of India ruling, which states that loans for construction of hotels will not be classified as commercial real estate, relaxation in External Commercial Borrowings norms and the recently announced investment linked tax deduction for new hotels of two star category and above. The Indian Hospitality industry is beginning to show a few signs of recovery.

Opportunities:

The Hotel industry in India is expected to boom with rising room rates and on high occupancy rates. The Country is facing a shortage of hotel rooms and the industry needs to more than double its room inventory from the current levels. India is becoming the epicenter for outsourcing and new age businesses and the growth in the economy is attracting tourists from all around the world. With increase in the disposable income in the hands of people, domestic tourism has also been rising very rapidly. The demand and supply imbalance of hotel rooms is pushing average room rates (ARR) further as new properties are not coming up at the same place. This represents a significant opportunity for the Company.

Threats:

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

Outlook:

The global economic and financial situation is recovering slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets. It is hard to visualise strong economic growth in the advanced economies in 2012. The implications for this, for India's strategy to return to the 9.0% growth trajectory are that public policy must promote business confidence and facilitate increased investment. Despite a positive long term view, the current business environment remains challenging. The strong macro economic outlook is expected to continue providing momentum for growth of the hotel industry in India. It should be noted that the base for tourism in India is still very low. The sudden surge in demand for hotel accommodation over the last three years has inflated hotel rooms in the country. However, a number of international brands across all hotel segments are planning to or have recently entered the Indian market. Domestic hotel chains, too, are embarking on strong expansion and development plans across all hotel segments. As the gap between supply and demand for hotel accommodation narrows over the next few years, we expect room rates to rationalize, which would encourage leisure travel.

Report on Corporate Governance

In accordance with clause 49 of the Listing Agreement and some of the best practices of Corporate Governance, the report containing the details of governance systems and processes at Graviss Hospitality Limited is as under:

1. Philosophy:

The Company's policy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interaction with stakeholders, including shareholders, employees, the government, lenders and society. The Company believes that all its operations and actions must serve the underlying goal of enhancing long term shareholder value.

2 Board of Directors:

(i) Composition of the Board:

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

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

Name of the Directors	Designation	Category	No. of Other Directorships*	No. of Other Committee Memberships#	
				Chairman	Member
Mr. Ravi Ghai	Chairman & Managing Director	Promoter, Executive, Non-Independent	1	—	—
Mr. Gaurav Ghai	Joint Managing Director	Promoter, Executive, Non-Independent	—	1	2
Mr. Mahendra Doshi	Director	Non-Executive, Independent	4	1	2
Mr. R.K.P. Shankardass	Director	Non-Executive, Independent	—	—	2
Mr. Harindra Singh	Director	Non-Executive, Independent	1	—	1
Mr. Gulshan Bijlani	Director	Non-Executive, Independent	—	—	1
Mr. Arun Todorwal	Director	Non-Executive, Non Independent	7	1	8
Mr. Dalip Sehgal	Additional Director	Non Executive, Non Independent	1	—	—

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

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

During the year under review, the Board of Directors met Four times during the year viz. 29th April, 2011, 1st August, 2011, 21st October, 2011 and 31st January, 2012. The maximum gap between any two consecutive meetings did not exceed four months. The last Annual General Meeting of the Company was held on 30th June, 2011. The details of attendance of Directors in Board Meetings and last Annual General Meeting are as follows:

Name of the Director	No. of Board Meetings Attended	Attendance at Last Annual General Meeting
Mr. Ravi Ghai	2	Absent
Mr. Gaurav Ghai	2	Absent
Mr. Harindra Singh	2	Absent
Mr. Mahendra V. Doshi	4	Absent
Mr. R.K.P. Shankardass	1	Absent
Mr. Dalip Sehgal*	1	Not Applicable
Mr. Gulshan Bijlani	2	Absent
Mr. Arun Todorwal	4	Present
Mr. Vikram Seth**	1	Present

*Appointed as Non Executive Director w.e.f. 21st October 2011

** Resigned as Non Executive Director w.e.f. 21st October 2011

(iii) Code of Conduct:

The Board has laid down the Code of Conduct for all Board members and Senior Management of the Company and the same is posted on the website of the Company. A Certificate from Mr. Harsh Varma, Chief Executive Officer with regard to the compliance of code of conduct by the Board members and the senior management for the year ended 31st March, 2012 is enclosed and forms part of this report.

(iv) Directors seeking re-appointment:

Mr. Gulshan Bijlani and Mr. Harindra Singh, Directors of the company shall retire by rotation at the ensuing Annual General meeting and is eligible for re-appointment. Mr. Dalip Sehgal was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 in its meeting held on October 21, 2011. The approval of the shareholders is being sought for the appointment of Mr. Dalip Sehgal as Director of the Company at its ensuing Annual General Meeting of the company. The brief resumes and the details of their other directorships including their shareholding have already been provided in the Notice.