



Taj Krishna, Hyderabad



Taj Deccan, Hyderabad



Taj Banjara, Hyderabad



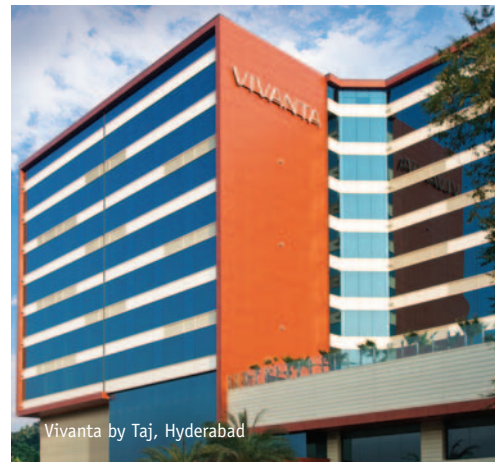
Taj Chandigarh, Chandigarh



Guest Lounge, III floor, Vivanta by Taj, Hyderabad



Taj Clubhouse, Chennai



Vivanta by Taj, Hyderabad

# TAJGVK

TAJGVK Hotels & Resorts Limited

17<sup>th</sup> Annual Report 2011 - 12

## Board of Directors

(As on 30th April 2012)

Dr G V Krishna Reddy	: Executive Chairman
G Indira Krishna Reddy	: Managing Director
Shalini Bhupal	: Executive Director
G V Sanjay Reddy	: Director
Krishnaram Bhupal	: Director
Dr Raymond N Bickson	: Director
Anil P Goel	: Director
Deepa Misra Harris	: Director w.e.f. 30.01.2012
Dr Abid Hussain	: Director
D R Kaarthikeyan	: Director
Dr A Ramakrishna	: Director
C D Arha	: Director
P Abraham	: Director
K Jayabharath Reddy	: Director
M B N Rao	: Director
Ch G Krishna Murthy	: Director w.e.f. 30.04.2012
S B Kamath	: General Manager - Finance and Company Secretary

## Committees of the Board

### Audit Committee

Dr A Ramakrishna	: Chairman
Dr Raymond N Bickson	
Anil P Goel	
D R Kaarthikeyan	
C D Arha	
Dr. Abid Hussain	
K Jayabharath Reddy	
M B N Rao	

### Remuneration Committee

Dr A Ramakrishna	: Chairman
C D Arha	
Dr Raymond N Bickson	

### Shareholders' / Investors' Grievances Committee

G Indira Krishna Reddy	
Anil P Goel	

### Statutory Auditors : M/s Brahmayya & Company

Flat No.403 & 404, Golden Green Apartments  
Irrum Manzil Colony, Hyderabad 500 082.

### Secretarial Auditors : M/s P S Rao & Associates Company Secretaries

Flat No.10, 4th Floor, D. No.6-3-347/22/2  
Ishwarya Nilayam, Opp. Sai Baba Temple  
Dwarakapuri Colony, Punjagutta  
Hyderabad – 500 082.

### Internal Auditors : M/s A F Ferguson & Co., 1-8-384, 385, Gowra Grand, 3rd Floor, Sardar Patel Road Begumpet, Secunderabad 500 003.

### Bankers

: IDBI Bank Limited
The Hongkong & Shanghai Banking Corporation Ltd
HDFC Bank Ltd.
The Bank of Nova Scotia
HDFC Limited

### Registered Office

: Taj Krishna, Road No.1 Banjara Hills, Hyderabad - 500 034. E-mail: tajgvkshares.hyd@tajhotels.com www.tajgvk.in
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### Registrars & Share Transfer Agents

: Karvy Computershare Pvt. Ltd. Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081. Tel: 040 23420815 - 28 Fax: 040 23420859 E-mail mailmanager@karvy.com
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### Stock Exchanges where Company's securities are listed

: Bombay Stock Exchange Limited The National Stock Exchange of India Limited
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## FINANCIAL HIGHLIGHTS

(₹ in crores)

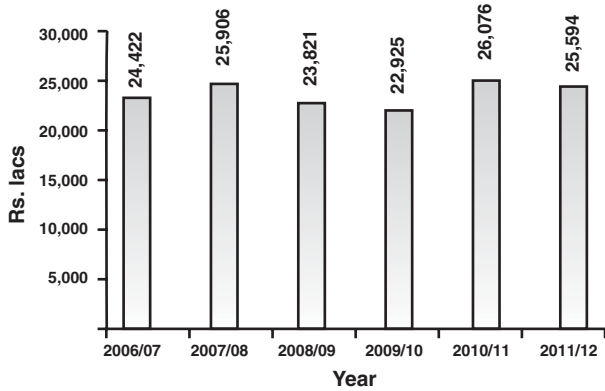
	2011-12	2010-11	2009-10	2008/09	2007/08	2006/07
Gross revenue	<b>255.94</b>	260.66	229.25	238.21	258.36	244.22
Profit before tax	<b>42.78</b>	65.73	54.96	81.69	108.29	100.79
Profit after tax(after extraordinary / prior period items)	<b>29.33</b>	43.34	36.27	52.76	70.42	64.32
Dividend (incl. Dividend tax and surcharge, if any)	<b>10.92</b>	14.57	14.62	14.67	23.47	22.01
Net Worth	<b>338.66</b>	320.10	291.17	269.36	231.12	183.25
Borrowings	<b>189.32</b>	141.13	125.33	138.99	74.46	73.39
Debt Equity ratio	<b>0.55:1</b>	0.42:1	0.43:1	0.52:1	0.32:1	0.40:1
Book value per share (Rs.)	<b>54.20</b>	51.27	46.68	43.22	37.15	29.66
Earnings per share (Rs.)	<b>4.68</b>	6.91	5.78	8.42	11.23	10.26
Dividend %	<b>75%</b>	100%	100%	100%	160%	150%

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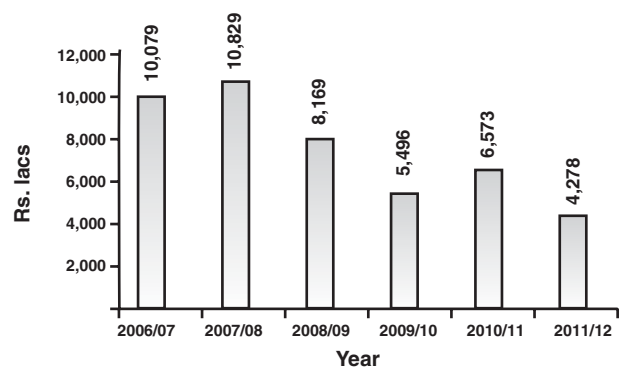
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**SELECT HISTORICAL DATA**

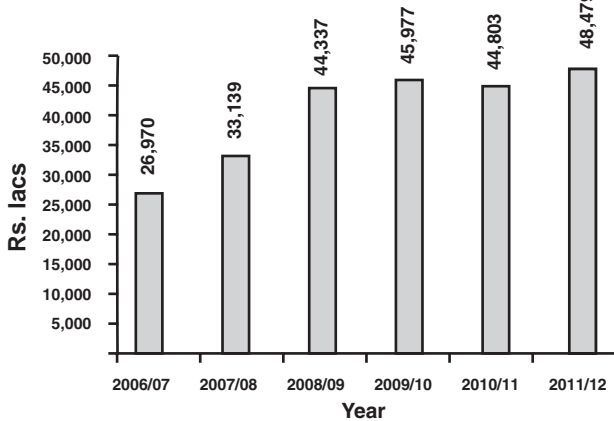
**Turnover**



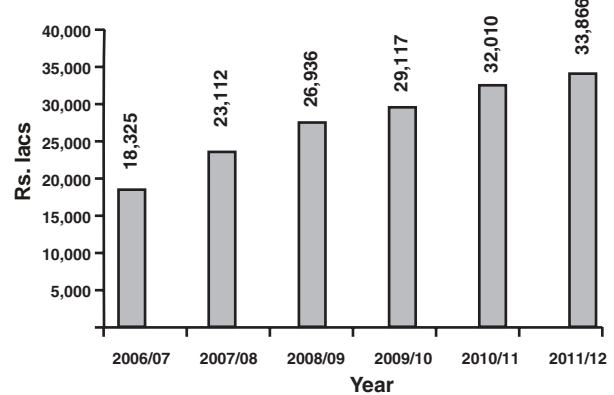
**PBT**



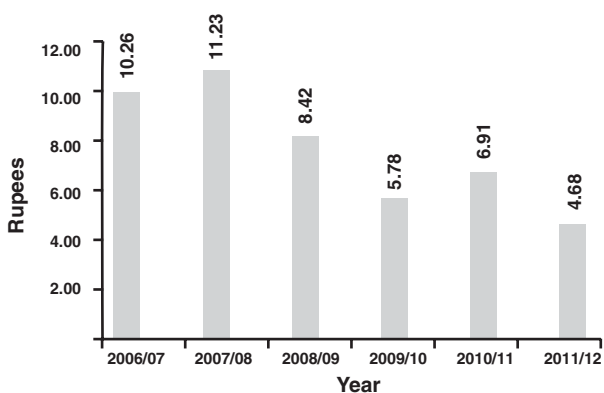
**Net Fixed Assets**



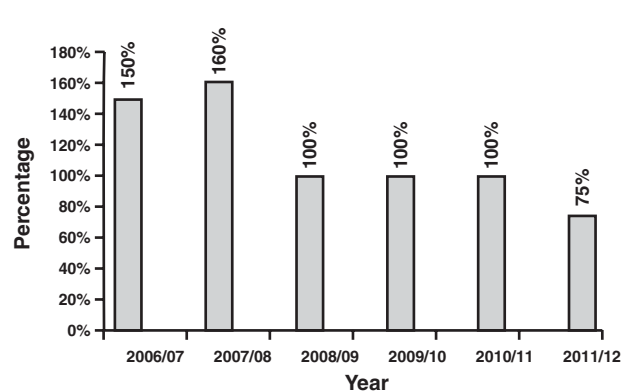
**Net Worth**



**EPS**



**Dividend %**



**NOTICE OF THE 17<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING of TAJGVK HOTELS & RESORTS LIMITED** will be held at Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad 500073, on **Friday, the 27<sup>th</sup> July 2012**, at 11.30 a.m. to transact the following business:

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2012, and the Balance Sheet as at that date, together with the Directors' Report and the Auditors' Report thereon.
- 2) To declare a dividend
- 3) To appoint a Director in place of Mr. G V Sanjay Reddy, who retires by rotation and is eligible for reappointment.
- 4) To appoint a Director in place of Dr. Abid Hussain, who retires by rotation and is eligible for reappointment.
- 5) To appoint a Director in place of Dr. A Ramakrishna, who retires by rotation and is eligible for reappointment.
- 6) To appoint a Director in place of Mr. M B N Rao, who retires by rotation and is eligible for reappointment.
- 7) To appoint M/s Brahmayya & Company, Chartered Accountants, to hold the office as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to authorise the Board to fix their remuneration.

**Special Business**

**8) Shifting of the Register of Members and the Index of Members of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 163 and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to shift the Register of Members and the Index of Members from M/s Sathguru Management Consultants Private Limited, Plot No.15, Hindi Nagar, Punjagutta, Hyderabad 500 034 to **M/s Karvy Computershare Private Limited**, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081."

**9) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Mrs. Deepa Misra Harris who was appointed as an Additional Director of the Company by

the Board of Directors with effect from 30<sup>th</sup> January, 2012 pursuant to Article 99 of the Articles of Association of the Company and who holds office up to the date of the forthcoming Annual General Meeting under Section 260 of the Companies Act, 1956, being eligible for reappointment and in respect of whom the Company has received a notice together with the required deposit under Section 257 of the Companies Act, 1956, in writing, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."

**10) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT Mr. Ch G Krishna Murthy who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> April, 2012 pursuant to Article 99 of the Articles of Association of the Company and who holds office up to the date of the forthcoming Annual General Meeting under Section 260 of the Companies Act, 1956, being eligible for reappointment and in respect of whom the Company has received a notice together with the required deposit under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

**NOTES:**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b. The Proxy form duly completed must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
- c. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 23<sup>rd</sup> July 2012 to Friday 27<sup>th</sup> July 2012 (both days inclusive) for the purpose of the Annual General Meeting of the Company and for payment of dividend.
- d. During the year 2011-12 the Company has transferred unclaimed amount, out of dividend declared for the financial year 2003-04 (Final Dividend account) for an amount of ₹4,49,587.00 to the General Revenue Account / Investor Education and Protection Fund (IEPF) of the Central Government as required under Sections 205A (5) and sub section (1) of section 205C of the Companies Act, 1956. Members may please note that if unpaid dividend is not claimed from the Company for seven years from the date when it became due, it shall be transferred

to the IEPF as stated above and it cannot be claimed from that fund.

Members who have not encashed their dividend warrants within the validity period may write to the Company Secretary, TAJGVK Hotels & Resorts Limited, Taj Krishna, Road No.1, Banjara Hills, Hyderabad – 500 034, for obtaining payment in lieu of such dividend warrants.

- e. The dividend on Ordinary Shares, as recommended by the Directors, if declared at the Annual General Meeting, will be paid on or before 26<sup>th</sup> August 2012, to the Members whose names appear on the Company's Register of Members on 21<sup>st</sup> July 2012. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of shares as per details furnished by National Securities Depository Limited and Central Depository Services India Limited for the purpose.
- f. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment and reappointment at the meeting are annexed.
- g. Members are requested to update their email id with their respective depository participant and with the Company's Registrar and Transfer Agents (RTA) to enable dispatch the communications in electronic form from time to time as your Company has taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.

- h. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
- i. Members are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communications to their changed address.
- j. Members desiring any information as regards the accounts are requested to write to the General Manager - Finance and Company Secretary at an early date so as to enable the Management to reply at the Meeting.
- k. Members are requested to kindly bring their copies of the Annual Report to the Meeting. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.

**By Order of the Board of Directors  
For TAJGVK Hotels & Resorts Limited**

Place: Hyderabad  
Date : 30<sup>th</sup> April, 2012

**S B KAMATH**  
General Manager Finance  
& Company Secretary

**Registered Office:**  
Taj Krishna, Road No.1,  
Banjara Hills, Hyderabad 500 034.

#### EXPLANATORY STATEMENT

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

The following Explanatory Statement of the Company sets out the material facts relating to the business under Item Nos.8, 9, and 10 mentioned in the accompanying Notice dated 30<sup>th</sup> April 2012.

#### ITEM NO.8

M/s Sathguru Management Consultants Pvt Ltd., Hyderabad was the Registrar and Share Transfer Agent (RTA) of the Company for both physical and dematerialised shares. The RTA informed vide their letter dated 30.08.2011 that it was discontinuing its RTA services and advised the Company to appoint new RTA to ensure continuity of service to the shareholders.

In view of the above, the Board has approved change of RTA from Sathguru Management Consultants Pvt Ltd to Karvy Computershare Pvt Ltd. Karvy Computershare is one of the premier Registrar in the Country and they have pioneered themselves in this field is presently servicing over 57 million investor accounts spread over 440 issuers. The Karvy a SEBI registered category1 registrar has a work force of over 2500 experienced personnel with a latest technology infrastructure facilities.

Pursuant to the appointment of the new RTA, the Register of Members and the Index of Members needs to be shifted from M/s Sathguru Management Consultants Pvt Ltd., **to M/s Karvy Computershare Pvt Ltd.**, and the Board also approved the same as required u/s 163 of the Companies Act, 1956, to maintain the Register of Members in a place other than registered office or while shifting the place for keeping the register of members and index of members.

It is now proposed to shift the Register of Members and Index of Members from existing RTA, i.e., from M/s Sathguru Management Consultants Pvt Ltd., **to M/s Karvy Computershare Pvt Ltd.**,

Pursuant to section 163(i)(iii), of the Companies Act, 1956, the Registrar of Companies, Andhra Pradesh, Hyderabad, has already been given a copy of the proposed Special Resolution. Your Directors recommend the above Special Resolution for your approval.

None of the Directors is interested in the above resolution.

**ITEM NO.9**

The Board of Directors of the Company had co-opted Mrs. Deepa Misra Harris as an Additional Director of the Company during the Board Meeting held on 30<sup>th</sup> January 2012. In terms of the provisions of section 260 of the Companies Act, 1956, she will hold the office as an Additional Director till the date of the ensuing Annual General Meeting.

Mrs. Deepa Misra Harris is a Post Graduate in English from Delhi University's Lady Sriram College one of India's top college along with a degree in Mass Communications. She began her career as a features editor with India's only Fashion magazine of the time, where she spent two years shaping editorial coverage and trends.

Mrs. Deepa as Senior Vice President Sales & Marketing, oversees all sales and marketing initiatives for Taj Hotels worldwide, celebrated as India's original and finest hotel chain offering inspired hospitality, culinary innovation and more. This includes 109 hotels around the globe under four brands: Taj Hotels Resorts and Palaces, the Luxury brand which includes the flagship - Taj Mahal Palace in Mumbai, city hotels across key metros, three hotels in the U.S., authentic royal palaces in India and Taj Safari Lodges; 23 Vivanta hotels & resorts and 10 upper upscale hotels in India and beyond; 25 Gateway Hotels and Resorts with its footprint across India and South Asia and 24 Ginger hotels.

Previously Vice President of Marketing, Ms. Harris has spent 28 years with Taj Hotels. She is the only specialist to have served separately as VP of Sales and VP of Marketing before taking the lead job to oversee both functions. Having worked across most markets, she has played an integral role in the growth of Taj, including the roll-out of the new Vivanta by Taj and Gateway brands. She serves on key industry boards, including PATA, Experience India (the India Ministry of Tourism's private/public think tank partnership), the Luxury Marketing Council of India, and on the marketing advisory board for Leading Hotels of the World.

Mrs. Deepa is also the first hospitality executive representative to be named by a leading business publication to India's prestigious list of the top 50 women (two years in a row) whose proven leadership skills have helped them successfully break through the glass ceiling to triumph in their fields.

Your Company has received a notice, in writing, from a Member, under section 257 of the Companies Act, 1956 signifying her intention to appoint her as Director of the Company together with the prescribed deposit. The Board considers it desirable that the Company should continue to avail the services of Mrs. Deepa Misra Harris and accordingly commends the resolution for acceptance by the Members.

None of the directors except the incumbent is concerned or interested in the resolution of her appointment.

**ITEM NO.10**

The Board of Directors of the Company had co-opted Mr. Ch G Krishna Murthy as an Additional Director of the Company w.e.f. 30<sup>th</sup> April 2012. In terms of the provisions of section 260 of the Companies Act, 1956, he will hold the office as an Additional Director till the date of the ensuing Annual General Meeting.

He has been a member, Law Commission India and has served on the Income Tax Appellate Tribunal in various capacities including President. He has also been a chairman of the Oil Selection Board, Ministry of Petroleum for the states of Karnataka, Andhra Pradesh and Orissa. He is also a practicing chartered accountant.

He was a member of the Governing Council of the International Centre for Alternative Dispute Resolution (ICADR), a member of the General Council of the National Academy of Legal Studies and Research University, a Chairman of the Chinmaya Vidyalaya and a member of the Chinmaya Seva Trust.

Your Company has received a notice, in writing, from a Member, under section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company together with the prescribed deposit. The Board considers it desirable that the Company should continue to avail the services of Mr. Ch G Krishna Murthy and accordingly commends the resolution for acceptance by the Members.

None of the directors except the incumbent is concerned or interested in the resolution of his appointment.

**By Order of the Board of Directors  
For TAJGVK Hotels & Resorts Limited**

Place: Hyderabad  
Date : 30<sup>th</sup> April, 2012

**S B KAMATH**  
General Manager Finance & Company Secretary

**Registered Office:**  
Taj Krishna, Road No.1, Banjara Hills,  
Hyderabad 500 034.

## ANNEXURE

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

Name of the Director	Mr. G V Sanjay Reddy	Dr. Abid Hussain	Dr. A Ramakrishna	Mr. M B N Rao	Mrs. Deepa Misra Harris	Mr. Ch C Krishna Murthy
Date of Birth	18.11.1964	26.12.1926	20.12.1939	19.06.1948	26.10.1958	09.02.1931
Date of Appointment	29.09.1998	27.04.2001	26.12.2005	24.10.2009	30.01.2012	30.04.2012
Qualifications	B.E., MBA, USA	I A S (Retd.)	Masters in Structural Engineering	B.Sc.(Ag)	Degree in Mass communications & Masters in English	M.A; LL B; F C A
Expertise in specific functional areas	Hotel Operations, Power Plant operations & Biotechnology	Has held various senior positions in the State & Central Government as also in various Overseas Development Bodies	Structural Engineering, Design & construct of large projects	Banking	Sales & Marketing	Legal & Tax matters
List of Companies in which outside Directorship held as on 31.03.2012	<ol style="list-style-type: none"> <li>GVK Power &amp; Infrastructure Ltd.</li> <li>Bengaluru International Airport Ltd.</li> <li>Alaknanda Hydro Power Co. Ltd.</li> <li>GVK Oil &amp; Gas Ltd.</li> <li>GVK Energy Ltd.</li> <li>GVK Power (Goindwal Sahib) Ltd.</li> <li>Pinakini Share &amp; Stock Brokers Ltd.</li> <li>GVK Gautami Power Ltd.</li> <li>GVK Industries Ltd.</li> <li>GVK EMRI</li> </ol>	<ol style="list-style-type: none"> <li>Nagarjuna Oil Corporation Ltd.</li> <li>Morgan Stanley Asset Management (I) Ltd.</li> <li>Shree Cement Ltd.</li> <li>GVK Industries Ltd.</li> <li>GVK Power &amp; Infrastructure Ltd.</li> <li>Zodiac Clothing Co. Ltd.</li> <li>Wockhardt Ltd.</li> <li>GVK EMRI</li> </ol>	<ol style="list-style-type: none"> <li>Andhra Sugars Ltd.</li> <li>The Andhra Petrochemicals Ltd.</li> <li>Brigade Enterprises Ltd.</li> <li>GVK Energy Ltd.</li> <li>GVK Gautami Power Ltd.</li> <li>GVK Power &amp; Infrastructure Ltd.</li> <li>The KCP Ltd.</li> <li>Madras Cements Ltd.</li> <li>Ramco Industries Ltd.</li> <li>Teesta Urja Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Cholamandalam Investment and Finance Co Ltd.</li> <li>E I D Parry (India) Ltd.</li> <li>Electro Steel Castings Ltd.</li> <li>Madras Cements Ltd.</li> <li>BEVL Ltd.</li> <li>Neyveli Lignite Corporation Ltd.</li> <li>Aircel Ltd.</li> <li>Aircel Cellular Ltd.</li> <li>Dishnet Wireless Ltd.</li> <li>Apollo Munich Health Insurance Co. Ltd.</li> <li>CRISIL Risk and Infrastructure Solutions Ltd.</li> <li>Indian Clearing Corporation Ltd.</li> <li>Lanco Amarkantak Power Ltd.</li> <li>NLC Tamilnadu Power Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Plem Hotels Ltd.</li> <li>Northern India Hotels Ltd.</li> <li>Taj Karnataka Hotels and Resorts Ltd.</li> </ol>	GVK Power & Infrastructure Limited
Chairman / Member of the *Committees of other Companies on which he is a Director as on 31.03.2012	NIL	<p>Audit Committee Member</p> <ol style="list-style-type: none"> <li>GVK Industries Ltd.</li> <li>Shree Cement Ltd.</li> <li>Wockhardt Ltd.</li> </ol> <p>Shareholders &amp; Investors Grievances Committee Member</p> <ol style="list-style-type: none"> <li>Shree Cement Ltd.</li> </ol>	<p>Audit Committee:</p> <p>Member</p> <ol style="list-style-type: none"> <li>Brigade Enterprises Ltd.</li> <li>GVK Energy Ltd.</li> <li>GVK Gautami Power Ltd.</li> <li>GVK Power &amp; Infrastructure Ltd.</li> <li>The KCP Ltd.</li> <li>Madras Cement Ltd.</li> <li>Ramco Industries Ltd.</li> <li>Teesta Urja Ltd.</li> </ol> <p>Remuneration Committee Chairman</p> <ol style="list-style-type: none"> <li>GVK Power &amp; Infrastructure Ltd. Member</li> <li>Madras Cements Ltd.</li> </ol>	<p>Audit Committee Member</p> <ol style="list-style-type: none"> <li>BEVL Ltd.</li> <li>Cholamandalam Investment and Finance Co Ltd.</li> <li>E I D Parry (India) Ltd.</li> <li>Neyveli Lignite Corporation Ltd.</li> </ol> <p>Chairman</p> <ol style="list-style-type: none"> <li>Apollo Munich Health Insurance Co Ltd.</li> <li>Indian Clearing Corporation Ltd.</li> <li>Lanco Amarkantak Power Ltd.</li> <li>NCL Tamil Nadu Power Ltd.</li> </ol>	NIL	<p>Audit Committee Chairman</p> <ol style="list-style-type: none"> <li>GVK Power &amp; Infrastructure Ltd. Shareholders &amp; Investors Grievances Committee Member</li> <li>GVK Power &amp; Infrastructure Ltd.</li> </ol>

\* The Committees include the Audit Committee, the Remuneration Committee and the Shareholders' / Investor Grievance Committee.



**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Seventeenth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012.

**FINANCIAL RESULTS**

The performance of the Company for the financial year ended 31<sup>st</sup> March 2012 is summarized below:

(₹ in crores)		
Particulars	2011/12	2010/11
Turnover	<b>255.94</b>	260.66
Profit before Depreciation, Interest & Tax (PBDIT)	<b>80.02</b>	97.74
Less: Depreciation	<b>22.10</b>	20.61
Profit Before Interest & Tax	<b>57.92</b>	77.03
Less: Interest	<b>15.14</b>	11.30
Profit Before Tax	<b>42.78</b>	65.73
Less: Provision for		
- Current Tax & Wealth Tax	<b>8.70</b>	19.22
- Deferred Tax	<b>13.48</b>	3.19
- MAT credit entitlement	<b>(8.70)</b>	—
- Short provision for earlier years	<b>(0.03)</b>	(0.02)
Profit After Tax	<b>29.33</b>	43.34
Balance brought forward from previous year	<b>177.88</b>	159.12
Profit available for appropriation	<b>207.21</b>	202.46
Less: Proposed Dividend	<b>9.40</b>	12.54
Dividend Tax on the above	<b>1.53</b>	2.03
Transfer to General Reserve	<b>5.00</b>	10.00
Balance carried over to balance sheet	<b>207.21</b>	177.88
Earnings per Share (₹)	<b>4.68</b>	6.91

**OPERATIONS / PERFORMANCE**

During the year 2011-12 your Company's turnover decreased by 2% from ₹260.66 crores to ₹255.94 crores. The gross operating profit (PBDIT) was lower by 18.04% at ₹80.02 crores from the previous year's ₹97.64 crores and the net profit was lower by 32.33% in the current year at ₹29.33 crores compared to ₹43.34 crores of the previous year.

**DIVIDEND**

Your Directors are pleased to recommend a dividend of 75% (₹ 1.50 per equity share) on the Equity Shares of the Company for the financial year 2011/12. The outflow on account of the dividend would be ₹10.93 crores including tax on Dividend.

**INVENTORY ADDITION**

During the financial year 2011-12, new five star hotel by name Vivanta By Taj Begumpet, Hyderabad became operational. This 181 room hotel was well received by the city and with this expansion, the Company's room inventory has gone up from 902 rooms to 1083 rooms.

**EXPANSION PLANS**

**Taj Krishna**

The construction of an additional Car parking facility along-

with enhanced landscaping and connecting bridges at the existing premises of Taj Krishna is nearing completion.

**GINGER HOTEL PROJECTS**

The Company is also planning to enter the value for money segment through the 'Ginger' brand in Andhra Pradesh. The excavation works on the first Ginger hotel on a site located near the Shamshabad International Airport have been completed and civil work is expected to commence shortly.

**INVESTMENT IN MUMBAI HOTEL PROJECT**

The Company jointly with M/s. Greenridge Hotels & Resorts Private Limited (Greenridge - a GVK Company) through its SPV M/s. Green Woods Palaces & Resorts Private Limited (Green Woods) are setting up a 5 Star Deluxe (Luxury category) Hotel Project comprising of 275 rooms near Terminal 1C, Santacruz, Mumbai at Mumbai International Airport under the 'TAJ' brand.

Necessary agreements to this effect have been entered into. TAJGVK in tranches would invest around ₹110.25 crs in the Hotel Project.

**OTHER PROJECTS**

Company has been allotted around 6 acres land in Yellahanka Bengaluru for hotel project. Plans are under evaluation.

**HUMAN RESOURCES**

Your Company, growing in a competitive and dynamic environment, places great importance in the overall training and development of its employees, who make the decisive difference in the hotel industry.

The total strength of employees of your Company for the year under review was about 1956, which included executives, bargainable staff, probationers, trainees, apprentices and contract employees.

Industrial Relations throughout the year continued to remain cordial.

**QUALITY**

The three properties at Hyderabad and Chandigarh property are HACCP (Hazard Analysis Critical Control Points) certified by the international certification agency BVQI. The 3 properties at Hyderabad, Chandigarh and Chennai are also ISO 22000:2005 compliant by maintaining the desired norms for Food Safety Management Systems in Food & Beverage operations.

**LISTING**

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees, etc.

**DIRECTORS**

During the year 2011, Mr. Ajit Singh, Independent Director expired on 24<sup>th</sup> December, 2011. Mr. Ajit Singh was the Director since 2009 and he was also a Director in the erstwhile GVK Hotels Limited and the Company has availed his services for the Hospitality business since inception of the GVK's flagship hotel under the name Krishna Oberoi. The Board acknowledged the immense contribution of Mr. Ajit Singh and deeply regretted his demise.

In accordance with the Companies Act, 1956 read with the Articles of Association of the Company, Mr. G V Sanjay Reddy, Dr. Abid Hussain, Dr. A Ramakrishna and Mr. M B N Rao Directors, retire by rotation and being eligible have offered themselves for re-appointment.

Mrs. Deepa Misra Harris, Mr. Ch G Krishna Murthy have been co-opted as an Additional Directors on 30<sup>th</sup> January 2012, 30<sup>th</sup> April 2012 respectively and shall hold the office up to this Annual General Meeting. Your company is in receipt of individual notice under section 257 of the Companies Act, 1956 for their appointment as Director of the company.

Your Board recommends the above appointments/reappointment of Directors in the best interest of the company.

#### **INTERNAL AUDIT**

M/s. A F Fergusson & Company, Chartered Accountants, Hyderabad acting as the internal auditors, have been conducting periodic audit of the operations of the Company, and the Audit Committee has reviewed their findings.

#### **AUDITORS**

The Statutory Auditors, M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed. Your Directors propose the reappointment of M/s Brahmayya & Co., as Statutory Auditors to hold office until the conclusion of the next Annual General Meeting of the Company.

#### **PUBLIC DEPOSITS**

During the year under review, your company has neither invited nor accepted any deposits from the public.

#### **PARTICULARS OF EMPLOYEES**

Information as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 will be made available on request by the Members.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of section 217(2AA) of the Companies Act, 1956, the Board of Directors, based on the representations received from the Operations Management, hereby confirms that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2012 and of the profit of the Company for that period.
- iii. It has taken proper and sufficient care for the 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 fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognised while relying on any system of internal control and records.
- iv. It has prepared the annual accounts on a going concern basis.

#### **CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of Corporate Governance. As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' certificate on the compliance of Corporate Governance are annexed and form part of the Annual Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

Management discussion and analysis of the financial condition and results of operations of the Company for the period under review as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is given a separate statement in the Annual Report.

#### **IMPACT ON HOSPITALITY BUSINESS**

The hospitality business is presently passing through a challenging phase with increasing inventory and competition. However the medium and long term prospects of the industry remain intact with growing demand in a booming economy.

#### **OTHER INFORMATION**

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on 30<sup>th</sup> April 2012 and recommended the same for the approval of the Board of Directors. Your Company's effort towards conservation of energy, which results in savings in consumption of electricity, a significant component of the energy cost, is an ongoing process.

The Company continues to absorb and upgrade modern technologies and advanced hotel management techniques in various guest contact areas, which includes wireless internet connectivity in all the hotels.

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 217(1)(e) of the Companies Act, 1956, read with rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is given in Note No.21 (iii).

#### **ACKNOWLEDGEMENTS**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from customers, banks, suppliers, shareholders, Central and State Governments and other statutory authorities and others associated with the Company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by employees at all levels, which enabled the Company to achieve sustained growth in the operational performance during the year under review.

**By Order and on behalf of the Board**

Place: Hyderabad  
Date: 30<sup>th</sup> April 2012

**G V Krishna Reddy**  
Executive Chairman

**Registered Office:**  
Taj Krishna, Road No.1  
Banjara Hills, Hyderabad – 500 034

## Management Discussion and Analysis

### 1. ECONOMIC OVERVIEW:

The Indian economic growth was slightly subdued in 2011-12 because of various factors, both global and internal. Slower economic expansion of world output and recent corporate governance issues are some of the main reasons. Headline inflation surged sharply to its highest level in more than a year, maintaining pressure on the RBI for a fresh dose of interest-rate hikes despite flagging economic growth. Sharp higher year-on-year inflation in food items, and fuel products led to the spike in the headline estimates. Industrial growth during the year slumped to 3.3 per cent with high interest rates affecting the factory output. Eight core infrastructure sectors of crude oil, petroleum refinery products, natural gas, fertilisers, coal, electricity, cement and finished steel logged a 3.5 per cent growth down from 4.4 per cent expansion witnessed in the previous year. The services sector also witnessed a slow pace in growth on account of the lagged effects of monetary policy tightening, the elevated level of inflation and the heightened uncertainty about the global economic outlook.

The Euro-zone crisis have had a negative impact on the Indian capital markets as Indian shares posted their biggest fall since the months following the Lehman Brothers collapse. Indian Rupee also weakened by close to 9 per cent to the USD by the third quarter of the year. This had a severe impact on the profitability of Indian companies especially those who had borrowed through the External Commercial Borrowing window. The corporates have been increasingly tapping overseas loans mostly in the US currency to save costs arising out of higher interest rates and liquidity constraints in the domestic market in the recent months, but the falling value of rupee seems to have negated the benefits. Further the decline in tax collections also dented the feasibility of the government in achieving its fiscal deficit target for 2011/12.

However, exports grew at double digit figures. The government also adopted certain policy measures to rope in inflation and increase investment in the country. It eased overseas borrowing rules and allowed companies to tap foreign markets like China for debt. RBI continued with its hawkish monetary stance and raised key rates to rope in inflationary pressures.

### 2. HOSPITALITY & TOURISM INDUSTRY OVERVIEW:

The global hotels industry appears to be now on a path of slow recovery, having coming out of two exceptionally bad years 2009 and 2010. While the main recovery leaders are the emerging countries in the Asia-Pacific region, the developed luxury hotel markets of the USA and Europe have also reported signs of demand recovery during the past 12 months.

Travel & Tourism globally enjoyed a strong year in 2011. Airline passenger traffic, international tourist arrivals, hotel

occupancy and average room rates (ARRs), and international tourism receipts were all higher than in 2010. However, growth was typically slower than in 2010 and, more significantly, began to slow progressively towards the end of 2011 as economic growth lost momentum. International airline traffic growth, which had been on a downward trend before stabilizing, is now showing some signs of an upturn. The Asia Pacific region witnessed a 5%-6% increase in international tourist arrival which was higher than the world par increase of 4%-4.5%.

In India, the occupancy led recovery that started with the return of domestic travellers late in calendar 2010-11, received a boost with foreign tourist arrivals (FTAs) picking up in the year 2011-12. One of the key risks to recovery came from demand dampeners, namely, expectations of relatively mute corporate performance in fiscal 2011-12, increase in interest rates, rise in fuel and food prices and subdued macroeconomic signals from the developed markets. Additionally on the supply front, heavy supplies in markets like the National Capital Region (NCR), Hyderabad, Pune, Bangalore and Chennai suppressed pricing power to an extent.

With the latest technology and facilities, warm hospitality, rich heritage and natural beauty, India is an ideal destination for meetings and congresses and offers a unique and exotic destination that can be combined with a leisure holiday. India boasts many world-class convention centres as well as stunning scenery, transforming an annual business meeting into a glamorous and enjoyable event. India has now become an attractive destination for any global hotel company which is evidenced from the entry of a slew of international hotel brands in the country and other plotting their strategies for entry. Also, what is remarkable to note is that inspite of the intense competition from international brands, the Indian brands have held their turf and thrived.

### 3. Market Overview

#### Hyderabad

Hyderabad is the largest contributor to the state's GDP, state tax and other revenues. In addition to being an IT and ITeS hub Hyderabad emerged as a pharmaceutical and biotechnology hub and is known as India's pharmaceutical capital and Genome Valley of India. It is also a house to many entertainment industries, and financial services.

Certain political disturbances have had an impact on the number of tourists visiting Hyderabad. However, industry analysts say they have not come across any incident where hospitality projects have moved out of the city due to the current scenario. Hyderabad remains one of the sought-after destinations for launching new hotels.

Lately, there is clear polarisation in hospitality preference with one bunch of hotels in the Central Business District (CBD), and another group located in and around the Hitec

City area along with those coming up in the IT business hub. The first half of this year witnessed the launch of Lemon Tree and Sarovar Hotel projects. This was followed by the opening up of Vivanta by Taj - Begumpet, the Park Hyatt, and Marigold by Greenpark — all in the five-star category. The 181 room Vivanta by Taj – Begumpet hotel at Hyderabad became operational in the third quarter. With this recent capacity expansion, the Company’s room inventory has gone up from 902 rooms to 1083 rooms.

Further, Hyderabad Airport is aiming to become India’s first cargo hub. GMR Hyderabad International Airport Ltd, which runs the airport, is in talks with airlines and industry to develop the hub. With its central location, world-class infrastructure, free trade and special economic zone, and huge presence of pharma sector, Hyderabad is ideally suited to be a cargo hub. This would certainly boost the business travel inflow into Hyderabad and hence would benefit the hotel industry in the city.

The city has also been voted by MICE (Meetings, Incentives, Conferences, Exhibitions) readers as the best city for MICE in Asia for the Annual MICE report Awards 2012. The city has got a double bonanza with the Hyderabad International Convention Centre (HICC) hosting the 11<sup>th</sup> Conference of the Parties to the UN Convention on Biological Diversity in October 2012 and Hyderabad being voted Winner of the Best City for MICE in Asia for Annual Mice Report Awards 2012.

#### **Chandigarh**

With an international airport on the cards, and a lot of big hotel chains investing in the city, Chandigarh is set to consolidate its position as the Gateway to the Punjab. Chandigarh is the first planned, modern city of India; the union territory includes the satellite cities of Mohali (Punjab), and Panchkula (Haryana). The hospitality demand drivers here are the liberal government policies, economic reforms, and the interest from the IT sector, which have largely supported economic growth in the city.

With more international flights slated to operate from the city, sanction for the Metro project and the growth of the IT industry in and around Chandigarh, the hospitality industry is bound to get a boost from the corporate as well as tourist activity. Further, the city hotels have always got a boost from the business brought in by the cricket matches held at the Mohali Stadium.

The city is becoming a hot spot for the hospitality sector. While Taj Chandigarh was a forerunner in making Chandigarh its destination, other hotel chains are having new plans to open their accommodation. Hotel JW Marriott has already become operational in 2011-12. Sarovar Hotel and resorts, one of India’s leading hotel management Company, has also launched their property during the year.

#### **Chennai**

There was a time when Chennai that was Madras had just a couple of upmarket hotels. That was also when the city was known for its magnificent open spaces and plenty of tourist attractions. Now we have an embarrassment of riches when it comes to choice of hotels. And the number is all set to increase, with several hotel projects nearing completion. The Chennai five star hotel market would have nearly doubled in size. Four hospitality player Hilton already getting its hotel operational groups like Hyatt, Leela and ITC are set to open their new properties soon. In Chennai, there are less than 2,000 rooms of four star and five star hotels as of now. By year end, nearly 1,500 rooms would have been added thereto.

The diverse nature of demand in Chennai, comprising of IT/ITeS, automotive industry, as well as other manufacturing industries located in Sriperumbudur will sustain the growth in demand going forward. The expansion of existing manufacturing facilities and setting up of new plants is responsible for attracting extended-stay demand to the city, and is also responsible for travel by foreign corporate guests with high paying propensity.

#### **4. Future Expansion plans**

##### **Taj Krishna**

The construction of an additional Car parking facility along-with enhanced landscaping and connecting bridges at the existing premises of Taj Krishna is nearing completion.

##### **Investment in Mumbai Hotel**

The Company jointly with M/s. Greenridge Hotels & Resorts Private Limited (Greenridge - a GVK Company) through its SPV M/s. Green Woods Palaces & Resorts Private Limited (Green Woods) are setting up a 5 Star Deluxe (Luxury category) Hotel Project comprising of 275 rooms near Terminal 1C, Santacruz, Mumbai at Mumbai International Airport under the 'TAJ' brand.

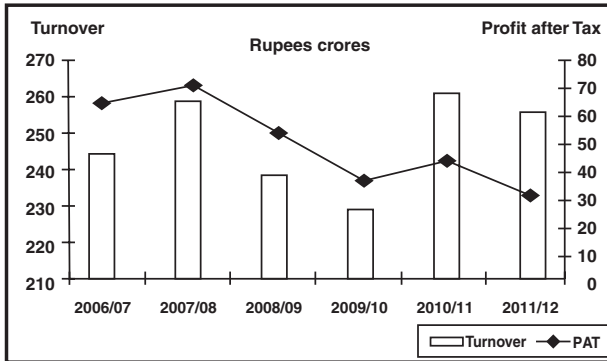
Necessary agreements to this effect have been entered into. TAJGVK in tranches would invest around ₹110.25 crs in the Hotel Project.

##### **Other plans**

The company has been allotted around 6 acres of land at Yelahanka near Bangalore for hotel project. The Company is also planning to enter the value for money segment through the 'Ginger' brand in Andhra Pradesh. The excavation works on the first Ginger hotel on a site located near the Shamshabad International Airport have been completed and civil work is expected to commence shortly.

**5. Financials**

The turnover and profit after tax of your Company for the past Six years are graphically represented below:



**Revenues:**

Income has decreased by 2% to ₹ 255.94 crores from ₹ 260.76 crores in the previous year.

The room revenues fell by 4% to ₹ 122.50 crores from ₹ 127.35 crores. The Food & Beverage income was ₹ 110.46 crores a fall of 3% compared to previous year's ₹ 114.44 crores.

**Expenditure:**

- The total expenditure increased by 9% to ₹ 213.16 crores from ₹ 195.03 crores in the previous year due to a combination of addition of the new Vivanta property at Hyderabad, the one-time write-off of pre-operative expenses of that property as well as the effect of inflation.
- Payroll cost was higher by 5% (₹2.48 crores) over previous year mainly on account of salary increments as well as addition of the new Vivanta property at Hyderabad.
- Other operating expenses were higher by 9% as compared to previous year mainly on account of rise in cost of raw material as well as that of power and fuel in addition to the effect of the addition of the new property at Hyderabad.
- Other expenses were higher than previous year by 9%.

**Earnings before Interest, Depreciation, Tax and Amortisation (EBIDTA):**

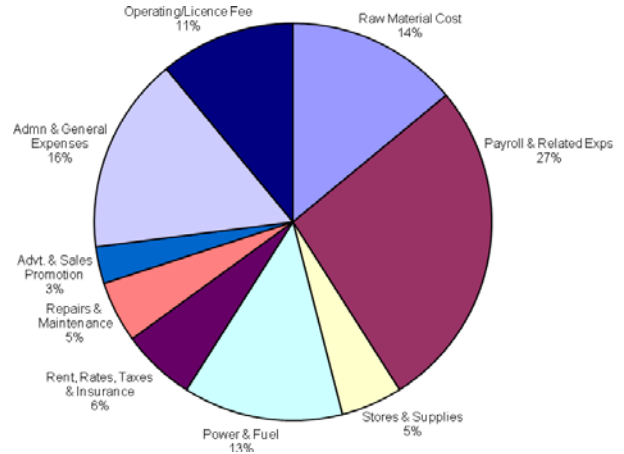
EBIDTA registered a decline of 18% (₹ 17.72 crores) to ₹ 80.02 crores in 2011-12 from ₹ 97.74 crores in the previous year.

**Profit before Tax:**

The PBT fell by 35% to ₹ 42.78 crores from ₹ 65.73 crores in the previous year.

**Profit after Tax:**

The PAT decreased by 32% to ₹ 29.33 crores from ₹ 43.34 crores in the previous year.



**6. RISK MANAGEMENT:**

**Risks and Concerns**

**Economic Risks:** Hotel business in general is sensitive to fluctuations in the economy. The hotel sector may be unfavourably affected by changes in global and domestic economies, changes in local market conditions, excess room supply, reduced international or local demand for hotel rooms and associates services, competition in the industry, government policies and regulations, fluctuations in interest rates and foreign exchange rates and other natural and social factors. Since demand for hotels is affected by world economic growth, a global recession could lead to a downturn in the hotel industry.

**Socio-Political Risks:** The Hotel industry faces risk from volatile socio-political environment, internationally as well as within the country. India, being one of the fastest growing economies of the world in the recent past, continues to attract investments. However, any adverse events such as political instability, conflict between nations, terrorist attacks or spread of any epidemic or security threats to any countries may affect the level of travel and business activity.

**Security Risks:** The Hotel industry demands peace at all times to flourish. The biggest villain in South East Asia has been terrorism supplemented by political instability. Subsequent to the Mumbai terror attacks in November 2008, the hotel industry has invested substantially on security and intelligence. The security concerns have been duly addressed instilling confidence in the customer by providing international standards of safety.

**Company-specific Risks**

**Heavy Dependence on India:**

**Risk of wage inflation:** The hotel industry needs quality employees and with demand for the same improving across the industry, the Company feels that wage inflation would be a critical factor in determining costs for the

Company. Thus, your Company will continue to focus on improving manpower efficiencies and creating a lean organisation, while maximising effectiveness in terms of customer service and satisfaction, which is an area of great importance for your Company.

**Foreign Exchange Risk:** Your Company may be impacted by the fluctuation of the Indian Rupee against other foreign currencies. To mitigate this risk the Company has migrated to single currency billing in Indian Rupees.

**Project Implementation Risk:** Your Company may be impacted by delays in implementation of projects which would result in increasing project cost and loss of potential revenue. To mitigate this risk, the Company has in place an experienced project team supported by the leading external technical consultants and a dedicated project management company. The Company will endeavour to complete its projects on time at optimal cost so as to maximise the profitability.

## 7. Internal Controls

Your Company's Internal Auditors carryout audit of the transactions of the Company at all the hotels and the corporate office periodically, in order to ensure that recording and reporting are adequate and proper. The Internal Audit also verifies whether internal controls and checks & balances in the systems are adequate, proper and up to date. Corrective actions for any weaknesses in the system that may be disclosed by the Audits are taken. The Internal audit is based on an exhaustive list of parameters called the Taj Positive Assurance Model (TPAM) which identifies the critical issues needing immediate management attention. The meticulous implementation of the improvements resulting from the TPAM exercise has overhauled the existing system and resulted in higher efficiencies.

The Audit Committee of the Board reviews the important observations of the Internal Audit and suggests corrective actions for the management to implement. The Internal Audit team also assesses the risks facing the company, steps taken to mitigate the risks and holds discussions with the management on the subject in order to create awareness of the risks and to take appropriate actions for reducing the impact and frequency of occurrence of the risks.

The Audit Committee of the Company meets periodically to review and recommend quarterly, half-yearly and annual financial statements of the Company. The Committee also holds discussions with the internal auditors, statutory auditors and the management on the matters relating to internal controls, auditing and financial reporting. The Committee also reviews with the statutory auditors, the scope and results of the audits.

## 8. HUMAN RESOURCES:

### Human Capital

Nobel Prize-winning economist Gary S. Becker, who coined the term "human capital," says that the basic resource in any company is the people. The most successful companies will be those that manage human capital in the most effective and efficient manner.

The present day economy has been titled as "Knowledge economy". In such an economy, it is people who make all the difference. Talent occupies centre stage in the Indian workplace. In view of this, managing and retaining manpower is becoming crucial to an organization's success. Therefore, your Company endeavours to take a more strategic and supportive approach to recruiting and retention to find and keep the new breed of evolving talent.

### Recognition & Communication

Your Company has inculcated the best practices of Human Resources of Taj Group to weight its Human resources capital. In line with the corporate guidelines, the 'STARS' –Special Thanks and Recognition System is being followed to motivate the associates who excel in their service standards and reward them accordingly. The TATA core values are imparted to associates including new inductees, through the Tata Code of Conduct – **TCOC** as a group policy along with the Sexual Harassment Redressal Policy – **SHRP**. An Employee Satisfaction Survey is conducted at the end of every financial year by an external organization, the Gallup Organization to provide feedback to the Company on the satisfaction levels so as to enable the Company to frame necessary measures to improve the work environment. Acts of excellence are recognized by displaying the names of the employees on the notice board.

A continuous dialogue between the management and the associates is promoted through the monthly Town Hall meetings. A quarterly Newsletter is published every year to share all the information and events at our hotel across TAJGVK group of hotels. Customary meetings are organized with the associates at department and hotel level.

It is indeed gratifying to note that Taj was awarded the Gallup "Great work place" award recognising its extraordinary capability to create an engaged work place ethnicity. It was among 25 distinguished organisations worldwide and only two organisations in India to receive this prestigious award.

### Social Activities

Each hotel's Annual Day is celebrated every financial year at all properties where all associates participate actively making this the most happening event of the year. It is the consequence of various activities conducted for the associates. Various cultural activities mark this occasion

and the service awards are presented for employee motivation which is a very good way of employee recognition, awarding them in front of all the associates makes them feel conceited and acts as catalyst for others to do better and get recognized, this marks a healthy competition which benefits both the organization as well as the associate's. These awards were conceptualized as an appreciation for employees, who have worked with the hotel and hold an exceptional professional record.

The Joy at Work or "JAW" initiative is the other benefits that the organization gives to its associates which are necessary for contravening the day to day work activities and giving the associates the necessary break. These activities are conducted for the associates as an avenue to unwind from their busy work schedules.

1. Movie Screening
2. Employee Recognition
3. Medical facilities including a dental, yoga & an eye camp provided to associates
4. Food Festival
5. Team outings for the Associate
6. A wide range of sports both indoor and outdoor, are held to keep the employees bright which is essential for the work place culture.

The following YOA initiatives have been rolled out for the associates:

- Birthday Celebrations including cake and meal for the family.
- Total employee involvement initiatives.
- FTC medical insurance cover.
- Free stay for newlyweds and Retiring employees.
- Health Camp.
- Up gradation of Heart of the House facility.
- Learn at Taj: Children of the associates have been given scholarships to 3 Taj scholars on merit based in their age category
- Paternity leave: 1 week leave has been provided
- Vidya scheme: the associates of the hotels have been driven for computer literacy.
- Bridging gaps
- House system.
- Partner of the month.
- Mid management holiday plan
- Hotel management scholarship.

The various initiatives and endeavours which have been talked about here are part of a greater strategy set in place by the Company. The aim is to bring the employees together in a cohesive structure that works efficiently towards the larger ideals and goals of the Company, without losing sight of the dynamics that exist at a more

personal level. The professional satisfaction quotient of an employee dictates his/her productive output, which in turn enhances and contributes towards the larger goal of providing the best customer service possible.

## **9. Corporate Social Responsibility (CSR)**

Your company believes in undertaking for the society and play an active role in contribution towards the society and taking the environmental and social responsibility sincerely. It continues to be a member of the Tata Council for Community Initiative (TCCI) which carries out social development programs.

As an employee well being measure an "Aadhar Card Enrollment help Desk" was organized for all Taj Associates (Taj Hyderabad Hotels) and their families for a period of 4 days wherein 2652 applications were registered.

A New Year lunch is organized by each of the hotels in our group. The New Year is ushered in with lunch served in Little Sisters of Poor home for the aged, Ashray Akruthi School for the hearing impaired and Don Bosco Navajeevan a shelter for the street children. Each of our hotels distributes discard linen, uniforms, lost and found articles as per the corporate directive to registered underprivileged organizations.

In alignment with the theme 'Building livelihoods we have trained adolescents / adults in F & B Service, Food Production, Housekeeping to equip them with skills for developing in their future endeavours. Local organisations like Don Bosco were instrumental in assisting our hotels in acquiring youth to train. Training of specially challenged adolescents is a continuous culture followed at our hotels which has been inspirational and a challenge which can be cherished.

Support by purchasing products from different NGO's to provide them sustainable income was a good step taken in the right direction. Printing of associate's birthday cards from PAWMENCAP, a school for the specially challenged, purchase of articles made by the physically challenged and leprosy affected supported and promoted by MESH organization are gifts for all the rewards and recognition initiatives for associates.

NGO's are given a platform to showcase their products and sell them to associates. Products included handmade jute products by women self-help groups, products by weavers, organic bakery products etc. The sales give them incredible support and enthusiasm. A blood donation camp was organized on 1<sup>st</sup> October, World Voluntary Blood Donation Day which is used for Thalesimic patients in particular. Associates from our hotels spend quality time with children affected with cancer in the MNJ Cancer hospital distributing colours, books and snacks which is enduring.

The total beneficiaries from Corporate Social Responsibility are 1695 and there are 250 volunteers from the TAJGVK

group and will continue to scale many a heights in future.

The organisations/NGO'S who have been benefited from our CSR:

1. MESH
2. Kriti Foundation
3. Hyderabad Goes Green
4. Chitrika
5. Don Bosco Navajeevan
6. GMR Varalakshmi Foundation
7. Vocational Rehabilitation Center
8. Boys Town
9. Cancer Patients Aid Association

**EARTH (Environment Awareness and Renewal at Taj Hotels):**

Water and air, the two elements on which all life depends have become garbage cans. This propels the need to view climate change as the greatest challenge to face man and treated as a much bigger priority than it has been in the past. As you are aware, your Company believes and inculcate by spreading knowledge and through their practises in playing an important role in preservation of the natural elements. World Environment Day on 5<sup>th</sup> June is observed worldwide and at the Taj hotels it is the EARTH - Environment Awareness and Renewal at Taj Hotels.

EACH year this day is of huge importance wherein activities involving associates are intended and achievements by the hotels in areas like reducing water consumption, saving electricity and waste management is dealt with. Activities included an Eco-walk in which associates of our hotels participated in solidarity for Our Planet Earth, sapling plantation, pollution check for guests and associates vehicles, sales by organizations who promote and make environment friendly products and to add a delicious 'Green Menu' at the staff cafeteria.

Your Company has attained a Green Globe Certification at the Silver level. Green Globe is a global brand that includes programs for sustainability, carbon neutrality and Benchmarking, Certification and Performance improvement. The overall objective to is to target specific areas in environment awareness like waste minimization, reuse, recycling; energy efficiency, conservation, management; management of freshwater resources; waste water management; hazardous substances management; transport; land-use planning and management; involvement of staff, customers, communities in environmental issues; design for sustainability and partnerships for sustainable development. Over the next few years your Company aims to upgrade the level of certification by improved performance in all the above mentioned areas.

**10. Outlook and the way forward:**

The global recovery is threatened by intensifying strains in the euro area and fragilities elsewhere. Financial conditions have deteriorated, growth prospects have dimmed, and downside risks have escalated.

The most immediate policy challenge is to restore confidence and put an end to the crisis in the euro area by supporting growth, while sustaining adjustment, containing deleveraging, and providing more liquidity and monetary accommodation. In other major advanced economies, the key policy requirements are to address medium term fiscal imbalances and to repair and reform financial systems, while sustaining the recovery. In emerging and developing economies, near-term policy should focus on responding to moderating domestic growth and to slowing external demand from advanced economies.

The upcoming year is projected to be a better and brighter one for the hospitality industry though, but the question is as to what will be the new factors driving the market in 2012. The landscape is evolving quickly as new technology demands that hotels become more social and engaging in their marketing efforts, travelers are looking for the best value propositions, and consumer demand is pushing for hotels to make concerted efforts on property upgrades and improvements.

After years of delaying capital expenditures, hotel companies are betting that now is the best opportunity to renovate their properties. In 2012-13, we'll see even more hotels renovating lobbies, restaurants, bars and fitness centers, as well as renovating rooms. Hotel sales, an absolute outcome of an improved market, will spur even more renovations. Further, Revenue management will make the art of managing a hotel more of a science. Revenue management has morphed from the days it was first introduced by the airline industry in the 1970s to being a complex science today. Managers have always lowered prices to stimulate sales when demand is weak and have raised prices during peak demand periods. Hotels are now able to update prices for all future arrival dates to match market demands each day, via advanced market intelligence applications.

Another new and important trend that is gaining in importance in generating revenues in the hotel industry is social networking. In the upcoming two years, almost half of the travel industry will be using social media as a way of generating revenue and bookings. Currently more than one-fifth (22 percent) use social media as a revenue generating tool with a further 27 percent planning to do so over the next five years. Plus, social media will become more of a key component of Search Engine Results Page (SERP) algorithms. Hotels can no longer afford to linger over adding social media to their marketing mix. It's now a necessary element of traffic-driving success.



Further, the Indian Hotel and Tourism sector successfully attracted ₹4,041 crore foreign direct investment (FDI) during April 2011-January 2012. In the recent times, Centre has announced that the Hotel and Tourism sector is a high priority sector. This highlights the confidence evinced in the Indian hospitality sector with the aim to boost investments in the sector and to develop job opportunities therefrom.

#### 11. Cautionary Statement:

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. As 'forward looking statements' are based on certain assumptions and expectations of future events over which the company exercises no control, the company cannot guarantee their accuracy nor can it warrant that the same will be realised by the company. Actual results could differ materially from those expressed or implied. Significant factors that could make a difference to the company's operations include domestic and international economic conditions affecting demand, supply and price conditions in the hospitality industry, changes in government regulations, tax regimes and other statutes.

#### REPORT ON CORPORATE GOVERNANCE

Corporate Governance (CG) as the "acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal & corporate funds in the management of a Company." It refers to the set of systems, principles and processes by which a Company is governed. Your Company believes that CG leads to better enterprise performance and endeavours to improve CG to enhance the principles and to assess CG practises of a Company.

Corporate Governance is a tool to assess and has emerged as a guide to investors and analysts in making investment decision. CG is a low cost tool, which is prepared for internal use by the Board of Directors and top executives to periodically review the CG mechanism for the efficiency and effectiveness of the functioning of the Board of Directors, the level of transparency and accountability and it protects the interest of non-controlling shareholders, effectiveness of the risk

management and internal control systems, internal control process to ensure compliance with laws and regulations, engagement with stakeholders and theme of corporate governance is the nature and extent of accountability of people in the business, and mechanisms that try to decrease the principal-agent problem.

Your Company is continuing the implementation of "Green Initiative in Corporate Governance" as per the directions of Ministry of Corporate Affairs by allowing paper less compliances by Company's through electronic mode. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment. The necessary documents including annual report etc., has been posted in the Company's website [www.tajgvk.in](http://www.tajgvk.in) to enable the members to view the same.

The Company's policy to implement the Corporate Governance is just not merely to meet the statutory requirements, but also to go beyond that by putting into place the procedures and systems, which are in accordance with the best practices of Corporate Governance.

With a view to achieve the above objectives, the Company through formalised Meetings, Committees consisting of key Managerial Personnel, reviews periodically various activities and operations of the Company.

In accordance with the requirement of Stock Exchange Regulations and the provisions of the Listing Agreement, the compliance report on the Corporate Governance is reproduced here under:

#### 1. Board of Directors

During the year 2011-12, Mrs. Deepa Misra Harris, Mr. Ch G Krishna Murthy was co-opted as an Additional Directors. The Board presently consists of 16 Directors (one Executive Chairman, one Managing Director, one Executive Director, eight non-executive independent directors, and five non-executive directors). 50% of the Board would comprise of non-executive independent directors, with the Chairman being an Executive Chairman.

During the year 2011/12, the Board met 4 times - on 28.04.2011, 26.07.2011, 02.11.2011 and 30.01.2012. The maximum time gap between any two meetings was not more than four calendar months.

The names and categories of directors, their attendance at the board meetings, number of Directorships and Committee memberships held by them in other companies are given hereunder:

Name	Category	Board Meeting Attendance	Sitting Fees Paid (₹)	AGM Attendance	No. of other Director Ships <sup>+</sup>	No. of other Committee* positions held	
						Member	Chairman
Dr G V Krishna Reddy	Promoter; Executive Chairman	4	Nil	Yes	13	Nil	Nil
Mr G V Sanjay Reddy	Promoter; Non executive	2	40,000	Yes	10	Nil	Nil
Mrs G Indira Krishna Reddy	Promoter; Managing Director	4	Nil	Yes	13	3	Nil
Dr Abid Hussain	Independent; Non executive	3	60,000	Yes	8	4	Nil
Mr D R Kaarthikeyan	Independent; Non executive	3	60,000	Yes	9	7	Nil
Dr. Raymond N Bickson	Promoter; Non executive	4	80,000	Yes	13	4	2
Mrs. Shalini Bhupal	Promoter; Executive Director	4	Nil	Yes	2	Nil	Nil
Mr. Anil P Goel	Promoter; Non executive	4	80,000	Yes	6	3	Nil
Dr A Ramakrishna	Independent; Non executive	4	80,000	Yes	10	9	1
Mr. Ajoy Kumar Misra**	Promoter; Non Executive	2	40,000	No	5	Nil	Nil
Mr. C D Arha	Independent; Non executive	4	80,000	Yes	3	Nil	1
Mr. Ajit Singh@	Independent; Non executive	Nil	Nil	No	1	Nil	Nil
Mr. P Abraham	Independent; Non executive	Nil	Nil	No	11	7	Nil
Mr. K Jayabharath Reddy	Independent; Non executive	4	80,000	Yes	7	1	3
Mr. Krishnaram Bhupal	Promoter; Non executive	4	80,000	Yes	13	Nil	Nil
Mr. M B N Rao	Independent; Non executive	2	40,000	Yes	14	5	4
Mrs. Deepa Misra Harris#	Promoter; Non executive	1	20,000	No	3	Nil	Nil

+ Directorships in other public limited companies

\* Committee memberships considered are of other companies only and those as required under the Code of Corporate Governance.

\*\* Resigned from the Board w.e.f. 30.01.2012

# Mrs. Deepa Misra Harris appointed as an Additional Director w.e.f. 30.01.2012.

@ Mr. Ajit Singh expired on 24.12.2011

None of the directors is a member in more than ten committees and acts as a chairman in more than five committees across all companies in which he/she is a director.

## 2. Audit Committee

The Audit Committee consists of Eight non-executive directors, of whom Six are independent directors.

The Audit Committee has met 4 times during the financial year 2011-12 – 28.04.2011, 26.07.2011, 02.11.2011 and 30.01.2012. During these meetings, the Committee, inter alia, reviewed the financial statements including changes in accounting policies and practices before submission to the Board, recommended the appointment of statutory and internal auditors including fixation of audit fee, discussed the internal auditors' findings and reviewed the company's financial and risk management policies.

The attendance details for the Committee meetings are as follows:

Dr A Ramakrishna, Independent, Non-Executive	-	4
Mr D R Kaarthikeyan, Independent, Non-Executive	-	3
Dr Raymond N Bickson, Promoter, Non-Executive	-	4
Mr Anil P Goel, Promoter Non-Executive	-	1
Mr. C D Arha, Independent Non-Executive	-	4
Dr. Abid Hussain, Independent Non-Executive	-	3
Mr. K Jayabharath Reddy, Independent Non-Executive	-	4
Mr. Mr. M B N Rao, Independent Non-Executive	-	2

**3. Remuneration Committee**

During the year the Board appointed Dr. Raymond N Bickson as a member of the Committee on 26.07.2011. The Committee has not met during the financial year 2011-12, as no appointment or re-appointment was considered for the Executive Directors.

**4. Shareholders' / Investors' Grievance Committee**

The Committee comprised of Mr. Ajit Singh, Mrs G Indira K Reddy and Mr Anil P Goel. The responsibilities of the Committee include redressal of all shareholders complaints and grievances. The Committee met once during the year and reviewed the shareholders complaints and grievances.

The Company also has a Share Transfer Committee in place, which addresses the issues of transfer and transmission of shares, issue of duplicate share certificates, etc. The Committee has been meeting at regular intervals, generally not exceeding a fortnight.

The Company has received the following communications from the shareholders during the period April 2011 to March 2012, and all these were replied / resolved to the satisfaction of the shareholders.

Sl. No.	Nature of Request / Complaint	Received	Resolved
1	Non-receipt of share certificate sent for Transfer	10	10
2	Non-receipt of dividend warrant	15	15
3	Non-receipt of Demat credit / Remat certificate	3	3
4	Non-receipt of Annual Report	3	3
5	Change of Address	121	121
6	Bank Details / Mandate	10	10
7	Issuing new share certificate(s) in lieu of erstwhile Hotel Sree Krishna Limited share certificate(s) received for exchange	95	95
8	Stop Transfer / Procedure for duplicate share certificate	26	26
9	Indemnity / Affidavit – duplicate	5	5
10	Remat Request	2	2
11	Revalidation / Replacement of Dividend Warrant	331	331
12	Procedure for Transfer / Transmission / Name Deletion	21	21
13	Others	44	44
	<b>Total</b>	<b>686</b>	<b>686</b>
	Complaints received through SEBI	5	5

Mr S B Kamath, General Manager – Finance and Company Secretary, being the Compliance Officer of the Company acts as the Secretary to all the above Committees.

**5. Annual General Body Meetings (AGM)**

Year	Date	Time	Meeting	Venue
2008-09	25.07.2009	12.00 Noon.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad
2009-10	26.07.2010	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad
2010-11	26.07.2011	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad

**Extraordinary General Meeting:**

No Extraordinary General Meeting of the Members was held during the year 2011-12.

**Postal Ballot:**

No Postal Ballot was conducted during the year 2011-12

**Special Resolutions:**

At the AGM of the Company held on 25<sup>th</sup> July 2009, a Special Resolution was passed for the re-appointment and terms of remuneration of Mrs. Shalini Bhupal as an Executive Director of the Company. The resolution was passed with requisite majority.

At the AGM of the Company held on 26<sup>th</sup> July 2010, Special Resolutions were passed for the re-appointment and terms of remuneration of Dr. G V Krishna Reddy, as an Executive Chairman and Mrs. G Indira Krishna Reddy, as Managing Director of the Company. The resolutions were passed with requisite majority.

At the AGM of the Company held on 26<sup>th</sup> July 2011, no Special Resolution was passed.

## 6. Disclosures

The Board of Directors receive from time to time disclosures relating to financial and commercial transactions from key management personnel of the Company as and when they and / or their relatives have personal interest in any of the pecuniary transactions with the Company. There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large.

There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.

### Means of Communication

The Company has published its quarterly results in Business Standard, The Economic Times, Times of India, Financial Express, Business Line and Andhra Prabha, Hyderabad (vernacular).

### Non-Mandatory Requirements

The Company has voluntarily adopted the following non-mandatory requirements:

#### (a) Ethics & Compliance Committee

The Ethics & Compliance Committee comprises of Mr D R Kaarthikeyan, Mr.C D Arha being non executive independent directors.

The Company has a Code of Conduct for Prevention of Insider Trading in place, as prescribed by the Securities and Exchange Board of India. The Committee monitors the implementation of the Code and takes on record the status reports detailing the dealings in securities by the Specified Persons. The Committee has not met during the financial year 2011-12.

#### (b) Whistle Blower Policy

The Company has adopted Whistle Blower Policy and Code of Conduct for Non-executive Directors, to comply with the provisions of the amendment to the Clause 49 of the Listing Agreement.

## GENERAL SHAREHOLDER INFORMATION

### 1. Annual General Meeting:

Date and Time	:	27 <sup>th</sup> July 2012, 11.30 a.m.
Venue	:	Sri Sathya Sai Nigamagamam 8-3-987/2, Srinagar Colony Hyderabad – 500 073

### 2. Book Closure Dates

: 23<sup>rd</sup> July 2012 to 27<sup>th</sup> July 2012  
(both days inclusive)

### 3. Dividend Payment Date :

The dividend at 75% (₹1.50 per equity share), if approved in the ensuing AGM will be paid to the eligible shareholders within thirty days from the date of declaration.

### 4. Financial Year Calendar 2012-13:

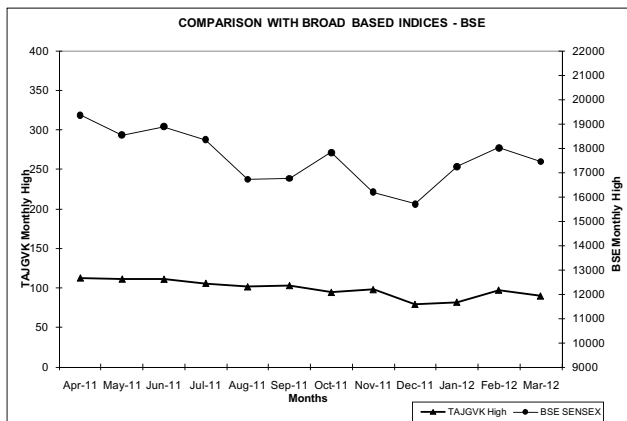
#### Financial Results Reporting

For the quarter ending June 30, 2012	27 <sup>th</sup> July 2012	Tentative
For the quarter ending September 30, 2012	30 <sup>th</sup> October 2012	
For the quarter ending December 31, 2012	31 <sup>st</sup> January 2013	
For the quarter ending March 31, 2013	30 <sup>th</sup> April 2013	

5. **Listing of Equity shares on Stock Exchanges** : The National Stock Exchange of India Ltd., Exchange Plaza, 5<sup>th</sup> Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051.
- : Bombay Stock Exchange Ltd., 1<sup>st</sup> Floor, New Trading Ring Rotunda Bldg, P J Towers, Dalal Street, Fort, Mumbai 400 013.
6. **Stock Code**
- i) Trading Symbol at
- The Stock Exchange, Mumbai (physical segment) : TAJGVK 32390
- The Stock Exchange, Mumbai (Demat segment) : TAJGVDM 532390
- National Stock Exchange, Mumbai (Physical segment) : TAJGVK EQ
- National Stock Exchange, Mumbai (Demat segment) T + 1 : TAJGVK BE
- ii) Demat ISIN Numbers in NSDL & CDSL Equity Shares : INE 586B01026  
(Listing fees for and upto the year 2011/12 have been paid to all the above Stock Exchanges)

**7. Stock Market Data**

Month & Year	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price (₹)	Month's Low Price (₹)	Month's High Price (₹)	Month's Low Price (₹)
April 2011	112	91	107	102
May 2011	111	95	102	101
June 2011	111	96	107	104
July 2011	106	97	102	97
August 2011	101	85	97	88
September 2011	103	87	92	88
October 2011	94	84	93	90
November 2011	98	74	77	76
December 2011	79	63	70	64
January 2012	82	64	74	73
February 2012	97	73	81	78
March 2012	90	72	79	75



**8. Share Transfer System:**

Share transfer requests, which are received in physical form, are processed and the share certificates returned within a period of 15 days in most cases, and in any case within 30 days, from the date of receipt, subject to the documents being in order and complete in all respects.

**9. Unclaimed Dividends**

Under the provisions of the Companies Act, 1956, dividends that are unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund administered by the Central Government. The details of the unclaimed dividend along with the due date for transfer to Investor Education and Protection Fund is given hereunder:

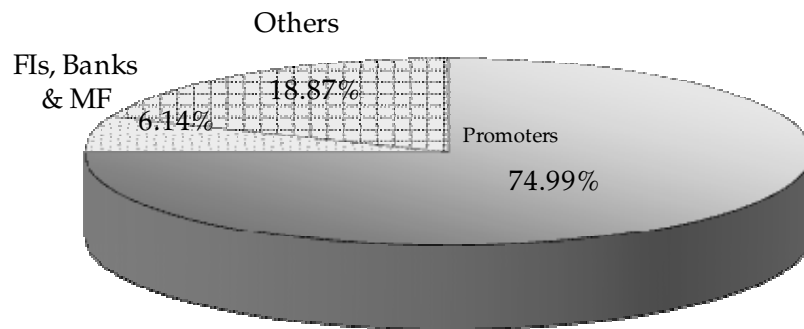
Financial year	Dividend declared %	Date of declaration of dividend	Last date for claiming unpaid dividend	Unclaimed Dividend amount ( ₹ )	Due date for transfer to Investor Education and Protection Fund
2004-05	45%	28.07.2005	27.08.2012	10,74,933.00	26.09.2012
2005-06	100%	28.07.2006	27.08.2013	19,74,908.00	26.09.2013
2006-07	150%	26.07.2007	25.08.2014	31,66,938.00	24.09.2014
2007-08	160%	30.07.2008	29.08.2015	34,51,196.80	28.09.2015
2008-09	100%	25.07.2009	24.08.2016	24,57,484.00	23.09.2016
2009-10	100%	26.07.2010	25.08.2017	23,79,112.00	24.09.2017
2010-11	100%	26.07.2011	25.08.2018	24,71,464.00	24.09.2018

Shareholders who have not yet claimed the dividends as mentioned above are requested to contact the Secretarial Department (e-mail ID: tajgvkshares.hyd@tajhotels.com) at the Registered Office of the Company.

During the year 2011-12 the Company has transferred unclaimed amount out of dividend declared for the financial year 2003-04 (Final Dividend account) for an amount of ₹ 4,49,587.00 to the General Revenue Account / Investor Education and Protection Fund (IEPF) pursuant to section 205C of the Companies Act, 1956.

**10. Secretarial Audit** : Secretarial Audit is being carried out every quarter by a practising Company Secretary and the Audit Report is filed regularly with the Stock Exchanges within the stipulated time.

**11. Distribution of Shareholding as on 31<sup>st</sup> March 2012**



**Distribution of Shareholding as on 31<sup>st</sup> March 2012**

No. of shares held	No. of Shares	% of share capital	No. of shareholders	% of total No. of shareholders
Upto 500	7700308	12.28	50778	99.30
501 to 1000	686140	1.09	187	0.37
1001 to 2000	492448	0.79	70	0.14
2001 to 3000	370130	0.59	30	0.06
3001 to 4000	302588	0.48	17	0.03
4001 to 5000	136157	0.22	6	0.01
5001 to 10000	715498	1.14	21	0.04
10001 and above	52298226	83.41	28	0.05
<b>Total</b>	<b>62701495</b>	<b>100.00</b>	<b>51137</b>	<b>100.00</b>

**12. Dematerialisation of Shares & Facility of simultaneous transfer**

Approximately 95.98% of the shares issued by the Company have been dematerialised up to 31<sup>st</sup> March 2012. Trading in equity shares of your Company on any Stock Exchange is permitted only in the dematerialised mode with effect from 2<sup>nd</sup> July 2001.

Shareholders interested in dematerialising their shares are requested to write to the Registrar & Transfer Agent through their Depository Participants.

- 13. Unit Locations** :
- i. Taj Krishna, Road No.1, Banjara Hills, Hyderabad-500 034.  
Phone: 040-66662323; Fax: 040-66661313  
E-mail: [krishna.hyderabad@tajhotels.com](mailto:krishna.hyderabad@tajhotels.com)
  - ii. Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500 034.  
Phone: 040-66663939; Fax: 040-23392684  
E-mail: [deccan.hyderabad@tajhotels.com](mailto:deccan.hyderabad@tajhotels.com)
  - iii. Taj Banjara, Road No.1, Banjara Hills, Hyderabad – 500 034.  
Phone: 040-66669999; Fax: 040-66661919  
E-mail: [banjara.hyderabad@tajhotels.com](mailto:banjara.hyderabad@tajhotels.com)
  - iv. Taj Chandigarh, Block No.9, Sector 17A, Chandigarh 160 017.  
Phone: 0172-6613000; Fax: 0172-6614000  
E-mail: [taj.chandigarh@tajhotels.com](mailto:taj.chandigarh@tajhotels.com)
  - v. Taj Club House, Chennai  
No.2, Club House Road, Chennai – 600 002  
Phone: 044-66313131; Fax: 044-66313030  
Email: [clubhouse.chennai@tajhotels.com](mailto:clubhouse.chennai@tajhotels.com)
  - vi. Vivanta By Taj Begumpet, Hyderabad  
1-10-147 & 148, Mayuri Marg, Begumpet,  
Hyderabad – 500 016. Phone No.040-67252626  
Email: [vivanta.begumpet@tajhotels.com](mailto:vivanta.begumpet@tajhotels.com)

- 14. Address of Registrar & Transfer Agents for Investor Correspondence:**
- Karvy Computershare Pvt. Ltd.  
Unit: TAJGVK Hotels & Resorts Limited  
Plot No.17-24, Vittal Rao Nagar, Madhapur , Hyderabad 500 081.  
Tel: 040 23420815 - 28, Fax: 040 23420814, 040-23420859  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com), [mailmanager@karvy.com](mailto:mailmanager@karvy.com)

*Note:* Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

- 15. Any query on Annual Report** :
- General Manager-Finance and Company Secretary  
TAJGVK Hotels & Resorts Limited  
Taj Krishna, Road No. 1, Banjara Hills, Hyderabad 500 034.  
E-mail: [tajgvkshares.hyd@tajhotels.com](mailto:tajgvkshares.hyd@tajhotels.com), [sai.sarma@tajhotels.com](mailto:sai.sarma@tajhotels.com)  
Website: [www.tajgvk.in](http://www.tajgvk.in)

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**DECLARATION BY MANAGING DIRECTOR / CEO**

I, G Indira Krishna Reddy, Managing Director of TAJGVK Hotels & Resorts Limited hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31<sup>st</sup> March, 2012 compliance with the code of conduct of the Company laid down for them.

**G Indira Krishna Reddy**  
Managing Director

Place: Hyderabad  
Date: 30<sup>th</sup> April 2012

**Auditors' Certificate on compliance of conditions of corporate governance as per clause 49 of the Listing Agreement with the stock exchanges :**

To The Members of  
TAJGVK Hotels & Resorts Limited

We have reviewed the compliance of conditions of Corporate Governance by TAJGVK Hotels & Resorts Limited, for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BRAHMAYYA & CO.**  
Firm Reg. No. : 000513S  
Chartered Accountants

Place : Hyderabad  
Date : 30<sup>th</sup> April 2012

**Koteswara Rao SSR**  
**Partner**  
Membership No: 18952

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**CERTIFICATE BY CEO/CFO**

Pursuant to the provisions as amended to the Clause 41 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the period ended March 31<sup>st</sup>, 2012:

1. We have reviewed the financial statements and the cash flow statements for the period ended March 31<sup>st</sup>, 2012 and that to the best to our knowledge and belief, these statements :
  - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading :
  - (ii) together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review that are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.
4. we have indicated to the Auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the period under review;
  - (ii) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements ; and
  - (iii) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**G Indira Krishna Reddy**  
Managing Director

**S B Kamath**  
General Manager - Finance and Company Secretary

Place: Hyderabad  
Date: 30<sup>th</sup> April, 2012



**Auditor's Report**

To  
The Members of  
TAJ GVK Hotels & Resorts Limited, Hyderabad (A.P.)

We have audited the attached balance sheet of TAJ GVK Hotels & Resorts Limited, Hyderabad (A.P.) as at 31<sup>st</sup> March, 2012, Statement of Profit and Loss for the year ended on that date annexed thereto, and its Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

- (iii) The Balance Sheet, the Profit and Loss Account and the Cash-flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash-flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012;
  - (b) in the case of the Statement of Profit and Loss, of the PROFIT of the company for the year ended on that date; and
  - (c) in the case of the Cash-flow Statement, of the cash flows of the company for the year ended on that date.

For **BRAHMAYYA & CO.**  
Firm Reg. No. : 000513S  
Chartered Accountants

Place : Hyderabad  
Date : 30<sup>th</sup> April 2012

**Koteswara Rao SSR**  
**Partner**  
Membership No: 18952

**Re: TAJGVK Hotels & Resorts Limited**

**THE ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE.**

- 1.1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. According to the information and explanations furnished to us, the company has physically verified all its fixed assets during the year. No material discrepancies were noticed during the year on such verification.
- 1.3. According to the information and explanations furnished to us, the company has not disposed of a substantial part of its fixed assets during the year.
- 2.1. According to the information and explanations furnished to us, the company has physically verified its inventories during the year. In our opinion, the frequency of verification is reasonable.
- 2.2. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3. According to the information furnished to us, the company is maintaining proper records of inventory and the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- 3.1. According to the information and explanations furnished to us, the company has not granted secured or unsecured loans to Companies, firms, or other parties whose particulars are recorded in the register maintained under Section 301 of the Companies Act 1956.
- 3.2. According to the information and explanations furnished to us, the company has taken an unsecured loan of Rs.5 crores from a company, whose particulars are recorded in the register maintained under Section 301 of the Companies Act 1956. The terms and conditions of the loan are not prima facie prejudicial to the interest of the Company and the company is regular in payment of interest. The principle is due in 2013.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. Further during the course of our audit, we have not come across any instances of major weaknesses in internal control that in our opinion require correction, but have so continued without correction.
- 5.1. Based on the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 5.2. In our opinion and according to the information and explanations given to us, the transactions which have been entered into, pursuant to contracts that have been entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from public and consequently, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under are not applicable. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non compliance with the provisions of Sections 58A and 58 AA of the Companies Act, 1956.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed under section 209 (1) (d) of the Companies Act, 1956 the maintenance of cost records for the products of the Company.
- 9.1. According to the information furnished to us, the company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- 9.2. According to the information and explanations furnished to us, no undisputed statutory dues mentioned in the preceding paragraph are in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.
- 9.3. According to the information furnished to us, the following amounts of Income Tax and Sales Tax have been disputed by the company, as at the date of the Balance Sheet under report.

Name of the statute	Nature of the dues	₹ in lacs	Amount paid under protest (₹ in lacs)	financial year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income- Tax	18.77 6.96 30.60		2006-07 2007-08 2009-10	Appellate Tribunal CIT(Appeals), Hyderabad — Do —
A.P.General Sales Tax Act	Sales Tax	135.86	40.92	2005-06 to 2008-09	High Court of Andhra Pradesh
		33.60	4.20	2005-06 to 2009-10	Appellate Tribunal
Finance Act,1994	Service tax	23.64	—	2005-06 to 2008-09	Commissioner Appeals Chandigarh
Central Excise Act,1944	Excise Duty	3.21	—	2011-12	Commissioner Central Excise, Chandigarh

- |   |   |
|---|---|
| <p>10. According to the information and explanations furnished to us, the company has been incorporated for a period exceeding five years. It had no accumulated losses at the end of the financial year and it has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.</p> <p>11. In our opinion and according to the information and explanations furnished to us by the company, there were no defaults in repayment of its dues to financial institutions and banks at the date of the Balance Sheet. The Company has not issued any debentures.</p> <p>12. According to the information and explanation given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>13. In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a nidhi/ mutual benefit fund / society and hence the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.</p> <p>14. According to the information furnished to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.</p> <p>15. According to the information and explanation given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.</p> <p>16. According to the information and explanation given to us, on an overall basis, the term loans have been applied for the purpose for which they were raised.</p> | <p>17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investments.</p> <p>18. According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act, or to any others.</p> <p>19. According to the information and explanations given to us, the company has not issued any debentures during the year under report.</p> <p>20. The company has not raised any money through public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.</p> <p>21. According to the information and explanations given to us, and based on the audit procedures generally adopted by us, we report that, during the year, no fraud on or by the company has been noticed or reported that is either significant or could have caused a material misstatement in the financial statements.</p> |
|---|---|

For  **BRAHMAYYA & CO.**  
Firm Reg. No. : 000513S  
Chartered Accountants

Place : Hyderabad  
Date : 30<sup>th</sup> April 2012

**Koteswara Rao SSR**  
 **Partner**  
Membership No: 18952

**BALANCE SHEET AS AT 31.03.2012**

(All amounts are ₹ in Lakhs, unless otherwise stated)

DESCRIPTION	NOTE	As At 31.03.2012	As At 31.03.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	1,254.03	1,254.03
(b) Reserves and surplus	2	<u>32,729.85</u>	<u>30,889.72</u>
		<b>33,983.88</b>	<b>32,143.75</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	14,825.00	13,450.00
(b) Deferred tax liabilities (Net)	15	3,273.76	1,926.24
(c) Other Long term liabilities	3	228.71	650.02
(d) Long-term provisions	3	<u>124.29</u>	<u>210.15</u>
		<b>18,451.76</b>	<b>16,236.41</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	2,231.98	663.74
(b) Trade payables		2,130.35	1,399.12
(c) Other current liabilities	4	3,992.91	1,537.46
(d) Short-term provisions	4	<u>1,093.10</u>	<u>1,595.76</u>
		<b>9,448.34</b>	<b>5,196.08</b>
	<b>TOTAL</b>	<b>61,883.98</b>	<b>53,576.24</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	5		
(i) Tangible assets		45,249.02	36,809.58
(ii) Intangible assets		45.07	8.05
(iii) Capital work-in-progress		3,185.40	7,985.39
(b) Non-current investments	6	3,635.80	1.80
(c) Long-term loans and advances	7	6,616.02	5,417.69
(d) Other non-current assets	8	<u>102.04</u>	<u>118.09</u>
		<b>58,833.35</b>	<b>50,340.60</b>
<b>2 Current assets</b>			
(a) Inventories	9	697.35	467.62
(b) Trade receivables	9	730.09	973.77
(c) Cash and bank balances	9	195.29	495.22
(d) Short-term loans and advances	9	1,407.63	1,282.15
(e) Other current assets	9	<u>20.27</u>	<u>16.88</u>
		<b>3,050.63</b>	<b>3,235.64</b>
	<b>TOTAL</b>	<b>61,883.98</b>	<b>53,576.24</b>

**The accompanying notes form an integral part of the Balance Sheet**

Per our report of even date

For and on behalf of the Board

 For **BRAHMAYYA & CO.,**  
 Firm Regn No.000513S  
 Chartered Accountants

**KOTESWARA RAO SSR**  
 Partner  
 M.No.018952

**G V Krishna Reddy**  
 Executive Chairman

**G Indira Krishna Reddy**  
 Managing Director

**Anil P Goel**  
 Director

**S B Kamath**  
 GM - Finance &  
 Company Secretary

**Place :** Hyderabad  
**Date :** 30<sup>th</sup> April 2012

**TAJGVK HOTELS & RESORTS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012**

(All amounts are ₹ in Lakhs, unless otherwise stated)

DESCRIPTION	NOTE	Current Year	Previous Year
<b>INCOME</b>	<b>10</b>		
I. Revenue from operations		<b>25,396.88</b>	25,928.43
II. Other income		<b>197.00</b>	147.33
<b>III. Total Revenue (I + II)</b>		<b><u>25,593.88</u></b>	<u>26,075.76</u>
<b>IV. EXPENSES</b>			
Employee Benefits Expense	<b>11</b>	<b>4,924.92</b>	4,676.80
Food & Beverages Consumed	<b>12</b>	<b>2,583.18</b>	2,522.73
Finance Costs	<b>13</b>	<b>1,514.11</b>	1,139.53
Depreciation and amortization expense		<b>2,210.29</b>	2,061.11
Other operating and general expenses	<b>14</b>	<b>10,083.52</b>	9,102.55
<b>Total Expenses</b>		<b><u>21,316.02</u></b>	<u>19,502.72</u>
<b>V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>4,277.86</b>	6,573.04
<b>VI. Exceptional items Income / (Expenses)</b>		-	-
<b>VII Profit / (Loss) before tax (V- VI)</b>		<b><u>4,277.86</u></b>	<u>6,573.04</u>
<b>VIII Tax expense:</b>			
i) Current tax		<b>870.00</b>	1,922.50
ii) MAT Credit Entitlement		<b>(870.00)</b>	-
iii) Deferred tax		<b>1,347.52</b>	318.61
iv) Short Provision of Tax of earlier years (Net)		<b>(2.87)</b>	(2.11)
<b>Total Taxes</b>		<b><u>1,344.65</u></b>	<u>2,239.00</u>
<b>IX Profit/(Loss) after tax (VII-VIII)</b>		<b><u>2,933.21</u></b>	<u>4,334.04</u>
The accompanying notes form an integral part of the Statement of Profit and Loss			
<b>Earnings Per Share:</b>			
Profit after tax		<b>2,933.21</b>	4,334.04
No.of equity shares of ₹ 2/-each		<b>627.01</b>	627.01
Earnings per share ₹		<b>4.68</b>	6.91

Per our report of even date

For and on behalf of the Board

For **BRAHMAYYA & CO.,**  
Firm Regn No.000513S  
Chartered Accountants

**KOTESWARA RAO SSR**  
Partner  
M.No.018952

**G V Krishna Reddy**  
Executive Chairman

**G Indira Krishna Reddy**  
Managing Director

**Anil P Goel**  
Director

**S B Kamath**  
GM - Finance &  
Company Secretary

**Place :** Hyderabad  
**Date :** 30<sup>th</sup> April 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

(All amounts are ₹ in Lakhs, unless otherwise stated)

Particulars	Current Year		Previous Year	
<b>A NET PROFIT BEFORE TAX</b>		<b>4,277.86</b>		6,573.05
Adjustments for :				
Depreciation	<b>2,210.29</b>		2,061.12	
Miscellaneous Expenditure Written off	<b>16.05</b>		16.05	
Loss on sale of assets	<b>3.75</b>		10.18	
Profit on sale of assets	<b>(9.84)</b>		(8.85)	
Assets written off	<b>0.00</b>		29.20	
Provision for Bad & Doubtful Debts	<b>6.86</b>		6.42	
Extra-ordinary / Prior period items written off	<b>0.00</b>		0.40	
Provision for bad & doubtful debts credited back	<b>(22.52)</b>		0.00	
Interest expenses	<b>1,514.12</b>		1,139.53	
Interest earned	<b>(14.34)</b>		(9.31)	
		<b><u>3,704.37</u></b>		<u>3,244.74</u>
Operating Profit before working capital changes		<b><u>7,982.23</u></b>		<u>9,817.79</u>
Adjustments for :				
Trade and other receivables	<b>226.93</b>		(770.44)	
Inventories	<b>(229.72)</b>		(26.67)	
Trade payables	<b>866.70</b>		(937.59)	(1,734.70)
<b>Cash generated from operations</b>		<b><u>8,846.14</u></b>		<u>8,083.09</u>
Taxes paid		<b><u>1,449.35</u></b>		<u>2,019.03</u>
<b>Cash flow before extraordinary/prior period items</b>		<b><u>7,396.79</u></b>		<u>6,064.06</u>
Extraordinary / Prior Period items		<b><u>0.00</u></b>		<u>0.40</u>
<b>NET CASH IN FLOW FROM OPERATING ACTIVITIES</b>		<b><u>7,396.79</u></b>		<u>6,063.66</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets /addition to CWIP	<b>(5,874.18)</b>		(4,990.14)	
Interest Received	<b>14.34</b>		8.48	
Sale of Fixed Assets	<b>12.27</b>		15.50	
Purchase of Investments	<b>(3,634.00)</b>		0.00	
<b>NET CASH OUT FLOW FROM INVESTING ACTIVITIES</b>		<b>(9,481.57)</b>		(4,966.16)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long term loans raised	<b>3,250.00</b>		9,000.00	
Long term loans (repaid)	<b>0.00</b>		(7,987.50)	
Short term loans raised / (repaid)	<b>800.00</b>		500.00	
Working capital borrowings	<b>768.25</b>		68.22	
Long term deposits received	<b>0.00</b>		114.15	
Long term deposits paid back	<b>(31.11)</b>		(5.28)	
Interest paid	<b>(1,545.48)</b>		(1,108.03)	
Dividend paid	<b>(1,253.37)</b>		(1,264.22)	
Taxes on dividend paid	<b>(203.44)</b>		(208.28)	
<b>NET CASH OUT FLOW FROM FINANCING ACTIVITIES</b>		<b><u>1,784.85</u></b>		<u>(890.94)</u>
Net increase in cash and cash equivalent		<b><u>(299.93)</u></b>		<u>206.56</u>
Cash and Cash equivalents as at beginning of the year		<b><u>495.22</u></b>		<u>288.66</u>
Cash and Cash equivalents as at end of the year		<b><u>195.29</u></b>		<u>495.22</u>

Note: The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard, AS - 3 : Cash Flow Statements issued by the Institute of Chartered Accountants of India

For and behalf of the Board of Directors

**G.V. Krishna Reddy**  
Executive Chairman

**G. Indira Krishna Reddy**  
Managing Director

**Anil P Goel**  
Director

**S.B. Kamath**  
GM - Finance &  
Company Secretary

For **BRAHMAYYA & CO.,**  
Firm Regn No.000513S  
Chartered Accountants

Place : Hyderabad  
Date : 30<sup>th</sup> April 2012

**KOTESWARA RAO SSR**  
Partner  
Membership No. 18952

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****i. Basis of preparation of financial statements:**

The financial statements have been prepared to comply in all material respects with accounting principles generally accepted in India and the applicable Accounting Standards notified under Section 211(3C) [the Companies (Accounting Standards) Rules, 2006 (as amended)] and the provisions of the Companies Act, 1956 of India ("the Act"). The financial statements have been prepared under the historical cost convention on accrual basis.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the services rendered and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**ii. Use of estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in India requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

**iii. Revenue Recognition:**

- a. Income from guest accommodation is recognised on a day to day basis after the guest checks into the Hotels. Income from Food and Beverages are recognised at the point of serving these items to the guests. Income stated is exclusive of amount recovered towards Sales Tax, Luxury Tax, and Service Tax.
- b. Shop rentals are recognized on accrual basis.
- c. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d. Insurance claims are recognized as and when they are settled / admitted.

**iv. Inventories:**

Inventories are valued at lower of cost, ascertained at Weighted Average Method, or realizable value.

**v. Fixed Assets:**

- a. **Tangible Assets:** Fixed assets are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the construction cost to the extent such expenditure is related to construction or is incidental thereto.

Direct expenditure during construction period attributable to the cost of assets under construction is considered as capital work in progress and indirect expenditure is included under expenditure during construction period pending allocation.

- b. **Intangible Assets:** Computer software is classified under "Intangible Assets".
- c. Subsequent expenditure incurred on existing fixed assets is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance.

**vi. Depreciation and Amortisation:**

- a. Depreciation on tangible assets put to use is provided on straight line method at the rates prescribed and in the manner laid down under Schedule XIV to the Companies Act, 1956.
- b. Intangible assets are amortised over the useful life of the asset.
- c. Depreciation on additions made to assets in licensed property is provided at the rates worked out on the basis of balance license period or at rates as per Schedule XIV.

**vii. Leases:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of assets over the lease term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**viii. Foreign Exchange Transactions:**

- a. **Initial recognition:** Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction.

**b. Translation:** Foreign currency monetary items as at the Balance Sheet date are reported using the year end closing rate. Any gain or loss on such translation or settlement is recognised in the statement of profit and loss.

**ix. Investments:**

Investments that are readily realisable and are intended to be held for not more than one year from the date of such investment are classified as current investments. All other investments are classified as long term.

Long term Investments are valued at cost of acquisition including related expenses. Provision is made for diminution in the value of investments, if any, if such decline is other than temporary. Current investments are stated at lower of cost and fair value.

**x. Unamortised Expenses:**

Preliminary expenses of erstwhile Sri Tripurasundari Hotels Limited merged with the Company, are being written off over a period of 5 years from the year of commencement of operations of the hotel at Chennai.

**xi. Retirement Benefits:**

**a. Defined Contribution Plan:**

Company's contribution paid/payable during the year to Provident Fund, Employees State Insurance Corporation and Labour Welfare Fund are recognized in the Profit and Loss Account.

**b. Defined Benefit Plan:**

Gratuity to employees is covered under Group Gratuity Life Assurance Scheme. At the reporting date, Company's liability towards gratuity is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**c.** Company recognizes the undiscounted amount of employee benefits like Leave Encashment, Leave Travel Assistance, etc., during the accounting period based on eligibility of employee as per Company's rules in this regard.

**xii. Borrowing Costs:**

General and specific borrowing costs directly attributable to the acquisition, construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, initially carried under expenditure incurred during the construction period are added to the cost of those assets, till such time the assets are substantially ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

**xiii. Taxes on income:**

**a.** Tax expense comprising of current and deferred tax, are considered in the determination of the net profit or loss for the year.

**b. Current tax:** Provision for current tax is made for Income-tax liability estimated to arise on the profit for the year at the current rate of tax in accordance with the Income-tax Act, 1961.

**c. Deferred Tax:** In accordance with the Accounting Standard - 22, Accounting for taxes on income, the company has recognised the deferred tax liability in the accounts. Deferred tax reflects the impact of timing differences between taxable income and accounting income. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax asset is recognised only to the extent there is virtual certainty that sufficient taxable income will be available in future against which such deferred tax asset can be realised.

**d. Minimum alternate tax (MAT) credit:** MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal tax within the specified period and the MAT credit available can be utilised. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down if considered not recoverable within the specified period.

**xiv. Earnings per share:**

**a. Basic earnings per share:** Basic earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity share holders by weighted average number of equity shares outstanding during the period.

**b. Diluted earnings per share:** Diluted earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of



all dilutive potential equity shares unless they are considered anti-dilutive in nature.

**xv. Impairment of assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**xvi. Provisions and Contingencies:**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an

outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a probable obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, and such liability that may arise is termed as a contingent liability.

**xvii. Segmental Reporting:**

Disclosure of segment wise information is not applicable as hoteliering is the Company's only business segment.

**NOTES FORMING PART OF THE ACCOUNTS**

(All amounts are ₹ in Lakhs, unless otherwise stated)

DESCRIPTION	As At 31.03.2012	As At 31.03.2011
<b>NOTE -1: SHARE CAPITAL</b>		
<b>1 Authorised Share capital</b>		
Ordinary / Equity Shares 170500000 (170500000) Equity Shares of ₹2/- each	3,410.00	3,410.00
<b>2 Issued, Subscribed and Paid up</b>		
Ordinary / Equity Shares 62701495 (62701495) Equity Shares of ₹2/- each fully paid-up	1,254.03	1,254.03
	<b>1,254.03</b>	<b>1,254.03</b>

**Reconciliation of Ordinary shares :**

Particulars	No. of Shares	March 31, 2012 Amount	No. of Shares	March 31, 2011 Amount
Shares outstanding at the beginning of the year	62,701,495	1254.03	62,701,495	1254.03
Add : Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	62,701,495	1254.03	62,701,495	1254.03

**Shareholders holding more than 5% Equity Shares in the Company**

Name of Shareholder	As At March 31, 2012		As At March 31, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
CASPIAN CAPITAL AND FINANCE LIMITED	22,238,646	35.47	22,215,035	35.43
THE INDIAN HOTELS COMPANY LIMITED	16,000,000	25.52	16,000,000	25.52
G INDIRA KRISHNA REDDY	5,065,000	8.08	5,065,000	8.08

(All amounts are ₹ in Lakhs, unless otherwise stated)

**NOTE - 2 : RESERVES AND SURPLUS**

	As at March 31, 2012				As at March 31, 2011			
	Opening Balance	Additions	Deletions	Closing Balance	Opening Balance	Additions	Deletions	Closing Balance
1. Capital Reserve	3,469.30	-	-	3,469.30	3,469.30	-	-	3,469.30
2. Securities Premium Account	3,132.00	-	-	3,132.00	3,132.00	-	-	3,132.00
3. General Reserve	6,500.00	500.00	-	7,000.00	5,500.00	1,000.00	-	6,500.00
4. Surplus in Profit and Loss Account								
<b>As at April 1, 2011</b>	<b>17,788.43</b>	-	-	<b>17,788.43</b>	15,911.83	-	-	15,911.83
Net Profit/(Net Loss)For the current year	-	2,933.22	-	2,933.22	-	4,334.06	-	4,334.06
Proposed Dividend	-	-	940.52	(940.52)	-	-	1,254.03	(1,254.03)
Tax on Proposed Dividend	-	-	152.58	(152.58)	-	-	203.44	(203.44)
Transfer to Reserves	-	-	500.00	(500.00)	-	-	1,000.00	(1,000.00)
<b>As at March 31, 2012</b>	<b>17,788.43</b>	<b>2,933.22</b>	<b>1,593.10</b>	<b>19,128.55</b>	15,911.83	4,334.06	2,457.47	17,788.42
<b>TOTAL</b>	<b>30,889.73</b>	<b>3,433.22</b>	<b>1,593.10</b>	<b>32,729.85</b>	28,013.13	5,334.06	2,457.47	30,889.72

	As At 31.03.2012	As At 31.03.2011
<b>NOTE - 3 : NON-CURRENT LIABILITIES</b>		
<b>Long Term Borrowings</b>		
(a) Term loans from banks		
Secured	14,325.00	12,950.00
(b) Loans from related parties	500.00	500.00
<b>TOTAL</b>	<b>14,825.00</b>	<b>13,450.00</b>

**Details of current and non current component of long term borrowings**

Particulars	As At March 31, 2012			As At March 31, 2011		
	Non-Current	Current	Total	Non-Current	Current	Total
(a) Term loans	14,325.00	1,875.00	16,200.00	12,950.00	-	12,950.00
(b) Loans from related parties	500.00	-	500.00	500.00	-	500.00
<b>TOTAL</b>	<b>14,825.00</b>	<b>1,875.00</b>	<b>16,700.00</b>	13,450.00	-	13,450.00

**i) Term Loans from banks**

₹ 90 crores from Housing Development Finance Corporation Limited secured by first charge on all assets of Taj Krishna & Taj Deccan is repayable in 32 equal instalments after 2 years from date of each disbursement. First instalment payable in June 2012. Interest at a weighted average rate of 11.15% p.a with an annual reset clause

₹ 72 crores from HDFC Bank Ltd secured by first charge on all assets of Taj Club House, Chennai is repayable in 32 equal instalments after 2 years from date of each disbursement. First instalment payable in June 2012. Interest at a weighted average rate of 11.40% p.a with an annual reset clause

**ii) Loans from related parties**

₹ 5 crores from The Indian Hotels Company Limited repayable in July 2013. Interest at a rate of 7% p.a

## TAJGVK HOTELS & RESORTS LIMITED

(All amounts are ₹ in Lakhs, unless otherwise stated)

	As At 31.03.2012	As At 31.03.2011
<b>Other Long Term Liabilities</b>		
(a) Trade Payables	-	-
(b) Others	228.71	650.02
<b>TOTAL</b>	228.71	650.02
<b>Long Term Provisions</b>		
(a) Provision for employee benefits		
Gratuity	16.86	111.92
Leave Encashment	107.43	98.23
<b>TOTAL</b>	124.29	210.15

	As At 31.03.2012	As At 31.03.2011
<b>NOTE - 4 : CURRENT LIABILITIES</b>		
<b>Short Term Borrowings</b>		
(a) Loans repayable on demand from Banks		
Secured	931.98	163.74
Unsecured	1,300.00	500.00
<b>TOTAL</b>	2,231.98	663.74

i) Secured loans - Bank overdraft

₹ 6,60,64,046/- from Hongkong and Shanghai Banking Corporation Ltd secured by first charge on all assets of Taj Chandigarh at an interest rate of 10.75% p.a

₹ 2,71,33,594/- from IDBI Bank Ltd secured by hypothecation of Operating Supplies, Stores, Food & Beverages and Receivables at an interest rate of 12.25% p.a

ii) Unsecured loans

Loan from the Bank of Nova Scotia for a tenure of 67 days from the drawal date at an interest rate of 11.90% p.a

	As At 31.03.2012	As At 31.03.2011
<b>Other Current Liabilities</b>		
(a) Current maturities of long-term debt	1,875.00	-
(b) Dues for capital goods and services	666.51	254.46
(c) Interest accrued but not due on borrowings	23.11	54.48
(d) Income received in advance	538.15	687.18
(e) Unpaid dividends	169.76	150.47
(f) Other Liabilities	720.38	390.87
<b>TOTAL</b>	3,992.91	1,537.46

	As At 31.03.2012	As At 31.03.2011
<b>Short Term Provisions</b>		
(a) Provision for Tax (Net of Advances)	-	138.29
(b) Proposed Dividend	940.52	1,254.03
(c) Tax on Dividend	152.58	203.44
<b>TOTAL</b>	1,093.10	1,595.76

**NOTE - 5: Fixed Assets**

(All amounts are ₹ in Lakhs, unless otherwise stated)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	Opening	Additions	Deductions	Closing	Opening	Charge for the year	Deductions	Closing	Opening	Closing
<b>TANGIBLE ASSETS</b>										
1. Freehold Land	4,244.11 (4,244.11)	-	-	4,244.11 (4,244.11)	-	-	-	-	4,244.11 (4,244.11)	-
2. Leasehold Land	189.18 (189.18)	-	-	189.18 (189.18)	16.85 (10.25)	6.60 (6.60)	-	23.45 (16.85)	165.73 (172.33)	172.33 (178.93)
3. Buildings										
a. Hotel Building	25,419.49 (24,893.94)	49.30 (525.55)	-	25,468.79 (25,419.49)	4,611.71 (3,824.12)	786.15 (787.59)	-	5,397.86 (4,611.71)	20,070.93 (20,807.78)	20,808.78 (21,069.82)
b. Improvements to leasehold buildings	54.73 (37.81)	6,325.57 (16.92)	-	6,380.30 (54.73)	11.58 (10.10)	41.20 (1.48)	-	52.78 (11.58)	6,327.52 (43.15)	43.15 (27.71)
4. Plant & Machinery										
a. Plant and Machinery	13,010.84 (12,689.20)	3,465.56 (518.38)	60.35 (196.74)	16,416.05 (13,010.84)	4,140.21 (3,578.65)	861.19 (710.16)	53.66 (148.59)	4,947.74 (4,140.22)	11,468.31 (8,870.62)	8,869.63 (9,110.55)
5. Furniture, Fixtures & Office Equipment										
a. Hotel Furniture and Fixtures	5,208.19 (5,141.77)	634.17 (142.43)	2.60 (76.01)	5,839.76 (5,208.19)	3,078.58 (2,714.11)	394.13 (430.23)	2.44 (65.76)	3,470.27 (3,078.58)	2,369.49 (2,129.61)	2,130.61 (2,427.66)
6 Office Equipments	879.18 (826.65)	176.28 (52.53)	-	1,055.46 (879.18)	590.08 (498.32)	83.98 (91.75)	-	674.06 (590.07)	381.40 (289.11)	289.10 (328.33)
7 Vehicles										
a. Cars	349.40 (264.98)	2.02 (135.77)	-	351.42 (349.40)	96.53 (111.37)	33.36 (31.59)	-	129.89 (96.53)	221.53 (252.87)	251.87 (153.61)
<b>TANGIBLE ASSETS Total</b>	<b>49,355.12</b> <b>(48,287.64)</b>	<b>10,652.90</b> <b>(1,391.58)</b>	<b>62.95</b> <b>(324.10)</b>	<b>59,945.07</b> <b>(49,355.12)</b>	<b>12,545.54</b> <b>(10,746.92)</b>	<b>2,206.61</b> <b>(2,059.40)</b>	<b>56.10</b> <b>(260.78)</b>	<b>14,696.05</b> <b>(12,545.54)</b>	<b>45,249.02</b> <b>(36,809.58)</b>	<b>36,809.58</b> <b>(37,540.71)</b>
Total	49,355.12	10,652.90	62.95	59,945.07	12,545.54	2,206.61	56.10	14,696.05	45,249.02	36,809.58
Less: Internal Transfers		19.42	19.42							
		(17.27)	(17.27)							
<b>INTANGIBLE ASSETS</b>										
Customer Reservation Systems	11.05 (8.46)	40.70 (2.59)	-	51.75 (11.05)	3.00 (1.29)	3.68 (1.71)	-	6.68 (3.00)	45.07 (8.05)	8.05 (7.17)
<b>INTANGIBLE ASSETS Total</b>	<b>11.05</b> <b>(8.46)</b>	<b>40.70</b> <b>(2.59)</b>	<b>-</b>	<b>51.75</b> <b>(11.05)</b>	<b>3.00</b> <b>(1.29)</b>	<b>3.68</b> <b>(1.71)</b>	<b>-</b>	<b>6.68</b> <b>(3.00)</b>	<b>45.07</b> <b>(8.05)</b>	<b>8.05</b> <b>(7.17)</b>
<b>TOTAL</b>	<b>49,366.17</b> <b>(48,296.10)</b>	<b>10,674.18</b> <b>(1,376.90)</b>	<b>43.53</b> <b>(306.83)</b>	<b>59,996.82</b> <b>(49,366.17)</b>	<b>12,548.54</b> <b>(10,748.21)</b>	<b>2,210.29</b> <b>(2,061.11)</b>	<b>56.10</b> <b>(260.78)</b>	<b>14,702.73</b> <b>(12,548.54)</b>	<b>45,294.09</b> <b>(36,817.63)</b>	<b>36,817.63</b> <b>(37,547.88)</b>
Capital Work - In - Progress				3,185.40 (7,985.39)					3,185.40 (7,985.39)	7,985.39 (8,429.42)
<b>TOTAL</b>				<b>63,182.22</b> <b>(57,351.56)</b>	<b>12,548.54</b> <b>(10,748.21)</b>	<b>2,210.29</b> <b>(2,061.11)</b>	<b>56.10</b> <b>(260.78)</b>	<b>14,702.73</b> <b>(12,548.54)</b>	<b>48,479.49</b> <b>(44,803.02)</b>	<b>44,803.02</b> <b>(45,977.30)</b>

Note: 1) Hotel at Chandigarh is constructed on land taken on lease for 99 years.

2) Vivanta by Taj - Begumpet is on land and superstructure taken on lease for 60 years, extendable by further period of 30 years.

3) Additions include ₹274.78 lacs of borrowing cost capitalised.

4) Figures in brackets are of previous year.

**TAJGVK HOTELS & RESORTS LIMITED**

**NOTE - 6 : NON - CURRENT INVESTMENTS**

(All amounts are ₹ in Lakhs, unless otherwise stated)

	As at March 31, 2012					As at March 31, 2011				
	Quantity		₹ Lacs			Quantity		₹ Lacs		
	Type of Investment	No. of Shares	Closing (Gross Cost)	Provision (Closing)	Closing (Net Cost)	Type of Investment	No. of Shares	Closing (Gross Cost)	Provision (Closing)	Closing (Net Cost)
<b>1) LONG TERM INVESTMENT IN GROUP COMPANIES</b>										
Investment in Joint Ventures Greenwoods Palaces and Resorts Pvt Ltd	Equity	15,800,000	3,634.00	-	3,634.00	Equity				
<b>NON-TRADE INVESTMENT, UNQUOTED</b>										
Green Infra Windfarms Limited	Equity	18,000	1.80	-	1.80	Equity	18,000	1.80	-	1.80
<b>TOTAL</b>		-	3,635.80	-	3,635.80		-	1.80	-	1.80

- i) The Non-Trade Unquoted Investment are made in a company with which the Company entered into a power purchase agreement for supply of 3 million units of power or 5.65% of its actual generation whichever is less in order to comply with regulatory requirement for supply of such power.
- ii) The Company has acquired 1,58,00,000 Equity Shares (21.06% of total shares issued) of ₹10/- each (₹3/- paid up) of Greenwoods Palaces & Resorts Pvt Ltd from M/s Greenridge Hotels and Resorts Pvt Ltd at a premium of ₹ 20/- per share. The Company is setting up a 5 Star Deluxe (Luxury category) Hotel Project comprising of 275 rooms near Terminal 1C, Santacruz, Mumbai at Mumbai International Airport, under the 'TAJ' brand with M/s. Greenridge Hotels & Resorts Private Limited (a GVK Company) through its SPV M/s. Green Woods Palaces & Resorts Private Limited. As per the MOU signed with M/s Greenridge, the Company is entitled to acquire upto 49% stake in the SPV. As per the conditions of the share holders' agreement, the same is treated as a jointly controlled entity as per the Accounting Standards in vogue.

**NOTE - 7 : LONG TERM LOANS AND ADVANCES**

Long Term Loans and Advances	As At 31.03.2012	As At 31.03.2011
<b>(a) Capital Advances</b>		
Unsecured, considered good	4,303.54	4,414.40
Less: Provision for doubtful advances	-	-
	<u>4,303.54</u>	<u>4,414.40</u>
<b>(b) Deposits - Others</b>		
Unsecured, considered good	989.04	939.43
Less: Provision for doubtful deposits	-	-
	<u>989.04</u>	<u>939.43</u>
<b>(c) Advance Tax (net of provision)</b>	443.94	-
<b>(d) Minimum Alternate Tax Credit</b>	870.00	-
<b>(e) Other loans and advances</b>		
Unsecured, considered good	9.50	63.86
Less: Provision for doubtful advances	-	-
	<u>9.50</u>	<u>63.86</u>
<b>TOTAL</b>	<u>6,616.02</u>	<u>5,417.69</u>

(All amounts are ₹ in Lakhs, unless otherwise stated)

**NOTE - 8 : OTHER NON CURRENT ASSETS**

	As At 31.03.2012	As At 31.03.2011
<b>Other non current assets</b>		
<b>Others</b>		
Unsecured, considered good	102.04	118.09
Less: Provision for doubtful debts	-	-
<b>TOTAL</b>	<u>102.04</u>	<u>118.09</u>

**NOTE - 9 : CURRENT ASSETS**
**Inventories**

a) Stores and Operating Supplies	335.43	197.99
b) Food and Beverages	361.92	269.63
<b>TOTAL</b>	<u>697.35</u>	<u>467.62</u>

**Trade receivables**

Outstanding over six months from the date they are due for payment:

Unsecured, considered good	70.68	49.34
Unsecured, considered doubtful	19.79	36.97
Less: Provision for doubtful debts	19.79	36.97
	<u>70.68</u>	<u>49.34</u>

**Others:**

Unsecured, considered good	562.38	832.34
Unbilled receivables	97.03	92.09
Less: Provision for doubtful debts	-	-
	<u>659.41</u>	<u>924.43</u>
<b>TOTAL</b>	<u>730.09</u>	<u>973.77</u>

**Cash and Bank Balance**

Cash and Cash equivalents :		
Cash on Hand	17.39	25.73
Current Accounts with banks	8.14	19.02
Call and Short Term Deposit Accounts (less than 3 months)	-	300.00
	<u>25.53</u>	<u>344.75</u>
Balances with Banks Others :		
Earmarked balances with banks on account of unclaimed dividend	169.76	150.47
	<u>169.76</u>	<u>150.47</u>
<b>TOTAL</b>	<u>195.29</u>	<u>495.22</u>

**Short-term loans and advances**
**a. Deposits with Public Bodies and Others**

Unsecured, considered good	85.47	151.57
Less : Provision for considered doubtful	-	-
	<u>85.47</u>	<u>151.57</u>

**b. Other advances recoverable in cash or kind**

Unsecured, considered good	1,322.16	1,130.58
Less : Provision for considered doubtful	-	-
	<u>1,322.16</u>	<u>1,130.58</u>
<b>TOTAL</b>	<u>1,407.63</u>	<u>1,282.15</u>

**Other Current Assets**

Unamortized expenses	16.05	16.05
Interest receivable	4.22	0.83
<b>TOTAL</b>	<u>20.27</u>	<u>16.88</u>

## TAJGVK HOTELS & RESORTS LIMITED

(All amounts are ₹ in Lakhs, unless otherwise stated)

	Current Year	Previous Year
<b>NOTE - 10 : INCOME</b>		
<b>Revenue from operations</b>		
I) (a) Rooms, Restaurants, Banquets and Other Services (net of duties)	25,396.88	25,928.43
(b) Other Operating Income	-	-
<b>Sub-total</b>	<b>25,396.88</b>	<b>25,928.43</b>
<b>II) Other Income</b>		
(c) Surplus on sale of fixed assets (Net)	9.84	8.85
(d) Interest Income	17.73	9.31
(e) Miscellaneous Income	153.32	127.19
(f) Exchange gain / (loss) on foreign currency transaction & translation (net)	16.11	1.98
<b>Sub-total</b>	<b>197.00</b>	<b>147.33</b>
<b>TOTAL</b>	<b>25,593.88</b>	<b>26,075.76</b>

### NOTE - 11 : EMPLOYEE BENEFITS EXPENSES

(i) Salaries, Wages, Bonus etc.	3,125.92	3,124.50
(ii) Company's Contribution to Retirement Funds & Other Funds	202.68	308.89
(iii) Reimbursement of Expenses on Personnel Deputed to the Company	887.36	571.67
(iv) Payment to Contractors / Outsourced Labour	223.73	209.94
(v) Workmen / Staff Welfare Expenses	485.23	461.80
	<b>4,924.92</b>	<b>4,676.80</b>

### NOTE - 12 : FOOD & BEVERAGES CONSUMED

Food & Beverages Consumed	2,583.18	2,522.73
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### NOTE - 13 : FINANCE COST

<b>Finance cost</b>		
Interest expenses	1,788.89	1,315.09
Less: Interest Capitalized	274.78	175.56
<b>TOTAL</b>	<b>1,514.11</b>	<b>1,139.53</b>

### NOTE - 14 : OPERATING AND GENERAL EXPENSES

<b>a) Operating Expenses</b>		
Linen and Room Supplies	682.04	538.93
Catering Supplies	217.33	209.46
Other Supplies	16.32	9.51
Fuel, Power and Light	2,305.08	2,095.43
Repairs to Buildings	285.01	200.84
Repairs to Machinery	408.73	422.75
Repairs to Others	283.84	179.60
Payment to Orchestra Staff & Artistes	61.82	35.87
Guest Transportation	86.59	95.79
Travel Agent's Commission	120.42	127.14
Collecting Agent's Commission	264.33	266.13
<b>Sub - Total</b>	<b>4,731.51</b>	<b>4,181.45</b>

(All amounts are ₹ in Lakhs, unless otherwise stated)

	Current Year	Previous Year
<b>b) General Expenses</b>		
Rent	342.84	302.39
License Fees	457.51	422.04
Rates & Taxes	651.08	390.51
Insurance	114.09	125.78
Advertising and Publicity	508.59	559.07
Printing and Stationery	130.56	137.64
Passage and Traveling	64.83	116.51
Provision for Doubtful Debts	6.86	6.42
Bad debts and advances written off	26.25	5.56
Professional Fees	146.09	130.42
Loss on Sale of Fixed Assets	3.75	10.18
Donation	85.30	131.46
Operating and Management fees	1,531.03	1,582.46
Prior period items	-	0.40
Auditors' Remuneration	-	-
i. As Auditors	14.34	14.34
ii. For Taxation matters	2.81	3.00
iii. For Other Services	0.10	0.17
Directors' Fees	7.40	7.80
Amortized expenses	16.05	16.05
Other Expenses	1,242.53	958.90
<b>Sub -total</b>	<u>5,352.01</u>	<u>4,921.10</u>
<b>TOTAL</b>	<u>10,083.52</u>	<u>9,102.55</u>

**NOTE -15 : DETAILS OF TAXATION**

	As At 31.03.2012	As At 31.03.2011
<b>a) Summary of Taxes charged during the year in the Profit &amp; Loss A/c</b>		
Current Tax	870.00	1,922.50
Minimum Alternate Tax Credit Entitlement	(870.00)	-
Tax for earlier Years	(2.87)	(2.11)
Deferred Tax Debit/(Credit)	1,347.52	318.61
<b>Total Debit/(Credit) to Profit &amp; Loss Account</b>	<u>1,344.65</u>	<u>2,239.00</u>
<b>b) Deferred Tax Asset/Liability as at March 31, 2012</b>		
<b>Deferred Tax Liability</b>		
Depreciation on Fixed Assets	2,167.14	1,987.80
Effect of allowance u/s 35AD	3,295.11	-
<b>TOTAL</b>	<u>5,462.25</u>	<u>1,987.80</u>
<b>Deferred Tax Assets</b>		
Provision for Doubtful Debts	6.84	12.28
Employee Benefits	33.74	49.28
Effect of carry forward loss	2,147.91	-
<b>TOTAL</b>	<u>2,188.49</u>	<u>61.56</u>
<b>Net Deferred Tax Liability/Asset</b>	<u>3,273.76</u>	<u>1,926.24</u>



16. Contingent liabilities not provided for in respect of :

(₹ in lacs)

Sl. No.	Particulars	As at 31-03-2012	As at 31-03-2011
i.	Sales Tax matters	169.45	169.45
ii.	Income Tax matters	7.60	86.41
iii.	Service Tax matters	23.65	23.65
iv.	Excise duty	3.21	-
v.	Probable customs duty payable on the Equipment Imported under Export Promotion Capital Goods Scheme	487.18	613.74
vi.	Letters of Credit	-	224.31
vii.	Bank Guarantees – Others	153.26	140.43
viii.	Estimated amount of contracts remaining to be executed on capital account.	274.10	2422.66
ix.	Telephone charges in dispute with BSNL	13.73	13.73

17. Deposits recoverable under Loans and Advances include the following paid under protest:

- i) ₹ 83.84 lacs paid under the VAT Act pertaining to financial years 2005-06 to 2008-09.

18. Other Commitments: The uncalled liability on account of acquisition of 1,58,00,000 shares of ₹10/- each of Greenwoods Palaces & Resorts Pvt Ltd, ₹ 11,06,00,000/-

19. i) Disclosure of Trade Payables under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and relied upon by the Auditors.

- ii) Details of total outstanding dues to Micro and Small Enterprises as per MSMED Act, 2006:

Particulars	Current Year	Previous Year
The principal amount due thereon remaining unpaid to any supplier as at the end of the accounting year	2.75	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amounts of payments made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under MSMED Act, 2006	-	-

20. The Executive Chairman and Managing Director are entitled to commission @ 1% each of Net Profits computed in accordance with Section 349 of the Companies Act, 1956 after tax. Due to inadequacy of the profits no commission was provided for the year and the Company is in the process of submitting an application to the Central Government for approval of minimum remuneration as per the terms of appointment.

21. Additional information pursuant to provisions of paragraphs 3, 4 and 4D of Part II of Schedule VI of the Companies Act 1956.

**i) Income from Guest Accommodation, Restaurants etc**

(All amounts are ₹ in Lakhs, unless otherwise stated)

Particulars	Current Year	Previous Year
Guest Accommodation	<b>13289.54</b>	13753.71
Food, Beverages and others	<b>8106.47</b>	8363.86
Liquor & Wines	<b>1870.63</b>	2039.93
Telephones	<b>219.09</b>	142.12
Other Income	<b>2108.15</b>	1776.14
<b>TOTAL</b>	<b>25593.88</b>	26075.76

**ii) Consumption of Provisions, Stores and Wines**

Particulars	Opening Stock	Purchases	Consumption	Closing Stock
Provisions & Stores, Beverages other than Liquor, Beer & Wines	76.06 (63.53)	2152.79 (2105.32)	2120.86 (2092.79)	107.99 (76.06)
Liquor, Beer & Wines	193.57 (195.12)	454.26 (428.37)	399.01 (429.92)	248.82 (193.57)
<b>TOTAL</b>	269.63 (258.65)	2607.05 (2533.69)	2519.86 (2522.71)	356.81 (269.63)

**iii. Foreign Exchange Earnings**

Particulars	Current Year	Previous Year
Earnings in Foreign Exchange	<b>7,276.70</b>	7,200.71

As reported by The Company to the Ministry of Tourism / Government of India and as certified by the Management but not verified by the auditors

**iv. Expenditure in foreign currency:**

Particulars	Current Year	Previous Year
Capital Goods	677.36	813.42
Consultancy	62.72	8.38
Others	106.08	114.27
<b>TOTAL</b>	<b>846.16</b>	<b>936.07</b>

**v. Consumption of raw materials (provisions, stores & wines)**

Particulars	Current Year		Previous Year	
	₹ in lacs	%	₹ in lacs	%
Imported	195.57	7.76	162.00	5.77
Indigenous	2324.29	92.24	2645.80	94.23
<b>TOTAL</b>	<b>2519.86</b>	<b>100.00</b>	<b>2807.80</b>	<b>100.00</b>

**22. Related Parties Disclosures**

The Company does not have any holding company or companies controlling the company, as defined under Accounting Standard 18. The company does not have any subsidiary companies. Transactions with various companies related to the company by way of common directorships or firms in which directors are partners, are disclosed hereunder:

**Key Management personnel:**

Sri G.V.Krishna Reddy	Executive Chairman
Smt.G.Indira Krishna Reddy	Managing Director
Smt.Shalini Bhupal	Executive Director

Joint Venture with	The Indian Hotels Company Limited
Jointly controlled entity	Greenwoods Palaces and Resorts Pvt Ltd

Companies/Firms/Trust in which the Key Management and their relatives are interested:

Accura Constructions (P) Ltd	GSR Land Holdings (P) Ltd
Accura Estates (P) Ltd	GVK Airport Developers (P) Ltd
Alaknanda Hydro Power Co Ltd (*)	GVK Airport Holdings (P) Ltd
Allied Estates (P) Ltd	GVK Biosciences (P) Ltd (*)
Altitude Design & Development (P) Ltd	GVK Cements Pvt Ltd
Amtran Constructions (P) Ltd	GVK City (P) Ltd
Anchor Estates (P) Ltd	GVK Coal (Tokisud) Co.(P) Ltd (*)
Appease Estates Private Limited	GVK Davix Research (P) Ltd
Bengaluru Airport & Infrastructure Developers Pvt.Ltd	GVK Davix Technologies (P) Ltd
Bengaluru International Airport Ltd (*)	GVK Deoli Kota Expressway (P) Ltd
Blue Streak Consultants (P) Ltd	GVK Developmental Projects (P) Ltd
Blue Streak Land Holdings (P) Ltd	GVK Foundation (*)
Bonanza Real Estates (P) Ltd	GVK Energy Holdings (P) Ltd
Caspian Capital & Finance (P) Ltd	GVK Energy Ltd (*)
Casuarina Capital & Finance (P) Ltd	GVK Energy Ventures (P) Ltd
Classic Land Holdings (P) Ltd	GVK Estates Private Limited
Consolidated Real Estates (P) Ltd	GVK Hydrel (P) Ltd
Cygnus Real Estates (P) Ltd	GVK Industries Ltd (*)
Delta Land Holdings (P) Ltd	GVK Jaipur Expressway Private Ltd (*)
Dhaulasidh Power (P) Ltd	GVK Natural Resources (P) Ltd (*)
Eagle Land Holdings (P) Ltd	GVK Oil & Gas Limited (*)
Fair Value Land Holdings (P) Ltd	GVK Perambalur SEZ (P) Ltd
Fortune Real Estates (P) Ltd	GVK Power & Infrastructure Ltd (*)
Fresenius Intraven (P) Ltd	GVK Power (Goindwal Sahib) Ltd (*)
GVK Gautami Power Ltd (*)	GVK Power (Krishnapatnam) (P) Ltd
Gautami Power (Samalkot) Pvt Ltd	GVK Power (Ratlam) Private Ltd (*)
Genesis Realtors (P) Ltd	GVK Properties & Management Co.(P) Ltd
GIKR Land Holdings (P) Ltd	GVK Projects & Technical Services Ltd. (*)
Goldgreen Land Holdings (P) Ltd	GVK Technical & Consultancy Private Ltd (*)
Goriganga Hydro Power Co.(P) Ltd	GVK Ratle Hydro Electric Project Pvt Ltd (*)
Greenwoods Land Holdings (P) Ltd	GVK Transportation (P) Ltd
Greenwoods Palaces & Resorts (P) Ltd (*)	GVK Virudhnagar Sez (P) Ltd
Greenridge Hotels & Resorts (P) Ltd	IKR Land Holdings (P) Ltd

Inc GVK Bio (P) Ltd	Parthasarathy A/c Tourists (P) Ltd
Indigo Enterprises	Patikari Power Private Ltd
Indigo Estates	Pinakini Share & Stock Brokers Ltd
Indira Constructions	Pinnacle Land Holdings (P) Ltd
Indira Enterprises	Plateau Construction & Engg.(P) Ltd
Innovative Land Holdings (P) Ltd	Plateau Land Holdings (P) Ltd
Inogent Laboratories (P) Ltd	Raghavendra Finance (P) Ltd
ISR Infrastructure	Raghavendra Land Holdings (P) Ltd
JK Operation & Maintenance (P) Ltd	Regulus Estates (P) Ltd
KR Bhupal Land Holdings (P) Ltd	Revatha Aqua Mineral (P) Ltd
KRAMB Land Holdings (P) Ltd	RK Estates
KRBSB Estates Private Limited	S.Bhupal & Others (*)
KRGV Land Holdings (P) Ltd	SS Inclusive Development Finance Pvt Ltd
Krishna Enterprises	SBSR Land Holdings (P) Ltd
Lakeview Developers	Sheraton Estates (P) Ltd (*)
Lakshmi Enterprises	SHSB Land Holdings (P) Ltd
Lepus Land Holdings (P) Ltd	Siregraha Mines Limited
Magus Media Pvt Ltd	SOMKRB Land Holdings (P) Ltd
Mallikarjuna Estates (P) Ltd	SR Finance & Others
Mallikarjuna Finance (P) Ltd	SR Finance (P) Ltd
Marine Developers	Sri Hari Developers
Marine Enterprises	Sri Hari Enterprises
Marine Estates	Sri Hari Estates
Marriot Land Holdings (P) Ltd	Sri Lakshmi Enterprises
Marwell Architects & Contractors (P) Ltd	Sri Parvathi Enterprises
Metro Architects & Contractors (P) Ltd	Sri Shiva Enterprises
Midas Estates (P) Ltd	Sri Venkateswara Enterprises (*)
MMR Constructions	Sri Vishnu Enterprises (*)
MR Constructions	Starlet Land Holdings (P) Ltd
MRK Constructions	Sunshine Enterprises
Mumbai Airotropolis Pvt Ltd	Suphala Real Estates (P) Ltd
Mumbai Airport Habitation Pvt Ltd	TRG Constructions
Navi Mumbai Airport Developers (P) Ltd	Trinity Advisors (P) Ltd
Mumbai Aviation Fuel Form Facility (P) Ltd	Verdura
Mumbai International Airport (P) Ltd (*)	Vertex Infratech (P) Ltd
Novopan Industries Ltd (*)	Vertex Projects Ltd
Orbit Travel & Tours (P) Ltd (*)	Volantis Land Holdings (P) Ltd
Oxford Land Holdings (P) Ltd	Vulcon Constructions (P) Ltd
Pace Constructions (P) Ltd	Woodstar Industries (*)
Pace Estates (P) Ltd	Zinger Investments (P) Ltd
Paigah House Hotel (P) Ltd	

(\*) Companies with which there are transactions during the year.

**TRANSACTIONS WITH THE RELATED PARTIES:  
STATEMENT OF MATERIAL TRANSACTIONS :**

(All amounts are ₹ in Lakhs, unless otherwise stated)

Name of Company	Current Year	Previous Year
<b>Key Management Personnel:</b>		
Mr.G.V.Krishna Reddy – Salary	430.12	403.12
Mrs.Indira Krishna Reddy – Salary	148.90	240.97
Mrs.Shalini Bhupal – Salary	98.07	89.98
<b>Joint Venture:</b>		
Indian Hotels Company Limited		
- Interest on unsecured loan	35.10	35.10
- Operating fee	1531.03	1582.45
- Reimbursement of advertisement expenses	394.93	389.56
<b>Jointly controlled entity:</b>		
Greenwoods Palaces & Resorts (P) Ltd		
- Investment in Equity Shares	3634.00	-
<b>Enterprises in which key management personnel and / or their relatives have significant influence:</b>		
Sheraton Estates		
- Purchase of vegetables	5.91	5.38
Orbit Tours and Travels (P) Ltd		
- Purchase of travel tickets and car hire charges	206.66	122.41
GVK Foundation		
- Donation	85.13	131.46
GVK Industries Ltd		
- Salaries of deputed staff	4.40	11.20
Novopan Industries Ltd		
- Salaries of deputed staff	5.03	8.88
GVK Technical Consultancy Services (P) Ltd		
- Salaries of deputed staff	15.25	-
S.Bhupal & Others		
- Purchase of vegetables	0.15	-
Sri Venkateswara Enterprises		
- Rental charges received	0.05	-
Income from sale of rooms and food & beverages:		
- Alakananda Hydro Power Co. Ltd	2.40	3.61
- GVK Gautami Power Ltd	0.76	2.16
- Mumbai International Airport Pvt Ltd	27.68	22.77
- Novopan Industries Ltd	0.08	1.00
- GVK Biosciences Pvt Ltd	19.96	12.76
- GVK Coal (Tokisud) Co. Pvt. Ltd	2.49	0.97
- GVK Industries Ltd	42.49	74.39
- GVK Jaipur Expressway Pvt Ltd	0.58	2.25
- GVK Power and Infrastructure Ltd	17.82	14.76
- GVK Power (Goindwal Sahib) Ltd	6.74	4.40
- GVK Properties & Management Pvt Ltd	-	0.02
- GVK Oil and Gas Ltd	0.16	0.23
- Bengaluru International Airport Ltd	5.36	0.19
- GVK Energy Ltd	1.20	0.46
- Inogent Laboratories Pvt Ltd	-	0.33
- GVK Cements Ltd	-	0.13
- Orbit Tours and Travels (P) Ltd	0.19	-
- GVK Natural Resources Pvt Ltd	0.31	-
- GVK Power (Ratlam) Pvt Ltd	7.58	-
- GVK Projects and Technical Services Ltd	0.60	-
- GVK Ratle Hydro Electric Power Pvt Ltd	0.21	-
- GVK Technical Consultancy Services (P) Ltd	11.86	-
- S.Bhupal & Others	0.03	-
- Sri Venkateswara Enterprises	2.69	-
- Sri Vishnu Enterprises	0.15	-
- Woodstar Industries	0.16	-

**BALANCES OUTSTANDING AS OF 31.03.2012:**

(All amounts are ₹ in Lakhs, unless otherwise stated)

Name of Company	Current Year	Previous Year
<b>Key Management Personnel:</b>		
Mr.G.V.Krishna Reddy – Salary payable	-	21.52
Mrs.Indira Krishna Reddy – Salary payable	-	57.88
Mrs.Shalini Bhupal – Salary payable	-	2.24
<b>Joint Venture:</b>		
Indian Hotels Company Limited		
- Interest accrued on unsecured loan	<b>23.11</b>	54.47
- Unsecured Loan outstanding	<b>500.00</b>	500.00
- Operating fee & reimbursements payable	<b>762.30</b>	-
- Reimbursement of expenses receivable	<b>101.98</b>	16.05
<b>Jointly controlled entity:</b>		
Greenwoods Palaces & Resorts (P) Ltd		
- Investment in Equity Shares	<b>3634.00</b>	-
<b>Enterprises in which key management personnel and / or their relatives have significant influence:</b>		
GVK Industries Ltd		
- Salaries of deputed staff payable	<b>1.52</b>	5.64
GVK Technical Consultancy Services (P) Ltd		
- Salaries of deputed staff payable	<b>1.51</b>	-
Orbit Tours and Travels (P) Ltd		
- Purchase of travel tickets and car hire charges payable	<b>14.43</b>	1.51

**23. Deferred Tax:**

In accordance with the Accounting Standard 22 (AS-22) 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax liability up to 31.03.2012 comprising of the following components.

	Current Year	Previous Year
<b>Deferred Tax Liability:</b>		
Depreciation on Fixed Assets	<b>2167.14</b>	1987.80
Effect of allowance u/s35AD	<b>3295.11</b>	-
<b>Deferred Tax Asset:</b>		
Provision for bonus & leave encashment	<b>33.73</b>	49.28
Provision for doubtful debts	<b>6.84</b>	12.28
Effect of carry forward loss	<b>2147.90</b>	-
<b>Net Deferred Tax Liability</b>	<b>3273.76</b>	1926.24

24. The Company has given certain assets on operating lease, on which the minimum future lease rentals receivable, are as follows:

Particulars	Current Year	Previous Year
Not later than one year	<b>777.82</b>	726.93
Later than one year but not later than five years	<b>1730.84</b>	2757.29
Later than 5 years	<b>371.89</b>	-

25. The company operates a post retirement benefit plan for gratuity. Details of gratuity plan are as under:

**Amount recognized in Balance Sheet** (₹ in lacs)

Particulars	Current Year	Previous Year
Present Value of Funded Obligations	432.27	442.14
Fair Value of Plan Assets	(401.66)	(316.47)
<b>Net Liability recognized in the Balance Sheet</b>	<b>30.61</b>	125.67

**Expenses recognized in the Profit & Loss Account** (₹ in lacs)

Particulars	Current Year	Previous Year
Current Service Cost	32.10	24.76
Interest on Defined Benefit Obligation	33.40	26.28
Expected Return on Plan Assets	(21.34)	(17.92)
Net Actuarial Losses	(64.20)	52.40
<b>Net Expenses recognized in the Profit &amp; Loss Account</b>	<b>(20.06)</b>	85.52

**Reconciliation of Defined Benefit Obligation** (₹ in lacs)

Particulars	Current Year	Previous Year
Opening Defined benefit Obligation	442.14	343.74
Current Service Cost	32.10	24.76
Interest Cost	33.39	26.28
Actuarial Losses / (Gain)	(53.55)	56.12
Benefits Paid	(21.80)	(8.76)
<b>Closing Defined Benefit Obligation</b>	<b>432.28</b>	442.14

**Reconciliation of Fair Value of Plan Assets** (₹ in lacs)

Particulars	Current Year	Previous Year
Opening Fair Value of Plan Assets	316.47	258.59
Expected Return on Plan Assets	21.34	17.92
Actuarial gain / (Losses)	10.65	3.72
Contributions by Employer	75.00	45.00
Benefits Paid	(21.80)	(8.76)
<b>Closing Fair Value of Plan Assets</b>	<b>401.66</b>	316.47

**Description of Plan Assets**

Particulars	Current Year	Previous Year
Insurer Managed Funds	100%	100%

**Summary of Actuarial Assumptions**

Particulars	Current Year	Previous Year
Discount Rate	8.55%	8.00%
Expected rate of return on Assets	7.50%	7.50%
Salary Escalation Rate	7.00%	7.00%

**26. Disclosure of interest in jointly controlled entities:**

- The Company holds 21.06% (Previous year NIL) of the total share capital of M/s Greenwoods Palaces & Resorts Pvt Ltd (Greenwoods), which is incorporated in India.
- The share of contracts to be executed on capital account of the Company in Greenwoods is ₹ 775.34 lacs as of 31.03.2012.
- The interest of the Company in Greenwoods' assets and liabilities as of 31.03.2012 as required to be disclosed as per Accounting Standard 27, Reporting of interests in Joint Ventures, is given below:

Particulars	₹ lacs
<b>Loss for the period</b>	10.72
<b>Liabilities:</b>	
Non-current liabilities	4.90
Current liabilities	9.60
<b>Assets:</b>	
Tangible assets	61.74
Non-current loans and advances	67.68
Current assets	348.43

- In the opinion of the Board of Directors of the company, the current assets, loans and advances are expected to realise in the ordinary course of business approximately the value at which they are stated in accounts.
- Previous Year's figures have been regrouped / rearranged, wherever necessary. Figures in brackets indicates those for previous year.

Per our report of even date

For and on behalf of the Board

For **BRAHMAYYA & CO.,**  
Firm Regn No.000513S  
Chartered Accountants

**KOTESWARA RAO SSR**  
Partner  
M.No.018952

**G V Krishna Reddy**  
Executive Chairman

**G Indira Krishna Reddy**  
Managing Director

**Anil P Goel**  
Director

**S B Kamath**  
GM - Finance &  
Company Secretary

Place : Hyderabad  
Date : 30<sup>th</sup> April 2012







**TAJGVK Hotels & Resorts Limited**

Registered Office: Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034

**ATTENDANCE SLIP**

**17<sup>th</sup> Annual General Meeting on Friday, the 27<sup>th</sup> July 2012, at 11.30 a.m.**  
Please fill Attendance Slip and hand it over at the entrance of the Meeting Hall

<b>Regd. Folio No.</b>	
<b>No. of Shares held</b>	

<b>*DPID :</b>	
<b>*Client ID:</b>	

Name of the Shareholder	
Name of Proxy	
Signature of Member / Proxy	

I / We hereby record my / our presence at the 17<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Friday, the 27<sup>th</sup> July 2012, at 11.30 a.m. at Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073.

**SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING**

**If Member, Please sign here**

**If Proxy, Please sign here**

Note : This form should be signed and handed over at the Meeting Venue. No duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring copy of the Annual Report to the Meeting.

*\* Applicable for investors holding shares in electronic form*



**TAJGVK Hotels & Resorts Limited**

Registered Office: Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034

**PROXY FORM**

<b>Regd. Folio No.</b>	
<b>No. of Shares held</b>	

<b>*DPID :</b>	
<b>*Client ID:</b>	

I/We.....  
of ....., being a member/members of TAJGVK Hotels & Resorts Limited hereby appoint ..... of .....or failing him / her .....of ..... as my / our proxy to attend and vote for me / us and on my / our behalf at the 17<sup>th</sup> ANNUAL GENERAL MEETING at Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad -500073 to be held **on Friday, the 27<sup>th</sup> July 2012 at 11.30 a.m.** and at any adjournment thereof.

As Witness my / our hand(s) this.....day of..... 2012.

Signed by the said .....

Affix Re. 1/- Revenue Stamp
--------------------------------------

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

*\* Applicable for investors holding shares in electronic Form.*

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Alfresco, Taj Krishna, Hyderabad



Rendezvous, Vivanta by Taj, Hyderabad



TAJGVK Hotels & Resorts Limited

Registered Office  
'Taj Krishna' Road No.1, Banjara Hills,  
Hyderabad 500 034, India  
[www.tajgvk.in](http://www.tajgvk.in)