



# TAJGVK

TAJGVK Hotels & Resorts Limited

20<sup>th</sup> Annual Report 2014 - 15

# Corporate information

## Board of Directors

(As on 11.05.2015)

Dr G V Krishna Reddy	: Chairman
Mrs G Indira Krishna Reddy	: Managing Director
Mrs Shalini Bhupal	: Executive Director
Mr G V Sanjay Reddy	: Director
Mr Krishnaram Bhupal	: Director
Mr Rakesh Sarna	: Additional Director (w.e.f. 30.10.2014)
Mr Anil P Goel	: Director
Mr D R Kaarthikeyan	: Director
Mr C D Arha	: Director
Mr K Jayabharath Reddy	: Director
Mr M B N Rao	: Director
Mr Ch G Krishna Murthy	: Director
Mr S Anwar	: Director
Mr A Rajasekhar	: Director
Mrs Santha John	: Additional Director (w.e.f. 29.01.2015)
Mr J Srinivasa Murthy	: CFO & Company Secretary

## Committees of the Board

### Audit Committee

Mr K Jayabharath Reddy	: Chairman
Mr Rakesh Sarna	
Mr Anil P Goel	
Mr D R Kaarthikeyan	
Mr C D Arha	
Mr M B N Rao	

### Nomination and Remuneration Committee

Mr K Jayabharath Reddy	: Chairman
Mr Rakesh Sarna	
Mr D R Kaarthikeyan	
Mr C D Arha	

### Corporate Social Responsibility Committee

Mrs G Indira Krishna Reddy	: Chairperson
Mr D R Kaarthikeyan	
Mr Ch G Krishna Murthy	

### Stakeholders Relationship Committee

Mrs G Indira Krishna Reddy	: Chairperson
Mr Anil P Goel	
Mr Ch G Krishna Murthy	

**Statutory Auditors** : M/s Brahmayya & Company  
Flat No.403 & 404, Golden Green Apartments  
Irrum Manzil Colony, Hyderabad 500 082.

**Internal Auditors** : M/s. PKF Sridhar & Santhanam  
KRD Gee Gee Crystal, 7th Floor, 91-92  
Dr. Radhakrishnan Salai, Mylapore  
Chennai – 600 004

**Secretarial Auditors** : M/s. Narender & Associates  
Company Secretaries  
403, Naina Residency  
Srinivasa Nagar (East), Ameerpet  
Hyderabad – 500 038.

**Company Bankers** : IDBI Bank Limited  
HDFC Bank Limited  
AXIS BANK Limited

**Registered Office** : TAJGVK Hotels & Resorts Limited  
CIN: L40109AP1995PLC019349  
Taj Krishna, Road No.1  
Banjara Hills, Hyderabad - 500 034.  
E-mail: tajgvkshares.hyd@tajhotels.com  
www.tajgvk.in  
Phone: 040-66662323 Extn: 3664

**Registrars & Share Transfer Agents** : Karvy Computershare Pvt. Limited  
Karvy Selenium Tower B, Plot No.31 & 32  
Gachibowli, Financial District  
Nanakramguda, Serilingampally, Hyd-500 008  
Tel: 040 67161605  
Fax: 040 23001153  
E-mail: mailmanager@karvy.com

**Stock Exchanges where Company's securities are listed** : Bombay Stock Exchange Limited  
Scrip Code: 532390  
The National Stock Exchange of India Limited  
Scrip Code: TAJGVK EQ

## FINANCIAL HIGHLIGHTS

(₹ in crores)

	2014-15	2013-14	2012-13	2011-12	2010-11
Gross revenue	250.02	245.13	254.24	255.94	260.66
Profit before tax	(1.83)	8.73	13.60	42.78	65.73
Profit after tax(after extraordinary / prior period items)	(1.97)	4.98	8.78	29.33	43.34
Dividend (incl. Dividend tax and surcharge, if any)	NIL	1.47	3.67	10.92	14.57
Shareholders' Funds	346.49	348.46	344.95	339.84	321.44
Term Borrowings	269.35	216.86	200.75	167.00	134.50
Debt Equity ratio	0.78:1	0.62:1	0.58:1	0.49:1	0.42:1
Book value per share (₹)	55.26	55.57	55.01	54.20	51.26
Earnings per share (₹)	(0.31)	0.79	1.40	4.68	6.91
Dividend %	NIL	10%	25%	75%	100%

## CONTENTS

	From	To
Financial Highlights_ . . . . .	1	1
Notice_ . . . . .	2	16
Directors' Report _ . . . . .	17	35
Management Discussion & Analysis_ . . . . .	36	43
Corporate Governance & General Shareholder Information_ . . . . .	43	52
Independent Auditor's Report_ . . . . .	53	55
Balance Sheet _ . . . . .	56	56
Profit & Loss Account _ . . . . .	57	57
Cash Flow Statement _ . . . . .	58	58
Notes to Financial Statements_ . . . . .	59	78
Attendance Slip_ . . . . .	79	79
Proxy Form _ . . . . .	81	81

## NOTICE OF THE 20<sup>TH</sup> ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of TAJGVK HOTELS & RESORTS LIMITED will be held at Hotel Taj Krishna, Road No.1, Banjara Hills, Hyderabad – 500034, on Tuesday, the 28<sup>th</sup> July, 2015, at 11.30 a.m. to transact the following business:

### ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2015, and the Balance Sheet and Cash Flow Statement as on at that date, together with the Directors' Report and the Auditors' Report thereon.
- 2) To appoint a Director in place of Mr. G. V. Sanjay Reddy (DIN 00005282), who retires by rotation and being eligible, seeks re-appointment as Director liable to retire by rotation.
- 3) To appoint a Director in place of Mr. Krishnaram Bhupal (DIN 00005442), who retires by rotation and being eligible, seeks re-appointment as Director liable to retire by rotation.
- 4) To appoint M/s Brahmayya & Company, Chartered Accountants (ICAI Registration No.000513S), 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 authorise the Audit Committee and the Board of Directors to fix the fee.

### SPECIAL BUSINESS:

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

" RESOLVED THAT pursuant to the provisions of sections 149, 152 read with all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, *Mr. Rakesh Sarna (DIN 01875340)*, who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, liable to retire by rotation be and is hereby appointed as a Director under the category of *Promoter Non-executive Non-Independent Director* of the Company."

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

" RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable

provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, *Mr. K Jayabharath Reddy (DIN 00038342)*, who was appointed as an *Independent Director* of the Company liable to retire by rotation under the provisions of Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of *Independent Director*, not liable to retire by rotation be and is hereby appointed as an *Independent Director* of the Company to hold office for a fixed term of 5 (five) years from the date of appointment."

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

" RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, *Mr. D R Kaarthikeyan (DIN 00327907)*, who was appointed as an *Independent Director* of the Company liable to retire by rotation under the provisions of Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of *Independent Director*, not liable to retire by rotation be and is hereby appointed as an *Independent Director* of the Company to hold office for a fixed term of 5 (five) years from the date of appointment. "

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

" RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, *Mr. M B N Rao (DIN 00287260)*, who was appointed as an *Independent Director* of the Company liable to retire by rotation under the provisions of Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of *Independent Director*, not liable to retire by rotation be and is hereby appointed as an *Independent Director* of the Company to hold office for

a fixed term of 5 (five) years from the date of appointment.”

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

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, *Mr. Ch G Krishna Murthy (DIN 01667614)*, who was appointed as an **Independent Director** of the Company liable to retire by rotation under the provisions of Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of **Independent Director**, not liable to retire by rotation be and is hereby appointed as an **Independent Director** of the Company to hold office for a fixed term of 5 (five) years from the date of appointment.”

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

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, *Mr. S Anwar (DIN 06454745)*, who was appointed as an **Independent Director** of the Company liable to retire by rotation under the provisions of Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of **Independent Director**, not liable to retire by rotation be and is hereby appointed as an **Independent Director** of the Company to hold office for a fixed term of 5 (five) years from the date of appointment.”

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

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, *Mrs. Santha John (DIN 00848172)*, who was appointed as an Additional Director pursuant to the

provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of **Independent Director**, not liable to retire by rotation be and is hereby appointed as an **Independent Director** of the Company to hold office for a fixed term of 5 (five) years from the date of appointment”.

- 12) 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 Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if required the consent of the Company be and is hereby accorded to the re-appointment of *Mrs. G Indira Krishna Reddy (DIN 00005230)*, as the **“Whole Time Director”** designated as Managing Director of the Company for a period of five years effective from 25.04.2015, on the terms and conditions as under:

#### Period of Appointment

- I The appointment is for a period of 5 years with effect from 25<sup>th</sup> April 2015

#### II. Remuneration

A) Salary: Basic pay shall be ₹10,00,000 per month in the Scale of ₹10,00,000 – ₹1,00,000 – ₹15,00,000.

#### B) Perquisites & Allowances

- i. In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like house rent allowance; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, air-conditioning and repairs, all of which may be hired or owned; medical reimbursement; club fees and leave travel concession for herself and her family; medical insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Nomination & Remuneration Committee and Board of Directors and the Managing Director; such perquisites and allowances will be subject to a maximum of 125% of her annual salary.

- ii. For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable; in the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost or hire charges.
- iii. Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iv. Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

**C Minimum Remuneration**

Pursuant to the provisions of section 197 and other applicable provisions, if any of the Companies Act, 2013 read together with Schedule V and the Rules framed there under including any statutory modification thereof, for the time being in force and subject to the approval of the Central Government and/or such other necessary approval(s), consent(s), or permission(s) as may be required and conditions/ modifications if any, as may be prescribed or imposed by the Central Government, the approval of the members of the company be and is hereby accorded for payment of remuneration as mentioned in this resolution as the Minimum remuneration to Mrs. G. Indira Krishna Reddy, Managing Director in case of no profits/ adequacy of profits in any financial year during the term of her appointment.

- III. The terms and conditions of the said appointment may be altered and varied from time to time by the Nomination & Remuneration Committee and the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Managing Director in accordance with Schedule V to the Act or any amendments thereto made hereinafter in this regard.
- IV. If at any time the Managing Director ceases to be a Director of the Company for any reason whatsoever, she shall also cease to be Managing Director of the Company.

"RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals- statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign execute deeds, applications,

documents, writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution".

- 13) 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 197 and other applicable provisions, if any of the Companies Act, 2013 read together with Schedule V and the Rules framed there under including any statutory modification thereof, for the time being in force and in pursuance to the resolution passed by the members of the Company at the AGM held on 26th July, 2010 subject to the approval of the Central Government and/or such other necessary approval(s), consent(s), or permission(s) as may be required and conditions / modifications if any, as may be prescribed or imposed by the Central Government and the members do hereby ratify and confirm the remuneration paid in excess of the limits prescribed under the provisions of section 198, 309 read with Schedule V of the Companies Act 2013, amounting to ₹204.39 lacs to Mrs. G. Indira Krishna Reddy, Managing Director for the financial year 2014-15 and to waive of the recovery of the excess amount from her, being the remuneration agreed to be paid to her as per the terms of approval of the members, to the extent it exceeds the statutory limit laid down under the Companies Act 2013 and also approval the consequential retention thereof by Managing Director.

"**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals- statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign execute deeds, applications, documents, writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution".

- 14) 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 197 and other applicable provisions, if any of the Companies Act, 2013 read together with Schedule V and the Rules framed there under including any statutory modification thereof, for the time being in force and in pursuance to the resolution passed by the members of the Company at the AGM held on 1st August, 2014 subject to the approval of the Central Government and/or such other necessary approval(s), consent(s), or permission(s) as may

required and conditions/ modifications if any, as may be prescribed or imposed by the Central Government and the members do hereby ratify and confirm the remuneration paid in excess of the limits prescribed under the provisions of section 198, 309 read with Schedule V of the Companies Act 2013, amounting to ₹145.73 lacs to Mrs. Shalini Bhupal, Executive Director for the financial year 2014-15 and to waive of the recovery of the excess amount from her, being the remuneration agreed to be paid to her as per the terms of approval of the members, to the extent it exceeds the statutory limit laid down under the Companies Act 2013 and also approval the consequential retention thereof by Executive Director.

“RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals- statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign execute deeds, applications,

documents, writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution”.

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

J SRINIVASA MURTHY  
CFO & Company Secretary  
M .No. F4460

Place : Hyderabad  
Date : 11<sup>th</sup> May, 2015

Registered Office:  
Taj Krishna, Road No.1,  
Banjara Hills, Hyderabad 500 034.  
CIN: L40109AP1995PLC019349  
Email: tajgvkshares.hyd@tajhotels.com  
Website: www.tajgvk.in  
Ph No. : 040- 66662323

**NOTES:**

- 1) 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.
- 2) 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. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- 3) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 21<sup>st</sup> July, 2015 to Tuesday the 28<sup>th</sup> July, 2015 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
- 4) During the year 2014-15 the Company has transferred unclaimed amount of ₹31,40,127/- out of dividend declared for the financial year 2006-07 to the General Revenue Account / Investor Education and Protection Fund (IEPF) of the Central Government as required under Section 125 of the Companies Act, 2013. 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.  
Members who have not encashed their dividend warrants within the validity period may write to CFO & 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. The detailed dividend history and the due dates for transfer to IEPF are available on the website of the company [www.tajgvk.in](http://www.tajgvk.in). The Company will be transferring the unclaimed dividend for the financial year 2007-08 to IEPF on 28<sup>th</sup> September, 2015.
- 5) Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment and re-appointment at the meeting are annexed.
- 6) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those

Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' to M/s Karvy Computershare Pvt. Ltd or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.

7) The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

#### 8) Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday the 20<sup>th</sup> July, 2015 (cut off date) i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on 24<sup>th</sup> July, 2015 and will end at 5.00 p.m. on 27<sup>th</sup> July, 2015. The Company has appointed M/s. Narender & Associates, Practising Company Secretaries, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

9) Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.

10) Members desiring any information as regards the accounts are requested to write to the CFO & Company Secretary of the Company at an early date so as to enable the Management to reply at the Meeting.

11) 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.

#### 12) Voting through Physical Ballot

In compliance with the provisions of the Companies Act, 2013 and Rules, 2014 there under, the Company is pleased to provide members those who have not exercised their vote through remote E-Voting, can exercise their vote in physical form in the ballot facility, being extended to the shareholders at the venue of the Meeting. The result of the physical ballot shall be declared along with the result of the remote E-Voting.

#### E-voting procedure

The company is pleased to provide members facility to exercise their right to vote at the 20<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited (KCPL).

The instructions for members for voting electronically are as under:-

- (A) In case of members receiving e-mail:
  - i) Log on to the e-voting website <https://www.evoting.karvy.com>
  - ii) Click on "Shareholders" tab to cast your votes.
  - iii) Now, select the Electronic Voting Sequence Number- "ESVN" along with "COMPANYNAME" from the drop down menu and click on "SUBMIT"
  - iv) If you are holding shares in Demat form and had logged on to <https://www.evoting.karvy.com> and casted your vote earlier for ESVN of any Company, then your existing login id and password are to be used.
  - v) Now, fill up the following details in the appropriate boxes:



	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID following by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company and then enter the Captcha Code as displayed
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholder)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and sequence number in the PAN field. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter "999999999" in the dividend bank details and 16/06/2015 in the Date of Birth field.

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach "Password Creation" Menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through Karvy Platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii) For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in the Notice.
- ix) Click on the relevant EVSN on which you choose to vote.
- x) On the voting page, you will see Resolution Description and against the same the option "YES / NO" for voting. Select the option YES or NO as desired, the option YES implies that you assent to the Resolution and option NO implies that you dissent to the resolution.
- xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

In case of members receiving the physical copy:

- (B) Please follow all steps from sl. no. (i) to sl. No. (xiv) above to cast vote.
- (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evoting.karvy.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board resolution in PDF format in the system for the scrutinizer to verify the vote.

- (D) The E-voting period begins on 24<sup>th</sup> July, 2015 at 9:00 a.m. and ends on 27<sup>th</sup> July, 2015 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date, may cast their vote electronically. The e-voting module shall be disabled by Karvy Computershare Private Limited (KCPL) for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evoting.karvy.com> under help section or write an email to: [einward.risk@karvy.com](mailto:einward.risk@karvy.com) or [mailmanager@karvy.com](mailto:mailmanager@karvy.com)
- (F) The voting rights of shareholders shall be In proportion to their shares of the paid up equity share capital of the company.
- (G) Mr. Narendra Gandhari, Practising company secretary ( Membership No. F4898), Partner of M/s. Narender & Associates, Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (H) The Results shall be declared after counting of the remote E-voting and physical ballot after the AGM of the Company. The results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.tajgvk.in](http://www.tajgvk.in) and will be communicated to the Stock Exchanges on which the company’s equity shares are listed.

By Order of the Board of Directors

For TAJGVK Hotels & Resorts Limited  
J SRINIVASA MURTHY  
CFO & Company Secretary  
M. No. F4460

Place: Hyderabad  
Date: 11<sup>th</sup> May, 2015

**Registered Office:**  
Taj Krishna, Road No.1, Banjara Hills, Hyderabad 500 034.  
CIN: L40109AP1995PLC019349  
Email: [tajgvkshares.hyd@tajhotels.com](mailto:tajgvkshares.hyd@tajhotels.com)  
Website: [www.tajgvk.in](http://www.tajgvk.in)  
Ph No. : 040- 66662323

## EXPLANATORY STATEMENT

(Pursuant to section 102(1) of the Companies Act, 2013)

The following Explanatory Statement sets out the material facts relating to the Special Business mentioned in the accompanying Notice:

## ITEM NO.5

The Board of Directors of the Company appointed Mr. Rakesh Sarna (DIN 01875340), as an Additional Director of the Company with effect from 30.10.2014. In terms of the provisions of Section 161(1) of the Companies Act, 2013 Mr. Rakesh Sarna (DIN 01875340) would hold office up to the date of the ensuing Annual General Meeting.

The Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Rakesh Sarna (DIN 01875340) for the office of Director of the Company. The company also received confirmation in terms of Section 164 of the Companies Act, 2013 from Mr. Rakesh Sarna (DIN 01875340) that he is not disqualified from being appointed as Director.

Brief resume of *Mr. Rakesh Sarna (DIN 01875340)* nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. His profile is as follows:

Mr. Rakesh Sarna, joined Indian Hotels Company Limited as Managing Director and Chief Executive Officer on 1<sup>st</sup> September, 2014. Mr. Sarna brings over three decades of experience across various leadership roles with Hyatt Hotels Corporation. He was the Group President- Americas with a portfolio of 146 Full Service hotels, 233 Select Service hotels and 15 Vacation Ownership facilities across North America, the Caribbean and Latin America with around 40,000 employees. In this role, Mr. Sarna was responsible for the development and management of all owned, managed and franchised hotels across all Hyatt brands.

Previously, he served as Chief Operating Officer- International from June 2007 until his appointment as Group President- Americas in October 2012. During this time, he was responsible for the development and management of all owned, managed and franchised hotels across all Hyatt brands and for overseeing the Divisional Offices in Hong Kong for Asia Pacific; in Zurich for Europe, Africa & Middle East; in Dubai for South West Asia and in Mexico City for Latin America. In addition, during this time, Mr. Sarna was also responsible for co- authoring the brand attributes of Andaz (Hyatt's boutique brand) and leading the launch of this new brand.

Mr. Sarna has had an international upbringing. He moved to Canada as a young adult and completed his Diploma in Hospitality Administration from Ottawa.

Keeping in view his vast expertise and knowledge in the operations of the Hotels, it will be in the interest of the Company that Mr. Rakesh Sarna (DIN 01875340) is appointed as a Director.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Rakesh Sarna (DIN 01875340) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

## ITEM NO.6

*Mr. K Jayabharath Reddy (DIN 00038342)* is an **Independent Director** of the Company appointed under the provisions of Companies Act, 1956, and is liable to retire by rotation.

With the Notification of new Companies Act, 2013, the Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of *Mr. K Jayabharath Reddy (DIN 00038342)* for the office of **Independent Director** of the Company.

*The company has received confirmation* in terms of Section 164 of the Companies Act, 2013 from *Mr. K Jayabharath Reddy (DIN 00038342)* that he is not disqualified from being appointed as an **Independent Director** of the company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company proposes to appoint an Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of Company and he shall not be included in the total number of Directors for retirement by rotation.

The Company has also received a declaration from *Mr. K Jayabharath Reddy (DIN 00038342)* that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. *Mr. K Jayabharath Reddy (DIN 00038342)* possesses appropriate skills, experience and knowledge. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

In the opinion of the Board, *Mr. K Jayabharath Reddy (DIN 00038342)* fulfils the conditions for his appointment as an

**Independent Director** as specified in the Companies Act, 2013 and the Listing Agreement. *Mr. K Jayabharath Reddy (DIN 00038342)* is independent of the management.

Brief resume of *Mr. K Jayabharath Reddy (DIN 00038342)* nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. His profile is as follows:

Mr. K Jayabharath Reddy is a retired IAS officer and appointed as director in the year 2009. Mr. Reddy served the Government of Andhra Pradesh as Chief Secretary and accumulated a wealth of versatile experience in General and Public Administration, Financial and Industrial Management. He has held positions with immediate and direct responsibility for policy formulation and decision making in the Central and State Government. He had considerable exposure to the Corporate Sector since 1976 both as a member in the Boards of Companies and Corporations as well as managing large undertakings and development organisation as Chief Executive. He was also a visiting fellow of Oxford University.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that *Mr. K Jayabharath Reddy (DIN 00038342)* is appointed as an **Independent Director**.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except *Mr. K Jayabharath Reddy (DIN 00038342)* and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the shareholders.

#### ITEM NO.7

*Mr. D R Kaarthikeyan (DIN 00327907)* is an **Independent Director** of the Company appointed under the provisions of Companies Act, 1956, and is liable to retire by rotation.

With the Notification of new Companies Act, 2013, the Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of *Mr. D R Kaarthikeyan (DIN 00327907)* for the office of **Independent Director** of the Company.

*The company has received confirmation* in terms of Section 164 of the Companies Act, 2013 from *Mr. DR Kaarthikeyan (DIN 00327907)* that he is not disqualified from being appointed as an **Independent Director** of the company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company proposes to appoint an **Independent Director** on its Board. As per the said Section 149, an **Independent Director** can hold office for a term up to 5 (five) consecutive years on the Board of Company and he shall not be included in the total number of Directors for retirement by rotation.

The Company has also received a declaration from *Mr. D R Kaarthikeyan (DIN 00327907)* that he meets with the criteria of independence as prescribed both under subsection (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. *Mr. D R Kaarthikeyan (DIN 00327907)* possesses appropriate skills, experience and knowledge. A copy of the draft Letter of Appointment for **Independent Directors**, setting out terms and conditions of appointment of **Independent Directors** is available for inspection at the Registered Office of the Company during business hours on any working day

In the opinion of the Board, *Mr. D R Kaarthikeyan (DIN 00327907)* fulfils the conditions for his appointment as an **Independent Director** as specified in the Companies Act, 2013 and the Listing Agreement. *Mr. D R Kaarthikeyan (DIN 00327907)* is independent of the management.

Brief resume of *Mr. D R Kaarthikeyan (DIN 00327907)* nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. His profile is as follows:

*Mr. DR Kaarthikeyan* is a retired IPS officer and appointed as director in the year 2001, he is a Graduate in Science (Chemistry and Agriculture) and also in Law. Practiced as Lawyer for three years and then joined the Indian Police Service and held challenging positions like Chief of Investigation of former Prime Minister Rajiv Gandhi assassination case; Director-General of Central Reserve Police Force, the largest para-military force in India and perhaps in the entire World; Director of the prestigious Central Bureau of Investigation of India; and Director-General in the National Human Rights Commission.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that *Mr. DR Kaarthikeyan (DIN 00327907)* is appointed as an **Independent Director**.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except *Mr. D R Kaarthikeyan (DIN 00327907)* and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the shareholders.

#### ITEM NO.8

*Mr. M B N Rao (DIN 00287260)* is an **Independent Director** of the Company appointed under the provisions of Companies Act, 1956, and is liable to retire by rotation. With the Notification of new Companies Act, 2013, the Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of *Mr. M B N Rao (DIN 00287260)* for the office of **Independent Director** of the Company.

*The company has received confirmation* in terms of Section 164 of the Companies Act, 2013 from *Mr. M B N Rao (DIN 00287260)* that he is not disqualified from being appointed as an **Independent Director** of the company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company proposes to appoint an **Independent Director** on its Board. As per the said Section 149, an **Independent Director** can hold office for a term up to 5 (five) consecutive years on the Board of Company and he shall not be included in the total number of Directors for retirement by rotation.

The Company has also received a declaration from *Mr. M B N Rao (DIN 00287260)* that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. *Mr. M B N Rao (DIN 00287260)* possesses appropriate skills, experience and knowledge. A copy of the draft Letter of Appointment for **Independent Directors**, setting out terms and conditions of appointment of **Independent Directors** is available for inspection at the Registered Office of the Company during business hours on any working day

In the opinion of the Board, *Mr. M B N Rao (DIN 00287260)* fulfils the conditions for his appointment as an **Independent Director** as specified in the Companies Act, 2013 and the Listing Agreement. *Mr. M B N Rao (DIN 00287260)* is independent of the management.

Brief resume of *Mr. M B N Rao (DIN 00287260)*, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and

memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. His profile is as follows:

*Mr. M B N Rao* is appointed as director in the year 2009. He is a Graduate in Agriculture B.Sc., and has joined as Probationary Officer in the year 1970 in Indian Bank. During his Banking career till 2008, he has worked in different capacities in different banks and positions held by him during his career and experience is furnished hereunder.

- Chairman & Managing Director, Canara Bank, Bangalore (2005 - 2008)
- Chairman of Canara Bank Subsidiaries in Insurance, Mutual Fund, Venture Capital, Factoring, Computer Services, and Online Trading & Broking. (2005 - 2008)
- Vice Chairman, Commercial Bank of India, Moscow (2005 - 2008)
- Chairman, Indian Banks' Association (2007 - 2008)
- Chairman & Managing Director, Indian Bank (2003 - 2005)
- Executive Director, Indian Bank (2000 - 2003)
- General Manager, Indian Bank, Chennai (1995 - 2000)
- General Manager & CVO, Central Bank of India, Mumbai (1992 - 1994)
- Chief Executive, Indian Bank, Singapore (1987 - 1992)

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that *Mr. M B N Rao (DIN 00287260)* is appointed as an **Independent Director**.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except *Mr. M B N Rao (DIN 00287260)* and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.8 of the Notice for approval by the shareholders.

#### ITEM NO.9

*Mr. Ch G Krishna Murthy (DIN 01667614)* is an **Independent Director** of the Company appointed under the provisions of Companies Act, 1956, and is liable to retire by rotation.

With the Notification of new Companies Act, 2013, the Company has received notice under Section 160 of the

Companies Act, 2013 proposing the candidature of *Mr. Ch G Krishna Murthy (DIN 01667614)* for the office of **Independent Director** of the Company.

*The company has received confirmation* in terms of Section 164 of the Companies Act, 2013 from *Mr. Ch G Krishna Murthy (DIN 01667614)* that he is not disqualified from being appointed as an **Independent Director** of the company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company proposes to appoint an **Independent Director** on its Board. As per the said Section 149, an **Independent Director** can hold office for a term up to 5 (five) consecutive years on the Board of Company and he shall not be included in the total number of Directors for retirement by rotation.

The Company has also received a declaration from *Mr. Ch G Krishna Murthy (DIN 01667614)* that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. *Mr. Ch G Krishna Murthy (DIN 01667614)* possesses appropriate skills, experience and knowledge. A copy of the draft Letter of Appointment for **Independent Directors**, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day

In the opinion of the Board, *Mr. Ch G Krishna Murthy (DIN 01667614)* fulfils the conditions for his appointment as an **Independent Director** as specified in the Companies Act, 2013 and the Listing Agreement. *Mr. Ch G Krishna Murthy (DIN 01667614)* is independent of the management.

Brief resume of *Mr. Ch G Krishna Murthy (DIN 01667614)*, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. His profile is as follows:

*Mr. Ch G Krishna Murthy* is appointed as director in the year 2012 and he is a Chartered Accountant and holds a Masters degree in Arts and a LL.B degree. 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.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that *Mr. Ch G Krishna*

*Murthy (DIN 01667614)* is appointed as an **Independent Director**.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except *Mr. Ch G Krishna Murthy (DIN 01667614)* and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.9 of the Notice for approval by the shareholders.

#### ITEM NO.10

*Mr. S Anwar (DIN 06454745)* is an **Independent Director** of the Company appointed under the provisions of Companies Act, 1956, and is liable to retire by rotation.

With the Notification of new Companies Act, 2013, the Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of *Mr. S Anwar (DIN 06454745)* for the office of **Independent Director** of the Company.

*The company has received confirmation* in terms of Section 164 of the Companies Act, 2013 from *Mr. S Anwar (DIN 06454745)* that he is not disqualified from being appointed as an **Independent Director** of the company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company proposes to appoint an **Independent Director** on its Board. As per the said Section 149, an **Independent Director** can hold office for a term up to 5 (five) consecutive years on the Board of Company and he shall not be included in the total number of Directors for retirement by rotation.

The Company has also received a declaration from *Mr. S Anwar (DIN 06454745)* that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. *Mr. S Anwar (DIN 06454745)* possesses appropriate skills, experience and knowledge. A copy of the draft Letter of Appointment for **Independent Directors**, setting out terms and conditions of appointment of **Independent Directors** is available for inspection at the Registered Office of the Company during business hours on any working day

In the opinion of the Board, *Mr. S Anwar (DIN 06454745)* fulfils the conditions for his appointment as an **Independent Director** as specified in the Companies Act, 2013 and the Listing Agreement. *Mr. S Anwar (DIN 06454745)* is independent of the management.

Brief resume of *Mr. S Anwar (DIN 06454745)* nature of his expertise in specific functional areas and names of

Companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. His profile is as follows:

*Mr. S Anwar* is a retired IAS Officers and is appointed as director on 04.02.2013. He had his early education at Bangalore and Post Graduation from Delhi University. During his carrier he had held various post viz;

1. Joint Secretary - Home Department;
2. M.D. - A.P. Tourism Corporation;
3. Principal Secretary - Panchayat Raj Department;
4. Principal Secretary - Tourism and Youth Services;
5. Principal Secretary - Medical and Health;
6. Chief Commissioner of Land Administration, Andhra Pradesh;
7. Special Chief Secretary to the Governor of Andhra Pradesh and served with three Governors

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that *Mr. S Anwar (DIN 06454745)* is appointed as an **Independent Director**.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except *Mr. S Anwar (DIN 06454745)* and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.10 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.10 of the Notice for approval by the shareholders.

#### ITEM NO.11

The Board of Directors of the Company appointed *Mrs. Santha John (DIN 00848172)*, as an Additional Director of the Company with effect from 29.01.2015. In terms of the provisions of Section 161(1) of the Companies Act, 2013 *Mrs. Santha John (DIN 00848172)* would hold office up to the date of the ensuing Annual General Meeting.

The Company has received notice under Section 160 of the Companies Act, 2013 signifying the candidature of *Mrs. Santha John (DIN 00848172)* for the office of Independent Director of the Company. *The company has received confirmation* in terms of Section 164 of the Companies Act, 2013 *Mrs. Santha John (DIN 00848172)* is not disqualified from being appointed as an Independent Director of the company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a Company proposes to appoint an **Independent Director** on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of Company and she shall not be included in the total number of Directors for retirement by rotation.

The Company has also received a declaration from *Mrs. Santha John (DIN 00848172)* that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. *Mrs. Santha John (DIN 00848172)* possesses appropriate skills, experience and knowledge. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of **Independent Directors** is available for inspection at the Registered Office of the Company during business hours on any working day

In the opinion of the Board, *Mrs. Santha John (DIN 00848172)* fulfils the conditions for her appointment as an **Independent Director** as specified in the Companies Act, 2013 and the Listing Agreement. *Mrs. Santha John (DIN 00848172)* is independent of the management.

Brief resume of *Mrs. Santha John (DIN 00848172)*, nature of her expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. Her profile is as follows:

She is a graduate by profession and also trained at the Administrative Staff College of India.

*Mrs. John* has over 30 years experience in Advertising. She is a serial entrepreneur, having started the branch offices for Sistas Pvt Ltd (one of India's oldest advertising agencies) and Saatchi & Saatchi. She then started her own advertising agency, Mindset Advertising Private Limited in 1998.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that *Mrs. Santha John (DIN 00848172)* is appointed as an **Independent Director**. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except *Mrs. Santha John (DIN 00848172)* and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.11 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.11 of the Notice for approval by the shareholders.

**ITEM NO.12**

The Board of Directors of the Company (the "Board"), at its meeting held on January 29<sup>th</sup> 2015 on the recommendation of Nomination and Remuneration Committee and subject to the approval of members, re-appointed Mrs. G Indira Krishna Reddy (DIN 00005230) as whole time Director designated as "Managing Director", for a further period of 5 (five) years after the end of present term of 5 years on 24.04.2015. Her profile is as follows:

She is a science graduate and has more than 30 years of versatile experience in the fields of Project Development, Finance, Strategy and Administration. She worked as Managing Director of Novopan Industries Ltd., a listed company.

It is proposed to seek the member's approval for the re-appointment and payment of remuneration to Mrs. G Indira Krishna Reddy (DIN 00005230) as a Managing Director in terms of the applicable provisions of the Companies Act, 2013.

Dr. G V Krishna Reddy, Mr. G V Sanjay Reddy, Mrs. Shalini Bhupal and Mr. Krishnaram Bhupal being related to Mrs. G Indira Krishna Reddy, are interested and concerned in the above resolution along with the incumbent.

The Board commends the Special Resolution set out at Item No.12 of the Notice for approval by the shareholders.

**ITEM NO.13**

The company appointed Mrs. G. Indira Krishna Reddy as Managing Director for a period of 5 years with effect from 25.04.2010 at the Annual General Meeting held on 26.07.2010, on a remuneration payable as per the terms of her appointment which shall also be the minimum remuneration payable to her in case of no profits/ Inadequate profits in any financial year during the term of her appointment. During the financial year 2014-15, the company has paid remuneration as per the terms of her appointment and due to inadequate profits, the remuneration paid to her is in excess of the limits prescribed under section 197, 198, 309 and read with Schedule V of the companies Act 2013.

The company's performance has taken hit on account of the geo- political situation in Andhra Pradesh/ Telangana, post bifurcation of the State and the company reported marginal loss for the financial year 2014-15. The Board of Directors at their meeting held on 11<sup>th</sup> May 2015 approved to waive of the recovery of the excess amount of ₹204.39 lacs paid to Managing Director and recommended the resolution for approval of the Shareholders at the ensuing AGM.

Dr. G V Krishna Reddy, Mr. G V Sanjay Reddy, Mrs. Shalini Bhupal and Mr. Krishnaram Bhupal being related to Mrs. G Indira Krishna Reddy, are interested and concerned in the above resolution along with the incumbent.

The Board commends the Special Resolution set out at Item No.13 of the Notice for approval by the shareholders.

**ITEM NO.14**

The company appointed Mrs. Shalini Bhupal as Executive Director for a period of 5 years with effect from 16<sup>th</sup> June 2014, at the Annual General Meeting held on 1<sup>st</sup> August 2014, on a remuneration payable as per the terms of her appointment which shall also be the minimum remuneration payable to her in case of no profits/ adequacy of profits in any financial year during the term of her appointment. During the financial year 2014-15, the company has paid remuneration as per the terms of her appointment and due to inadequate profits, the remuneration paid to her is in excess of the limits prescribed under section 197, 198, 309 and read with Schedule V of the companies Act 2013.

The company's performance has taken hit on account of the geo- political situation in Andhra Pradesh/ Telangana, post bifurcation of the state and the company reported marginal loss for the financial year 2014-15. The Board of Directors at their meeting held on 11<sup>th</sup> May 2015 approved to waive of the recovery of the excess amount of ₹145.73 lacs paid to Executive Director and recommended the resolution for approval of the Shareholders at the ensuing AGM.

Dr. G V Krishna Reddy, Mrs. G. Indira Krishna Reddy, Mr. G V Sanjay Reddy, and Mr. Krishnaram Bhupal being related to Mrs. Shalini Bhupal, are interested and concerned in the above resolution along with the incumbent.

The Board commends the Special Resolution set out at Item No.14 of the Notice for approval by the shareholders.

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

J SRINIVASA MURTHY  
CFO & Company Secretary

Place: Hyderabad  
Date: 11<sup>th</sup> May, 2015

M. No. F4460

**Registered Office:**

Taj Krishna, Road No.1, Banjara Hills, Hyderabad 500 034.  
CIN: L40109AP1995PLC019349  
Email: tajgvkshares.hyd@tajhotels.com  
Website: www.tajgvk.in  
Ph No. : 040- 66662323



## 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	Mr. Krishnarum Bhupal	Mr. Rakesh Sarma	Mr. K Jayabharath Reddy	Mr. D R Kaarthikeyan
Date of Birth	18.11.1964	16.03.1983	29.03.1957	12.04.1937	02.10.1939
Date of Appointment	09.01.1995	24.10.2009	30.10.2014	30.04.2009	27.04.2001
Qualifications	B.E., M.B.A.	Graduate from USA	Diploma in Hospitality Administration from Ottawa	M.A. (Economics)   A S (Reitd)	B.Sc., BL, IPS (Reitd)
Expertise in specific functional areas	A graduate from Bachelor of Engineering and Master of Business Administration from USA appointed as director in the year 1995 and he worked as Managing Director of erstwhile Hotel Sree Krishna Limited which got merged into TAJGVK Hotels & Resorts Limited. He has more than 2 decades of experience in Hotel Operations, Power Plant Operations, Biotechnology, Airports, Roads / Infrastructure Project.	A graduate in the year 2005 from Villanova University, Philadelphia, USA with a double major in Finance and Accounting after completing his school years from Groton School, Boston, USA. He is presently Managing Director of M/s. GVK Power (Coindwal Sahib) Limited and has more than 5 years of experience in Project Management Finance.	Hotel Operations	General & Public Administration, Financial and Industrial Management	Retired Officer from Indian Police Service and has held multifarious positions of the police department, Ministry of External Affairs etc.,
List of Companies in which outside Directorship held as on 31.03.2015	1) GVK Power & Infrastructure Ltd., 2) GVK Industries Ltd., 3) Bengaluru International Airport Ltd., 4) GVK Energy Ltd., 5) GVK Gautami Power Ltd.,	1) GVK Power (Coindwal Sahib) Ltd., 2) GVK Power & Infrastructure Ltd., 3) GVK Energy Ltd., 4) Bengaluru International Airport Ltd., 5) GVK Airport Developers Ltd.,	1) The Indian Hotels Company Ltd., 2) Oriental Hotels Ltd., 3) Roots Corporation Ltd., 4) Piem Hotels Ltd., 5) Benaras Hotels Ltd., 6) Taj Hotels and Resorts Ltd., 7) St. James Court Hotels Ltd.,	1) BPL Power Projects Ltd. 2) JCT Electronics Ltd. 3) Facor alloys Ltd. 4) NCL Altech Seccolor Ltd. 5) Indus Medicare Ltd.	1) Star Health & Allied Insurance Co. Ltd., 2) Raj Television Network Ltd., 3) Lotus Eye Hospital and Institute Ltd., 4) Synergy Enwironics Ltd., 5) Radcliffe Schools Education Ltd., 6) Texmaco Rail & Engineering Ltd., 7) Oriental Hotels Ltd., 8) Roots Industries India Ltd., 9) Tata Coffee Ltd., 10) Benaras Hotels Ltd., 11) Bengaluru International Airport Ltd.,
Chairman / Member of the *Committees of other Companies on which he / she is a Director as on 31.03.2015	Nil	Nil	Nil	Audit Committee Chairman a) Facor Alloys Ltd. b) NCL Altech Seccolor Ltd. Audit Committee Member a) JCT Electronics Ltd.	Nil

\* The Committees include the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship

**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. M B N Rao	Mr. Ch G Krishna Murthy	Mr. S Anwar	Mrs. Santha John	Mrs. G Indira Krishna Reddy
Date of Birth	19.06.1948	09.02.1931	15.08.1945	05.05.1947	17.10.1944
Date of Appointment	24.10.2009	30.04.2012	04.02.2013	29.01.2015	08.05.2000
Qualifications	B.Sc., (Ag)	M.A; LLB; F C A	I A S (Retd)	Graduate	B.Sc.,
Expertise in specific functional areas	Banking	Legal & Tax matters	General & Public Administration	Expertise in Advertising & Marketing field	Project Development, Finance Strategy and Administration
List of Companies in which outside Directorship held as on 31.03.2015	1) EID Parry (India) Ltd., 2) Ramco Cementis Ltd., 3) Cholamandalam Investment and Finance Company Ltd., 4) Apollo Munich Health Insurance Company Ltd., 5) Lanco Amarkantak Power Ltd., 6) Aircel Ltd., 7) CRISIL Risk and Infrastructure Solutions Ltd., 8) Nuziveedu Seeds Ltd.,	1). GVK Power & Infrastructure Ltd 2) GVK Energy Ltd., 3) GVK Airport Developers Ltd., 4) Apollo Health & Lifestyle Ltd.,	1). GVK Power & Infrastructure Ltd	NIL	1).GVK Airport Developers Ltd.,
Chairman / Member of the *Committees of other Companies on which he is a Director as on 31.03.2015	<b>Audit Committee</b> Chairman 1).EID Parry (India) Ltd., 2).Apollo Munich Health Insurance Company Ltd., 3).Lanco Amarkantak Power Ltd., <b>Audit Committee</b> Member 1).Cholamandalam Investment and Finance Company Ltd., 2). Nuziveedu Seeds Ltd.,	NIL	Nil	Nil	Nil

\* The Committees include the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2015.

**FINANCIAL RESULTS**

The performance of the Company for the financial year ended 31<sup>st</sup> March 2015 is summarized below:

(₹In Crores)

PARTICULARS	2014-15	2013-14
Turnover	250.02	245.13
Profit before Depreciation, Interest & Tax (PBDIT)	50.72	56.77
Less: Depreciation	24.77	24.64
Profit Before Interest & Tax	25.95	32.13
Less: Interest	27.78	23.40
Profit Before Tax / (loss)	(1.83)	8.73
Less: Provision for		
- Current Tax & Wealth Tax		1.90
- Deferred Tax	0.14	3.75
- MAT credit entitlement		(1.90)
Profit After Tax / (loss)	(1.97)	4.98
Balance brought forward from previous year	198.91	195.40
Profit available for appropriation	196.95	200.38
Less: Proposed Dividend	0	1.25
Dividend Tax on the above	0	0.22
Transfer to General Reserve	0	—
Balance carried over to balance sheet	196.95	198.91
Earnings per Share (₹)	(0.31)	0.79

**INCOME**

The Total Income for the year ended March 31, 2015 at ₹250.02 crores was higher than that of the previous year by 2%. While Room Income was higher by 4%, Food & Beverage income increased by 2% over the previous year, aided by growth in restaurant sales and banqueting income. During the year, the Company continued to face a challenging environment, wherein the Company owns / operates hotels and / or markets that are a source of business for us.

**DEPRECIATION AND FINANCE COSTS**

Depreciation for the year was marginally higher at ₹24.77 crores as compared to ₹24.64 crores for the previous year.

Finance costs for the year ended March 31, 2015 was ₹27.78 crores which is higher by ₹4.38 crores than the finance costs of the preceding year. The company has re-

financed the existing term loans with new Rupee Term Loans with a 2 year moratorium on the repayment of principle amount.

**DIVIDEND**

On account of the Loss after Tax reported by the Company during the current financial year, the Board of Directors do not recommend a dividend for the year 2014/15 (previous year ₹0.10 per share).

**BUSINESS OVERVIEW**

India's travel and tourism industry has huge growth potential. The medical tourism market in India is projected to hit US\$ 3.9 billion mark this year having grown at a compounded annual growth rate (CAGR) of 27 per cent over the last three years, according to a joint report by FICCI and KPMG. Also, inflow of medical tourists is expected to cross 320 million by 2015 compared with 85 million in 2012. The tourism industry is also looking forward to the E-visa scheme which is expected to double the tourist inflow to India. Enforcing the electronic travel authorization (ETA) before the next tourism season, which starts in November, will result in a clear jump of at least 15 per cent.

ICRA Ltd rating agency expects the revenue growth of Indian hotel industry strengthening to 9-11 per cent in 2015-16.

India is projected to be number one for growth globally in the wellness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017, according to a study conducted by SRI International.

The policies and changes implemented by the Government of India have been instrumental in providing the necessary boost to the Indian tourism and hospitality industry and attracting more and more foreign tourists every year.

Government of India launched Tourist Visa on Arrival (TVoA) enabled by Electronic Travel Authorization (ETA), presently known as e-Tourist Visa scheme, on 27th November 2014 for 43 countries. The Government extended this Scheme to the citizens of Guyana and Sri Lanka in January, 2015 and April, 2015, respectively. The e-Tourist Visa facility is extended to the nationals of 31 countries in May, 2015.

Even though the tourism sector in India is growing, it is over a narrow base. Considering India's potential, the gains made are relatively modest. Therefore a set of ambitious targets are required which define clear, cohesive, sustainable and equitable approaches to delivering performance in line with opportunities available for growth and diversification.

The growth of the tourism sector will have a direct and tangible impact on the Indian economy in terms of spreading benefits across the country including remote areas and providing employment and entrepreneurial opportunities to youth, women, marginalized sections of the society and those in the

informal sector. In addition tourism will facilitate the preservation of cultural and historical traditions. These positive outcomes on ecological, social, cultural and economic impacts along with a robust community involvement can be achieved by following a paradigm of responsible tourism as clearly defined by the UNWTO through their Global Code of Ethics.

Tourism, with its positive impact on economic growth, employment generation and sustainable development can, therefore, play a significant role in the achievement of the UN Millennium Development Goals, in particular those relating to eradication of poverty, gender equality, environmental sustainability and global partnerships for development.

#### **BORROWINGS/ INDEBTNESS**

The total borrowings stood at ₹269.35 crores as at March 31, 2015 as against ₹216.86 crores as on March 31, 2014, an increase of ₹52.49 crores.

#### **EXPANSIONS / RENOVATION PLANS**

##### **TAJ KRISHNA**

Your Company has completed the construction of multi level car park, large banquet lawn and connecting bridge between Taj Krishna and Taj Deccan and the renovation of Swimming Pool, Spa / Gym in advance stage and will be completed during the current financial year. The additional facility will bring in more room and F&B business to both properties.

##### **GINGER HOTEL PROJECT**

The Company is also planning to enter the value for money segment through the 'Ginger' brand in the State of Telangana and Andhra Pradesh. The excavation works on the first Ginger hotel near the Shamshabad International Airport have been completed. The Company is expecting the final building approvals shortly and thereafter the construction work will start.

##### **MUMBAI HOTEL PROJECT**

The Company jointly with M/s. Greenridge Hotels & Resorts LLP (Greenridge - a GVK Company) through SPV M/s. Green Woods Palaces & Resorts Private Limited (Green Woods) is setting up a 5 Star Deluxe Luxury Hotel comprising of 279 rooms near Terminal 1C, Mumbai International Airport, Santacruz, Mumbai under the 'TAJ SANTACRUZ' brand. Necessary agreements to this effect have been entered into and the project work is progressing as per schedule. The Company invested ₹110.25 crores in the Hotel Project and the hotel shall commence commercial operations during the financial year 15-16.

##### **BENGALURU HOTEL PROJECT**

Company has been allotted around 7.5 acres land in Yellahanka, Bengaluru for hotel project. The construction of

bridge across the land abutting Company land to connecting to National Highway is completed. The hotel building plans are under evaluation, and expect to approach the authorities shortly for building approval and there after the construction work will commence.

#### **HUMAN RESOURCES**

Your Company, operating 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 1857, which includes executives, bargainable staff, probationers, trainees, apprentices and outsourced contract employees.

Industrial Relations throughout the year continued to remain cordial.

#### **QUALITY**

The three properties at Hyderabad and the property at Chandigarh are HACCP (Hazard Analysis Critical Control Points) certified by the international certification agency BVQI. The 3 properties at Hyderabad and the property at Chandigarh, 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 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.

#### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the year 2014-15 four (4) Board meetings were held. And one independent directors meeting was held on 19.03.2015 as required under the schedule IV section vii of Companies Act, 2013

The dates on which the Board meetings were held are 12.05.2014, 01.08.2014, 30.10.2014 and 29.01.2015.

#### **MECHANISM FOR EVALUATION OF BOARD**

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and individual Directors.

1. Criteria for evaluation of Board of Directors as a whole
  - i. The frequency of meetings;
  - ii. The length of meetings;

- iii. The administration of meeting;
- iv. The number of committees and their notes;
- v. The flow of information to board members and between board members;
- vi. The quality and quantity of information; and
- vii. The Disclosure of information to the stakeholders.

2. Criteria for evaluation of the Individual Directors

- i. Ability to contribute and monitor corporate governance practices;
- ii. Ability to contribute by introducing best practices to address top management issues;
- iii. Participation in long term strategic planning;
- iv. Commitment to the fulfilment of director obligations and fiduciary responsibilities;
- v. Guiding strategy
- vi. Monitoring management performance and development;
- vii. Statutory compliance & Corporate Governance;
- viii. Attendance and contribution at Board / Committee meetings;
- ix. Time spent by each of the member; and
- x. Core competencies.

**DIRECTORS**

In accordance with the Companies Act, 2013 read with the Articles of Association of the Company, Mr. G V Sanjay Reddy and Mr. Krishnaram Bhupal, Directors, retires by rotation and being eligible offered themselves for re-appointment.

*Mr. Rakesh Sarna* has been co-opted as an Additional Director on 30<sup>th</sup> October 2014 and shall hold the office up to this Annual General Meeting. Your company is in receipt of notice under section 160, 161(1) of the Companies Act, 2013 for his appointment as a Director liable to retire by rotation under the category of *Promoter Non-executive Non-Independent Director* of the Company. The Board recommends his appointment as Director liable to retire by rotation.

*Mrs. Santha John* has been co-opted as an Additional Director on 29<sup>th</sup> January 2015 and shall hold the office up to this Annual General Meeting. Your company is in receipt of notice under section 160, 161(1) of the Companies Act, 2013 for her appointment as an Independent Director of the Company. The Board recommends the appointment of *Mrs. Santha John, as an Independent Director* not liable to retire by rotation and to hold office for a fixed term of 5 (five) years from the date of appointment.

**RE-APPOINTMENT OF INDEPENDENT DIRECTORS UNDER SECTION 149 (10) OF THE COMPANIES ACT, 2013**

Mr. K Jayabharath Reddy, Mr. D R Kaarthikeyan, Mr. M B N Rao, Mr. Ch G Krishna Murthy and Mr. S Anwar, Directors who were appointed as an Independent Directors liable to retire by rotation, the Company has received individual notice from shareholder(s) proposing them as an Independent Directors not liable to retire by rotation. The Board recommends the appointment of Mr. K Jayabharath Reddy Mr. D R Kaarthikeyan, Mr. M B N Rao, Mr. Ch G Krishna Murthy and Mr. S Anwar, Directors, as an Independent Directors not liable to retire by rotation and to hold office for a fixed term of 5 (five) years from the date of appointment.

**SECRETARIAL AUDIT**

Your Company appointed M/s. Narender & Associates, Practicing Company Secretaries, (C.P. No.5024) Hyderabad to conduct the Secretarial Audit of the Company as per the provisions under section 204(1) of the Companies Act, 2013 and other laws as applicable for the financial year 2014-15. The Report in Form MR-3 is enclosed as Annexure - 1 to this Annual Report and there are no adverse observations by the Secretarial Auditors other than the amount not spent on Corporate Social Responsibility (CSR) expenses during financial year 2014-15. The detailed explanation on this is captured under the head "CSR".

**INTERNAL AUDITORS**

Pursuant to section 138 and any other applicable provisions of the Companies Act, 2013, M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai has been appointed as the internal auditors for the financial year 2014-15.

**AUDIT COMMITTEE**

Audit Committee consists of the following Directors namely Mr. K Jayabharath Reddy, Chairman, Mr. Rakesh Sarna, Mr. Anil P Goel, Mr. M B N Rao, Mr. D R Kaarthikeyan and Mr. C D Arha.

Except Mr. Rakesh Sarna and Mr. Anil P Goel all the members of the Audit Committee are Independent Directors.

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

**STATUTORY 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 re-appointed. Your Directors propose the re-appointment of M/s Brahmayya & Co., as Statutory Auditors

to hold office until the conclusion of the next Annual General Meeting of the Company.

M/s. Brahmayya & Company, Chartered Accountants (Regn. No.000513S) have issued Auditors' Report for the Financial Year ended 31<sup>st</sup> March, 2015 and there are no qualifications in Auditors' Report.

#### **PUBLIC DEPOSITS**

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

#### **INSURANCE**

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

#### **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of business of the Company.

#### **THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future as per Annexure - 2 to this Annual Report.

#### **MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments in the business operations of the company for the financial year ended 31<sup>st</sup> March, 2015 to the date of signing of the Director's Report.

#### **STATEMENT UNDER COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

There are no employees drawing remuneration of more than ₹60 lacs or drawing remuneration of ₹5 lacs per month if employed part of the year as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) rules 2014 as per Annexure - 3 to this Annual Report.

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e. 31<sup>st</sup> March 2015 and of the profit and loss of the Company for that period.
- c. The directors had 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.
- d. The directors had prepared the annual accounts on a going concern basis; and
- e. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organisation. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.  
  
The Internal Audit function monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB SECTION 6 OF SECTION 149**

The independent Directors have submitted the declaration of independence, as required pursuant section 149(6) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub section 6.

**NOMINATION AND REMUNERATION COMMITTEE**

Nomination and Remuneration Committee consists of the following directors namely Mr. K Jayabharath Reddy, Chairman, Mr. Rakesh Sarna, Mr. D R Kaarthikeyan and Mr. C D Arha.

Brief description of terms of reference:

- Identifying persons who are qualified to become directors and
- Identifying persons who may be appointed as Key Managerial Person, senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal;
- Carry on the evaluation of every director’s performance;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

The Brief Policy for Selection of Directors and determining Directors’ independence is annexed to this report.

**NOMINATION AND REMUNERATION POLICY**

**The objectives of the Policy**

- 1) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- 2) To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer Companies.
- 3) To carry our evaluation of the performance of Directors,
- 4) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 5) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The brief Nomination and Remuneration policy is annexed to this report.

**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.

**RISK MANAGEMENT COMMITTEE**

Pursuant to Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

Risk Management Committee consists of the following persons namely Ms. G. Indira Krishna Reddy – Managing Director, Ms. Shalini Bhupal – Executive Director, General Managers of Hotel TAJ Krishna, Hotel TAJ Deccan, Hotel TAJ Banjara and Hotel Vivanta By Taj, Begumpet. Mr. J Srinivasa Murthy, CFO & Company Secretary acts as secretary to the committee.

The Company has a robust Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on business objective and enhance the Company’s competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

The framework enables risks to be appropriately rated and graded in accordance with their potential impact and likelihood. The two key components of risks are the probability (likelihood) of occurrence and the impact (consequence) of occurrence, if the risk occurs. Risk is analyzed by combining estimates of probability and impact in the context of existing control measures.

Existing control measures are evaluated against Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) identified for those specific controls. Guiding principles to determine the risk consequence (impact), probability of occurrence (likelihood factor) and mitigation plan effectiveness have been set out in Risk Register.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

#### **EXTRACTS OF ANNUAL RETURN**

The extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 is enclosed as Annexure - 4 to this Annual Report.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The details of Loans, Guarantees, Investments given during the Financial Year ended March, 31, 2015 is enclosed as Annexure - 5 to this Annual Report in compliance with the provisions of section 186 of the Companies, Act, 2013 read with Companies (Meetings of Board and its powers) Rules, 2014.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB SECTION 1 OF SECTION 188 OF THE COMPANIES ACT, 2013**

The company has not entered into any related party contracts/ agreements during the year under review. But the company has executed the Hotel Operating Agreements (HOA) for management and operation of the hotels with M/s Indian Hotels Company Limited (IHCL) and they are continuing contracts and no terms are changed or amended during the year under review. The company has placed the existing Related party agreements/ contracts to Audit Committee and Board for ratification at the meeting held on 29.01.2015.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [www.tajgvk.in](http://www.tajgvk.in) under the corporate policies section.

Contracts / arrangement entered to by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis is furnishing as Annexure – 6 to this Annual Report.

#### **TRANSFER OF AMOUNT TO RESERVES**

As the company reported Loss after tax, the company does not propose to transfer any amount to reserves.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Corporate Social Responsibility (CSR) Committee consists of the following directors namely Mrs. G Indira Krishna Reddy, Managing Director, Mr. D R Kaarthikeyan, Independent Director and Mr. Ch G Krishna Murthy, Independent Director.

CSR policy was adopted by the Board of Directors on the recommendation of CSR committee. Report on CSR as per Rule 8 of Companies (CSR Policy) Rules, 2014 is prepared, and average net profits of the Company for last three Financial Years is ₹2,854.50 lacs and prescribed 2% expenditure for the Financial Year 2014-15 is ₹57.09 lacs. The policy is uploaded on the Company's website: [www.tajgvk.in](http://www.tajgvk.in) under the corporate policies section.

During the year under review, the company has not spent any amount earmarked for the CSR activities due to delay in execution and handing over of the Lake by Bangalore Development Authority (BDA). The company executed MOU with BDA for development and maintenance of lake before the company's land at Yelahanka, Bangalore. The entire amount pertaining to FY 14-15 and FY15-16 shall be utilized towards the development of lake during the current financial year.

#### **VIGIL MECHANISM**

The Board of Directors has adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

#### **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 as separate statement in the Annual Report.

#### **OTHER INFORMATION**

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on



11<sup>th</sup> May 2015 and recommended the same for the approval of the Board of Directors.

**Information to be furnished under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Disclosure of information under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in the Director's Report as per Annexure - 7 to this Annual Report.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

"The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15

Number of complaints received : 1

Number of complaints disposed off : 1

**DISCLOSURE OF INFORMATION AS REQUIRED UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 (ACT) READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**

**(I) CONSERVATION OF ENERGY**

The Company continued to focus on energy conservation measures during the year. Measures include replacement of incandescent lights with low power consumption LED lights, compact fluorescent and IR lights, installation of solar films to reduce heat loads, replacement of old chiller with energy efficient Screw chiller replacement of old boilers with high efficiency boilers and installation of high efficiency secondary treatment plants with improved recycling. Besides these, operational measures were continued to reduce energy consumption by regulating chiller set points according to ambient temperatures, minimizing steam consumption by optimizing steam utilization in kitchens and laundries.

Some of the actions planned for next year include replacement of energy intensive pumps with high efficiency pumping systems, replacement of energy intensive fans with energy efficient fans and the increased use of Secondary Treatment Plant water for cooling towers. Operational measures include close monitoring and control of energy consumption and

frequent energy audits by the hotel Engineering Department.

Your Company remains focused on giving importance towards conservation of energy, which results in savings in consumption of electricity, a significant component of the energy cost, in an ongoing process.

**(II) TECHNOLOGY ABSORPTION**

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.

**(iii) FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134(3) (m) of the Companies Act, 2013, 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) is prepared and the same is hereunder.

₹ In lacs

Particulars	March 31, 2015	March 31, 2014
Used	253.83	371.51
Earned	4163.46	4698.84

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

Dr G V Krishna Reddy  
Chairman  
DIN00005212

Place: Hyderabad  
Date: 11<sup>th</sup> May, 2015

**Registered Office:**

Taj Krishna, Road No.1, Banjara Hills, Hyderabad 500 034.  
CIN: L40109AP1995PLC019349  
Email: tajgvkshares.hyd@tajhotels.com  
Website: www.tajgvk.in  
Ph No. : 040- 66662323

## Annexure - 1

### Secretarial Audit Report

(as per form No MR – 3)

For the Financial year ended 31.03.2015

(pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remunerations of Managerial Personnel Rules, 2014)

To

The Members,

M/s. TAJGVK Hotels & Hotels Limited

(CIN:L40109AP1995PLC019349)

Hyderabad

I have Conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by M/s TAJGVK Hotels & Resorts Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

The maintenance of secretarial record is the responsibility of the management of the Company Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company

Wherever required we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.,

The compliance of the provisions of corporate and other applicable laws, rules, regulations standard is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Based on my verification of the M/s TAJGVK Hotels & Resorts Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s TajGVK Hotels & Resorts Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provision of

1. The Companies Act, 2013 (the Act) and the rules made thereunder:
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder:
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder:
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct investment and External Commercial Borrowings:
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT) :
  - a) The Securities and Exchanges Board of India (Substantial Acquisition of shares and Takeover) Regulations, 2011.
  - b) The Securities and Exchanges Board of India (Prohibition of Insider, Trading) Regulations, 1992
  - c) The Securities and Exchanges Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2000 and
  - d) The Securities and Exchanges Board of India (Registrars for an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
6. Other laws such as labour and Industrial laws, Environmental law etc., specifically applicable to the Company

I have also examined compliance with the applicable clauses of the following

- i Secretarial Standards issued by the Institute of Company Secretaries of India
- ii The Listing Agreements entered into by the Company with Bombay Stock Exchange & The National Stock Exchange Limited

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

- The Company has constituted the CSR committee and its constitution was as per the regulations. However, the Company has not spent the amount as per the provisions of the Section 135 (5) of the Companies Act, 2013.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

I further report that during the audit period, the Company has not entered into / carried out any activity that has major bearing on the Company's affairs.

For Narender & Associates  
Company Secretaries

Place : Hyderabad  
Date : 11<sup>th</sup> May, 2015

G. Narender  
Proprietor  
FCS-4898, CoP5024

**Annexure -2**

**PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

**A. COMPANY**

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/ NCLT /COURT)	Appeal made, if any (Give Details)
Penalty	NIL				
Punishment					
Compounding					

**B. DIRECTORS**

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/ NCLT /COURT)	Appeal made, if any (Give Details)
Penalty	NIL				
Punishment					
Compounding					

**C. OTHER OFFICERS IN DEFAULT**

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/ NCLT /COURT)	Appeal made, if any (Give Details)
Penalty	NIL				
Punishment					
Compounding					

By Order and on behalf of the Board

Place: Hyderabad  
Date: 11<sup>th</sup> May, 2015

Dr. G V KrishnaReddy  
Chairman  
DIN 00005212

**Annexure - 3**
**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director and Executive Director :**

Sl. No.	Particulars of Remuneration	Name of MD	Name of ED	Total Amount ₹
		Mrs. G Indira Krishna Reddy	Mrs. Shalini Bhupal	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	20,168,494	14,961,263	35,129,757
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1,479,481	821,357	2,300,838
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit other, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	21,647,975	15,782,620	37,430,595
	Ceiling as per the Act	1,209,347	1,209,347	2,418,693

*contd..*

**B. Remuneration to other directors:**

Sl.	Particulars of Remuneration	Mr. D R Kaarhikeyan	Mr. C D Arha	Mr. P Abraham	Mr. K Jayabharath Reddy	Mr. M B N Rao	Mr. Ch G Krishna Murthy	Mr. S Anwar	Mr. A Rajasekhar	Mrs. Santha John	Total Amount (₹)
1	Independent Directors Fee for attending Board / Committee meetings	100000	100000	NIL	100000	60000	100000	100000	100000	40000	700000
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>100000</b>	<b>100000</b>	<b>NIL</b>	<b>100000</b>	<b>60000</b>	<b>100000</b>	<b>100000</b>	<b>100000</b>	<b>40000</b>	<b>700000</b>
2	Other Non-Executive Directors	Dr. G V Krishna Reddy	Mr. G V Sanjay Reddy	Mr. Krishnaram Bhupal	Dr. Raymond N Bickson	Mr. Anil P Goel	Mrs. Deepa Misrta Harris	Mr. Rakesh Sama			
	Fee for attending Board / Committee meetings	60000	60000	40000	40000	60000	60000	Nil			
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>60000</b>	<b>60000</b>	<b>40000</b>	<b>40000</b>	<b>60000</b>	<b>60000</b>	<b>Nil</b>			<b>3,20,000</b>
	<b>Total (8) = (1+2)</b>										<b>10,20,000</b>
	Total Managerial Remuneration										3,84,50,595
	Overall Ceiling as per the Act										26,60,562

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

Sl. No.	Particulars of Remuneration	CFO & Company Secretary Mr. J Srinivasa Murthy (In Rupees)
1	Gross Salary	3,454,800
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of profit other, specify	-
5	Others, please specify	-
	<b>Total</b>	<b>3,454,800</b>

By Order and on behalf of the Board

Place: Hyderabad  
Date: 11<sup>th</sup> May, 2015

Dr. G V KrishnaReddy  
Chairman  
DIN 00005212

**Annexure - 4**

**Form No.MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I). REGISTRATION AND OTHER DETAILS:**

- |  |   |
|--|---|
| i). CIN  | L40109AP1995PLC019349   |
| ii). Registration Date   | 2 <sup>nd</sup> February, 1995  |
| iii). Name of the Company  | TAJGVK Hotels & Resorts Limited   |
| iv). Category/Sub-Category of the Company                                    | Company Limited by Shares / Public Company  |
| v). Address of the Registered Office and contact details                     | Taj Krishna, Road No.1, Banjara Hills<br>Hyderabad – 500 034, Telangana;<br>Ph No.040-66662323, Fax No.040-66625364<br>Email: <a href="mailto:Tajgvkshares.hyd@tajhotels.com">Tajgvkshares.hyd@tajhotels.com</a><br>Website: <a href="http://www.tajgvk.in">www.tajgvk.in</a> |
| vi) whether listed Company   | YES<br>BSE Limited<br>National Stock Exchange of India Limited  |
| vii). Name, Address and contact details Registrar and Transfer Agent, if any | Karvy Computershare Private Limited<br>Karvy Selenium Tower B, Plot 31-32, Gachibowli<br>Financial District, Nanakramguda, Hyderabad – 500 032<br>Telangana, Ph No.040-6716 1602<br>Email id: <a href="mailto:Chandrasekhar@karvy.com">Chandrasekhar@karvy.com</a>            |

**II). PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover (Consolidated) of the Company shall be stated:

Sl. No.	Name and description of main Products / services	NIC code of the product / service	% to total turnover of the Company
1	Rooms	55101	46.60%
2	Restaurants & Bars	56301	43.13%
3	Banquets & other income	56210	10.27%

*contd.*

## III) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Shareholding

SL No.	Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year	
		Demat	Physical	Total	% of total shares	Demat	Physical		Total
A.	Promoters								
(1)	Indian								
(a)	Individual / HUF	8779160	-	8779160	14.00	8779160	-	8779160	14.00
(b)	Central Government	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	38238646	-	38238646	60.99	38238646	-	38238646	60.99
(e)	Bank/FI	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	47017806	-	47017806	74.99	47017806	-	47017806	74.99
(2)	Foreign								
(a)	NRIs-Individuals	-	-	-	-	-	-	-	-
(b)	Other-Individuals	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-
	Total Shareholding of								
	Promoter (A)=(A)(1)+(A)(2)	47017806	-	47017806	74.99	47017806	-	47017806	74.99
B.	Public Shareholding								
1.	Institutions								
(a)	Mutual Funds	-	245	245	-	10000	245	10245	0.01
(b)	Banks/FI	495550	1055	496605	0.79	412349	1055	413404	0.66
(c)	Central Government	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-
(g)	FIs	2129990	-	2129990	3.40	2129990	-	2129990	3.40
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
(i)	Other (specify)	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	2625540	1300	2626840	4.19	2552339	1300	2553639	4.07

**Category-wise Shareholding (Contd.)**

SL No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2.	Non-Institutions									
(a)	Bodies Corp.	2964151	54850	3019001	4.81	3595616	54770	3650386	5.82	1.01
(i)	Indian	6124341	2409613	8533954	13.61	5501221	2374863	7876084	12.56	1.05
(ii)	Overseas(OCB)	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i)	Individual Shareholders									
	holding nominal share									
	capital in excess of Rs.1 lakhs	969013	-	969013	1.55	1172602	-	1172602	1.87	0.32
c)	Others (Specify)									
i	HUF	-	-	-	-	-	-	-	-	-
ii	Non Resident Individuals	454179	-	454179	0.72	401013	-	401013	0.64	0.08
iii	Trusts	3510	-	3510	0.01	1010	-	1010	-	-
iv	Clearing Members	77192	-	77192	0.12	28955	-	28955	0.05	0.07
	Sub-Total(b) (2)	10592386	2464463	13056849	20.82	10700417	2429633	13130050	20.94	0.12
	Total Public Shareholding	13217926	2465763	15683689	25.01	13252756	2430933	15683689	25.01	-
C.	Share held by Custodian for GDR & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	60235732	2465763	62701495	100	60270562	2430933	62701495	100	-

**ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change in Shareholding during the year
		No. of Shares	% of total shares of the Company	% Pledged / encumbered to total shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	% Pledged / encumbered to total shares	% of total shares of the Company	
1.	Vertex Projects Limited	22238646	35.47	-	35.47	22238646	35.47	-	-	-
2.	The Indian Hotels Company Limited	16000000	25.52	-	25.52	16000000	25.52	-	-	-
3.	Mrs. G Indira Krishna Reddy	5065000	8.08	-	8.08	5065000	8.08	-	-	-
4.	Mr. G V Sanjay Reddy	1250000	1.99	-	1.99	1250000	1.99	-	-	-
5.	Mr. Krishnaraj Bhupal	850000	1.36	-	1.36	850000	1.36	-	-	-
6.	Mrs. Shalini Bhupal	4250000	0.68	-	0.68	4250000	0.68	-	-	-
7.	Ms. Shriya Bhupal	4250000	0.68	-	0.68	4250000	0.68	-	-	-
8.	Dr. G V Krishna Reddy	314160	0.50	-	0.50	314160	0.50	-	-	-
9.	Mrs. G Apama Reddy	250000	0.40	-	0.40	250000	0.40	-	-	-
10.	Mr. G V Keshav Reddy	100000	0.16	-	0.16	100000	0.16	-	-	-
11.	Ms. G Mallika Reddy	100000	0.16	-	0.16	100000	0.16	-	-	-
	Total	47017806	74.99	-	74.99	47017806	74.99	-	-	-



## Annexure - 5

## Particulars of Loans, Guarantees or Investments under section 186

Nature of transaction (whether loan / guarantee / security / acquisition)	Date of making loan / acquisition / giving guarantee / providing security	Name and address of the person or body corporate to whom it is made or given or whose securities have been acquired (Listed / Unlisted entities)	Account of loan / security / acquisition / guarantee	Time period for which it is made / given	Date of passing Board resolution	For Loans	
						Rate of Interest	Date of Maturity
1	2	3	4	5	6	7	8
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

By Order and on behalf of the Board

Place: Hyderabad  
Date: 11<sup>th</sup> May, 2015

Dr. G V KrishnaReddy  
Chairman  
DIN 00005212

## Annexure - 6

## Disclosure of Particulars of Contracts / Arrangements entered into by the Company

Form No. AOC-2

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

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto 1. Contracts / arrangements entered into by the Company with related parties referred to in sub-section(1) of section 188 of the Companies Act, 2013 which are at arms length basis:

SL No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Silent terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any	Justification for entering into contracts
NIL							

By Order and on behalf of the Board

Place: Hyderabad  
Date: 11<sup>th</sup> May, 2015

Dr. G V KrishnaReddy  
Chairman  
DIN 00005212

### Annexure - 7

I Information to be furnished as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under: (₹ in Lakhs)

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2014-15	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mrs. G. Indira Krishna Reddy Managing Director	216.48	7.8%	74.90	Profit before Tax decreased by ₹10.56 Cr and reported Loss after Tax for the Financial Year 2014-15
2.	Mrs. Shalini Bhupal Executive Director	157.83	17.6%	54.61	
3.	Mr. J. Srinivasa Murthy CFO & Company Secretary	34.55	8.5%	12.05	

- ii) The median remuneration of employees of the Company during the financial year 2014-15 was ₹2.88 lakh
- iii) In the financial year, there was an increase of 6.09% in the median remuneration of employees;
- iv) There were 1871 employees which includes the permanent staff, FTC's, Contracted/ outsourced staff/ Deputed Staff as on March 31, 2015;
- v) Relationship between average increase in remuneration and company performance:- The Loss before Tax of ₹1.83 Crore, for the financial year ended March 31, 2015 is lower compared to previous year Profit before tax of ₹8.73 Crore, whereas the increase in median remuneration was 6.09% The average increase in median remuneration was in line with the performance of the Company and market conditions.
- vi) Comparison of Remuneration of the Whole Time Directors and Key Managerial Personnel(s) against the performance of the Company:
- a) The total remuneration of Key Managerial Personnel decreased (45%) from ₹746.06 lakhs in 2013-14 to ₹408.84 lakhs in 2014-15 whereas the Profit before Tax decreased by ₹10.56 crs in 2014-15.
- vii) Variations in the market capitalization of the Company : The market capitalization as on March 31, 2015 was ₹445.17 Crore (₹420.09 crore as on March 31, 2014)
- viii) Price Earnings ratio of the Company was N/A as at March 31, 2015 (as the company reported Loss after tax) and was 85 as at March 31, 2014.
- ix) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The Company is transferee company which got listed on stock exchanges post merger of the hotel division of Novopan Industries Limited (Taj Krishna Hotel) and M/s Hotel Sree Krishna Limited (Taj Deccan assets) vide Hon'ble High Court dated 26/04/2000.
- x) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 6.09% whereas the decrease in the managerial remuneration for the same financial year was 45%.
- xi) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee(NRC) as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- xii) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – **Not Applicable**; and
- xiii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**II Remuneration to Non-Executive Directors:**

- i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
- ii) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

**III Remuneration to other employees:**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**IV Remuneration Policy for Directors, Key Managerial Personnel and other employees:**

**1. Introduction**

TAJGVK Hotels & Resorts Limited (TAJGVK) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

**2. Scope and Exclusion:**

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

**3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

“Director” means a director appointed to the Board of the Company.

“Key Managerial Personnel” means (i) the Chief Executive Officer or the managing director or the manager; (ii) the company secretary; (iii) the whole-time

director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the Companies Act, 2013

“Nomination and Remuneration Committee” means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

**4. Policy**

**Remuneration to Executive Directors and Key Managerial Personnel:**

The Board, on the recommendation of the, Nomination and Remuneration (NRC) Committee, shall review and approve the remuneration payable to the Whole-time Directors of the Company within the overall limits approved by the shareholders.

The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Whole Time Directors)
- (iv) Retiral benefits
- (v) Annual Performance Bonus

**5. Policy for Selection of Directors and determining Directors’ Independence**

**1. Introduction**

TAJGVK Hotels & Resorts Limited (TAJGVK) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, TAJGVK ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

TAJGVK recognizes the importance of Independent Directors in achieving the effectiveness of the Board. TAJGVK aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

**2. Scope and Exclusion:**

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

**3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

“Director” means a director appointed to the Board of a company.

“Nomination and Remuneration Committee”(NRC) means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

“Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

#### 4. Policy

##### Qualifications and criteria

The Nomination and Remuneration Committee (NRC ), and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company’s operations.

In evaluating the suitability of individual Board members, the NRC Committee may take into account factors, such as:

- General understanding of the Company
- Business dynamics, global business
- social perspective
- Educational and professional background
- Standing in the profession
- Personal and professional ethics, integrity and values
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his / her written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he/she is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his / her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his / her shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;

- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws. The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company’s business.

#### 5. Criteria of Independence

The NRC shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director.

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b.
  - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
  - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
- (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
- (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

**Other directorships / committee memberships**

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board

performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he/she is serving as a Whole-time Director in any Listed Company.

A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he/she holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

By Order and on behalf of the Board

Place: Hyderabad  
Date: 11<sup>th</sup> May, 2015

Dr. G V KrishnaReddy  
Chairman  
DIN 00005212

## Management Discussion and Analysis

### 1. ECONOMIC OVERVIEW:

The pre-budget economic survey tells that Indian Economy is looking-up with brighter prospects amongst the world's major economies today. The Economic Survey 2014-15 indicates that a clear political mandate for reform and a benign external environment now is expected to propel India on to a double digit trajectory. It states that Indian economy appears to have now gone past the economic slowdown, persistent inflation, elevated fiscal deficit, slackening domestic demand, external account imbalances and oscillating rupee.

The Economic Survey taking into consideration the change of base year by the Central Statistics Office of the National Accounts series from 2004-05 to 2011-12, states that growth at market prices for 2015-16 is expected to be 8.1 to 8.5 per cent.

The growth rate in GDP at constant (2011-12) market prices in 2012-13 was 5.1 per cent, which increased to 6.9 percent in 2013-14 and it is expected to further increase to 7.4 per cent in 2014-15 (According to advanced estimates). The change in methodology by the Central Statistics Office has also introduced the concept of Gross Value Added (GVA) at the aggregate and various sectoral levels.

The Economic Survey says that expectation for such a growth rate is also due to a number of reforms that have already been undertaken and more that are being planned for. The Survey enlist various reform measures like de-regulation of diesel price, taxing energy products, replacing cooking gas subsidy by direct transfer on national scale, passing an Ordinance to reform the coal sector via auctions, increasing the FDI caps in defence etc.

The Survey report also commended the far reaching changes brought about on the issue of sharing of revenues between the Centre and States as recommended by the 14<sup>th</sup> Finance Commission.

The Survey says that decline in inflation by over 6 percentage points since late 2013 and also reduction of current account deficit from a peak of 6.7 per cent of GDP in the third quarter of 2012-13 to about one (1) per cent in the coming fiscal year has made India an attractive investment destination well above most other countries.

The expected high growth rate in the coming year in the favorable economic environment has created a historic movement of opportunity to propel India into a double-digit growth trajectory to attain the fundamental objective of "wiping every tear from every eye" of the vulnerable and poor people of the country, the survey says. It also

gives an opportunity to the increasingly young, middle-class and aspirational India to realize its full potential. As the new Government is to present its first full year budget, the Economic Survey states that it appears that India has reached a sweet spot and that there is a scope for Big Bang reforms now.

The growth estimates of over 8 per cent for the current year is on expectations that the monsoon will be favorable as it was forecast to be normal, compared to last year. However the growth rate in Gross Value Added (GVA) at basic prices in agriculture is projected to decline from 3.7 per cent in 2013-14, an exceptionally good previous year from the point of view of rainfall, to 1.1 per cent in 2014-15, the current year with not-so-favourable monsoon.

The Economic Survey has also drawn our attention to certain other stagnating or declining elements of the economy in the recent past.

It says that the growth in 2014-15 is largely driven by domestic demand. There is hardly any external support to growth in 2014-15, as the growth in exports is projected to be only 0.9 per cent and the growth rate of imports, around (-) 0.5 per cent. The deceleration in imports owe substantially to the sharp decline in international oil prices in the current year that compressed the oil import bill.

On investments the Survey had significantly commented that while private investment must remain the primary engine of long-run growth, the public investment, especially in the railways, will have to play an important role at least in the interim, to revive growth and to deepen physical connectivity.

The Economic Survey made some interesting comments saying that price subsidies do not appear to have had a transformative effect on the living standards of the poor, though they have helped poor households to weather inflation and price volatility. It says that a close look at price subsidies, which are estimated to be about 3,78,000 crore rupees, about 4.24 per cent of GDP, reveal that they may not be the government's best weapon for fighting poverty. Dwelling upon various subsidies to the poor, the Survey even stated that price subsidies are often regressive. It said, an analysis of current subsidy scheme indicates that rich households benefit more from the subsidy than a poor household. Among various examples that it had dwelt upon the Survey said that subsidy on electricity can only benefit the relatively rich. The Survey, however, concluded that eliminating or phasing down subsidies is neither feasible

nor desirable. It said that by adopting what it called the JAM *Number Trinity*-Jan Dhan Yojana, Aadhaar and Mobile numbers would allow the State to deliver the subsidies to poor in a targeted and less distorted manner.

The Economic Survey had expressed a serious concern that several projects have been stalled and such a tendency is increased over the past years. In the same breath the Survey report expressed happiness that such stalling of projects seems to have plateaued. It suggested revitalizing public private partnership model of investment. Noting India had hit an economic sweet spot, the report added the country had room for big bang reforms.

“Several reforms have been undertaken and more are on the anvil. The introduction of the GST and expanding direct benefit transfers can be game-changers,” it added. “In the short run, growth will receive a boost from lower oil prices, from likely monetary policy easing facilitated by lower inflation and lower inflationary expectations, and forecast of a normal monsoon,” the Survey said.

The country’s consumer inflation will also drop to between 5 and 5.5 per cent in 2015-16, opening up space for more monetary easing, the survey report said.

**Global Assessment:** Global growth is picking momentum in 2015 so far relative to the previous year. GDP growth continues to strengthen in the USA; however Q1 2015 is expected to record a muted growth. Growth has firmed marginally in the Euro area as also Japan where exports have also recorded improvement. However, China remains a weak link with the country’s officials recognizing that it is off its peak growth phase. Additionally, monetary policies across advanced economies such as USA, Euro zone, Canada, Japan, and emerging economies such as China, Indonesia, Thailand, South Korea etc are in an easing cycle in order to provide a fillip to economic growth. As regards financial markets, strong foreign inflows particularly into emerging economies with a stronger fundamental remain high thereby creating a risk of major outflow and dent in the financial markets when the monetary cycle in the USA begins to turn around.

#### **Domestic Economy:**

**Growth:** Growth in the domestic economy has strengthened from a year ago levels with the GDP estimate of 7.4% for FY15 as against 6.9% in FY14. This stronger growth is expected to be supported by the primary and secondary sectors of the economy as food production is viewed to be higher than the weak outlook for the same at the start of FY15. The positive IIP growth for the last three consecutive months implies a revival in industry and in particular the manufacturing sector.

**Inflation:** Throughout fiscal ‘15, RBI maintained a razor sharp focus on the Consumer Price Inflation (CPI) and strived towards following the ‘disinflationary glide path’ put forward by the Dr. Urjit Patel Committee report in Dec ‘13. However, inflation has receded considerably since then. CPI inflation was well within RBI’s target as of Feb ‘15 at 5.3% despite the reversal of the high base effect. At the wholesale level, inflation entered negative territory at -2.1% in Feb ‘15.

**Liquidity:** Liquidity management has been proactively carried out through the various term repo auctions by the RBI. This has ensured a smooth flow and availability of sufficient liquidity in the system.

**Trade:** Export growth is muted currently primarily on account of the relatively stronger INR vis-à-vis the USD which has impacted the country’s export margins. However, a strong export of services in software and travel has contributed towards a lower Current Account Balance of 1.6% of GDP in Q3 FY15. Although foreign inflows have moderated marginally, they remain on the higher end. Thus the strong foreign inflows into domestic equity, debt securities

## 2. HOSPITALITY & TOURISM INDUSTRY OVERVIEW:

Tourism today is one of the largest global industries and a major engine for economic growth and employment generation. International tourist arrivals have grown steadily from 25 million in 1950 to over 1.1 billion in 2014. At present, 1 in every 11 people worldwide are employed by the tourism sector, with the industry generating US\$ 7.6 trillion or 10% of the global GDP in 2014 (*Source: WTTC Travel & Tourism Economic Impact 2015*).

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India is a potential game changer. It is a sun rise industry, an employment generator, a significant source of foreign exchange for the country and an economic activity that helps local and host communities.

The value of the brand to the consumer, the growth in emerging markets, the importance of consumer-facing technology, and development and retention of human capital have helped shape the tourism industry over the past five years.

The travel and tourism sector has developed into an industry with an annual economic report (direct, indirect and induced) of around US\$ 6.5 trillion worldwide. The global hotel industry generates approximately between US\$ 400-500 billion in revenue each year, one third of that revenue is attributable to the United States.

India is One among the top five medical tourist spots in the world having hosted nearly 166,000 medical tourists from across the globe said a PHD Chamber's Medical and Wellness Tourism Report. The medical tourism industry in India is expected to reach an estimated value of \$6 billion (₹36,060 crore) by 2018, it added.

The growth of medical tourism in India has led to the enhancement of better and advanced medical facilities in the country, more tourists are coming to India because cost of treatment here is much less compared to the US and the European countries.

### Market Size

The number of Foreign Tourist Arrivals (FTAs) has grown steadily in the last three years reaching around 7.46 million during CY 2014. Foreign exchange earnings (FEEs) from tourism in terms of US dollar grew by 7.1 per cent during CY 2014 as compared to 5.9 per cent over the corresponding CY 2013. FEEs during the 2014 were ₹120,083 crore (US\$ 19.02 billion) as compared to FEEs of ₹107,671 crore (US\$ 17.05 million) during 2013 over the corresponding period of 2012. FTA's of the past 10 years is as below:



The Tourist Visa on Arrival (TVoA) scheme enabled by Electronic Travel Authorisation (ETA), launched by the Government of India on November 27, 2014 for 43 countries has led to a growth of 1,214.9 percent recently. For example, during the month of January 2015, a total of 25,023 tourist arrived by availing TVoA as compared to 1,903 TVoA during the month of January 2014.

### Investments

The tourism and hospitality sector is among the top 15 sectors in India to attract the highest foreign direct investment (FDI). During the period April 2000-February 2015, this sector attracted around US\$ 7,862.08 million of FDI, according to the data released by Department of

Industrial Policy and Promotion (DIPP). With the rise in the number of global tourists and realizing India's potential, many companies have invested in the tourism and hospitality sector.

### Government Initiatives

The Indian government has realized the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. Some of the major initiatives taken by the Government of India to give a boost to the tourism and hospitality sector of India are as follows:

The Government of India has set aside ₹500 crore (US\$ 79.17 million) for the first phase of the National Heritage City Development and Augmentation Yojana (HRIDAY).

- The 12 cities in the first phase are Varanasi, Amritsar, Ajmer, Mathura, Gaya, Kanchipuram, Vellankani, Badami, Amaravati, Warangal, Puri and Dwarka.
- Under 'Project Mausam' the Government of India has proposed to establish cross cultural linkages and to revive historic maritime cultural and economic ties with 39 Indian Ocean countries.
- Prime Minister Shri Narendra Modi has approved to enter into a memorandum of understanding (MoU) between India and Oman for strengthening cooperation in the field of tourism.
- Announcement by Mr Arun Jaitley, Minister of Finance, to extend Visa on Arrival Facility (VOA) to 150 countries in stages from the current 43, is a big step to promote tourism. The revenue from tourism sector can be utilized for the development of the country and can boost the economy of country.

### Road Ahead

For Tourism, climate change is not a remote event, but a phenomenon that already affects the sector and certain destinations, in particular mountain ranges and coastal destinations among others. Climate is an essential resource for tourism, specially for the beach, nature and winter sport tourism segments. Changing climate and weather patterns at tourist destinations and tourist generating countries can significantly affect the tourists' comfort and their travel decisions. There is now a wide recognition of the urgent need for the tourism industry, national governments and international organizations to develop and implement strategies to face the changing climate conditions and to take preventive actions for future effects as well as to mitigate the environmental impacts of tourism contributing to climate change.



In effect, our concerted pursuit of growth should be within a framework of responsibility that positively and proactively addresses the issues of environmental sensitivity, social engagement and economic returns for the community. Tourism should not only work for the tourist and the entrepreneur but for the wider host community, and overall identity of the nation, today and for future generations.

For effective delivery of the New Tourism Policy 2015, Tourism development has to effectively happen in a way that leverages all critical levers for tourism economy development, including: Ensuring alignment of the States and the Union

### 3. MARKET OVERVIEW

Your company has modest scale of operations with significant geographic concentration in Hyderabad; nearing 70% of the room portfolio, while the rest 30% contributed by Chandigarh and Chennai. In tandem with the subdued performance in the Indian Hotel industry, you company too witnessed a considerable moderation in the performance and also impacted due the state bifurcation and now started settling down after 1 year of the bifurcation.

While revenues growth is minimal at 2% compared to last year, the fixed overheads and increase in the interest burden led to sharp fall in profits and the company reported loss after tax.

Your company is now expanding into Mumbai and Bangalore markets and Mumbai hotel will open during the current financial year and in Bangalore the company has acquired land and will be taking up the hotel project shortly.

While occupancies pan India are showing signs of improvement during 2014-15, this appears to be driven by a few pockets such as Mumbai, where occupancies grew by 15% year-to-date in December 2014 supported by traffic for large conferences and weddings. "This traction comes after almost two years of negligible supply addition. Bengaluru also exhibited some stabilisation with incremental supply being slowly absorbed; however, the newer properties launched during 2012-14 continue to struggle with weak RevPARs,"

The National Capital Region (NCR) is exhibiting a wide variation in performance across Delhi, Noida and Gurgaon, with Delhi exhibiting 1-2% growth in ARR and occupancies during October-December while rates in the Delhi Aerocity area and Gurgaon remained weak.

ICRA also said there are around 29,000 premium rooms under development, to be launched over the next six years. "The next supply bump will hit the market in 2016 across Bengaluru, Mumbai, Kolkata, and Noida with over 6,500 rooms. Markets such as Pune and Gurgaon will also see sizable room additions. Unless demand keeps pace, the widening supply-demand gap in these cities will impact rate integrity over the next two years,"

### 4. FUTURE EXPANSION PLANS

#### TAJ KRISHNA

Your Company has completed the construction of multi level car park, large banquet lawn and connecting bridge between Taj Krishna and Taj Deccan and the renovation of Swimming Pool, Spa / Gym in advance stage and will be completed during the current financial year. The additional facility will bring in more room and F&B business to both properties.

#### GINGER HOTEL PROJECT

The Company is also planning to enter the value for money segment through the 'Ginger' brand in the State of Telangana and Andhra Pradesh. The excavation works on the first Ginger hotel near the Shamshabad International Airport have been completed. The Company is expecting the final building approvals shortly and thereafter the construction work will start.

#### MUMBAI HOTEL PROJECT

The Company jointly with M/s. Greenridge Hotels & Resorts LLP (Greenridge - a GVK Company) through SPV M/s. Green Woods Palaces & Resorts Private Limited (Green Woods) is setting up a 5 Star Deluxe Luxury Hotel comprising of 279 rooms near Terminal 1C, Mumbai International Airport, Santacruz, Mumbai under the 'TAJ SANTACRUZ' brand. Necessary agreements to this effect have been entered into and the project work is progressing as per schedule. The Company invested ₹110.25 crores in the Hotel Project and the hotel shall commence commercial operations during the financial year 2015-16.

#### BENGALURU HOTEL PROJECT

Company has been allotted around 7.5 acres land in Yellahanka, Bengaluru for hotel project. The construction of bridge across the land abutting Company land to connect to National Highway is completed. The hotel building plans are under evaluation, and expect to approach the authorities shortly for building approval and there after the construction work will commence.

## 5. FINANCIALS

### REVENUES:

Income has increased by 2% to ₹250.02 crores from ₹245.13 crores in the previous year.

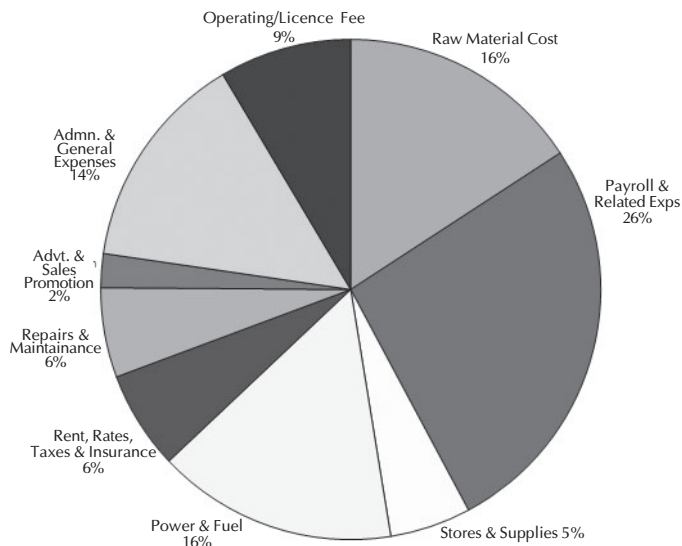
The room revenues rose by 4% to ₹102.85 crores from ₹99.11 crores. The Food & Beverage income was ₹128.18 crores a rise of 2% compared to previous year's ₹125.00 crores.

### Expenditure:

- The total expenditure increased by 3% to ₹199.29 crores from ₹192.46 crores in the previous year due to the effect of inflation.
- Payroll cost was in line with that of previous year mainly on account of optimisation of staff in spite of the annual salary increments.
- Other operating expenses were higher by 3% as compared to previous year mainly on account of rise in cost of raw material and other costs as a result of inflation.
- Other expenses were higher than previous year by 5%.

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

EBIDTA registered a decline of 11% ₹50.73 crores in 2014-15 from ₹ 56.78 crores in the previous year. The percentage of operational expenditure break-up is given in pie chart below.



### Profit before Tax:

The company incurred a Loss before tax of ₹1.83 crores as compared to a Profit before tax of ₹8.73 crores in the previous year.

### Profit after Tax:

The company incurred a Loss after tax of ₹1.97 crores as compared to a Profit after tax of ₹4.98 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 carry out 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

The term human capital formation means, "The process of acquiring and increasing the number of persons who have the skills, education and experience which are critical for the development of the company. Modern technology is becoming more and more complex. With the growth of science, machinery and equipment are becoming more sophisticated. Their efficient operation requires skill and technical knowledge. Therefore capital development is very significant. Therefore, your Company endeavours to take a more strategic and supportive approach to recruiting and retention to find and retain 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.

### Corporate Social Responsibility

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.

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 Akruhi 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 1st 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 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):**

“In the long term, economic sustainability depends on ecological sustainability.”

The above view propagates 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 5th 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.

## CORPORATE GOVERNANCE

The system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

Most companies strive to have a high level of corporate governance. These days, it is not enough for a company to merely be profitable; it also needs to demonstrate good corporate citizenship through environmental awareness, ethical behaviour and sound corporate governance practices.

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.

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 2014-15, Mr. Rakesh Sarna and Mrs. Santha John were co-opted as an Additional Directors. The Board presently consists of 15 Directors (one Non-Executive Chairman, one Managing Director, one Executive Director, eight non-executive independent directors, and four non-executive promoter directors).

During the year 2014-15, the Board met 4 times - on 12.05.2014, 01.08.2014, 30.10.2014 and 29.01.2015. The maximum time gap between any two meetings was not more than four calendar months.

During the year 2014-15, the independent directors meeting was held on 19.03.2015, as required under schedule IV section vii of the Companies Act, 2013 without the presence of non-independent directors and members of Management.

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 Directorship+	No. of other Committee* positions held	
						Member	Chairman
Dr G V Krishna Reddy DIN00005212	Promoter Non-Executive Chairman	3	60,000	Yes	8	Nil	Nil
Mrs. G Indira Krishna Reddy DIN 00005230	Promoter Managing Director	3	Nil	Yes	3	Nil	Nil
Mrs. Shalini Bhupal DIN 00005431	Promoter Executive Director	3	Nil	Yes	1	Nil	Nil
Mr G V Sanjay Reddy DIN 00005282	Promoter Non-Executive	3	60,000	Yes	8	Nil	Nil
Mr. Krishnaram Bhupal DIN 00005442	Promoter Non-Executive	2	40,000	No	8	Nil	Nil
Dr. Raymond N Bickson *DIN 00050664	Promoter Non-Executive	2	40,000	Yes	12	5	4
Mr. Rakesh Sarna@ DIN 01875340	Promoter Non-Executive	1	Nil	No	9	Nil	Nil
Mr. Anil P Goel DIN 00050690	Promoter Non-Executive	3	60,000	Yes	8	3	Nil
Mrs. Deepa Misra Harris# DIN 00064912	Promoter Non-Executive	3	60,000	Yes	3	Nil	Nil
Mr. D R Kaarthikeyan DIN 00327907	Independent Non-Executive	4	80,000	Yes	11	5	Nil
Mr. C D Arha DIN 02226619	Independent Non-Executive	4	80,000	Yes	4	Nil	Nil
Mr. P Abraham\$ DIN 00280426	Independent Non-Executive	-	Nil	No	11	5	Nil
Mr. K Jayabharath Reddy DIN 00038342	Independent Non-Executive	4	80,000	Yes	5	1	2
Mr. M B N Rao DIN 00287260	Independent Non-Executive	2	40,000	Yes	8	2	3
Mr. CH G Krishna Murthy DIN 01667614	Independent Non-Executive	4	80,000	Yes	4	Nil	1
Mr. S Anwar DIN 06454745	Independent Non-Executive	4	80,000	Yes	2	Nil	1
Mr. A Rajasekhar DIN 01235041	Independent Non-Executive	4	80,000	Yes	Nil	Nil	Nil
Mrs. Santha John% DIN00848172	Independent Non-Executive	1	20,000	No	Nil	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.
  - \* Dr. Raymond N Bickson Resigned on 01.09.2014.
  - @ Mr. Rakesh Sarna appointed as an Additional Director w.e.f. 30.10.2014.
  - # Mrs. Deepa Misra Harris Resigned on 13.03.2015.
  - \$ Mr. P Abraham Resigned on 22.07.2014.
  - % Mrs. Santha John appointed as an Additional Director w.e.f. 29.01.2015.
- 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 is a director.

## 2. Audit Committee

The Audit Committee consists of six non-executive directors, of whom four are independent directors.

The Audit Committee has met 4 times during the financial year 2014-15 – on 12.05.2014, 01.08.2014, 30.10.2014 and 29.01.2015. 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:

Mr. K Jayabharath Reddy, Independent Non-Executive	- 4
Mr D R Kaarthikeyan, Independent, Non-Executive	- 4
Dr Raymond N Bickson, Promoter, Non-Executive*	- 2
Mr Rakesh Sarna, Promoter, Non-Executive@	- 1
Mr Anil P Goel, Promoter Non-Executive	- 3
Mr. C D Arha, Independent Non-Executive	- 4
Mr. M B N Rao, Independent Non-Executive	- 2

\* Dr. Raymond N Bickson resigned on 01.09.2014

@ Mr. Rakesh Sarna appointed on 30.10.2014

## 3. Nomination and Remuneration Committee (Formerly known as Remuneration Committee)

The Nomination and Remuneration Committee consists of four non-executive directors, of whom three are independent directors.

During the year, re-appointment of Mrs. Shalini Bhupal, as Executive Director and Mrs. G Indira Krishna Reddy, as Managing Director were considered. Hence, the Committee has met during the financial year 2014-15 on 12.05.2014 & 29.01.2015, and recommend the appointment of them to the Board.

## 4. Stakeholders Relationship Committee

(Formerly known as Shareholder's Investor Grievance Committee)

The Committee comprises of Mrs G Indira Krishna Reddy, Mr Anil P Goel and Mr. Ch G Krishna Murthy. 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 2014 to March 2015, 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	Nil	Nil
2	Non-receipt of dividend warrant	67	67
3	Non-receipt of Demat credit / Remat certificate	Nil	Nil
4	Non-receipt of Annual Report	34	34
5	Change of Address	138	138
6	Bank Details / Mandate	37	37
7	Issuing new share certificate(s) in lieu of erstwhile HotelSere Krishna Limited share certificate(s) received for exchange	94	94
8	Stop Transfer / Procedure for duplicate share certificate	103	103
9	Indemnity / Affidavit – duplicate	5	5
10	Remat Request	Nil	Nil
11	Revalidation / Replacement of Dividend Warrant	27	27
12	Procedure for Transfer / Transmission / Name Deletion	55	55
13	Registration of Signature	42	42
14	Confirmation of details	44	44
15	Others	39	39
	<b>TOTAL</b>	<b>609</b>	<b>609</b>
	Complaints received		
	SEBI	11	11
	Stock Exchange	Nil	Nil

Mr. J Srinivasa Murthy, CFO & Company Secretary, being the Compliance Officer of the Company act as the Secretary to all the above Committees.

#### 5. General Body Meetings

Year	Date	Time	Meeting	Venue
2013-14	01.08.2014	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad
2012-13	30.07.2013	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad
2011-12	27.07.2012	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 2014-15.

#### Postal Ballot:

No Postal Ballot was conducted during the year 2014-15.

#### Special Resolutions:

At the AGM of the Company held on 1<sup>st</sup> August 2014, Special Resolution was passed for re-appointment of Mrs. Shalini Bhupal, as an Executive Director of the Company. Special Resolution were passed pursuant to section 180(1)(c) and 180(1)(a) of the Companies Act, 2013. Special Resolution was passed to alter / amend of the Article of association of the Company.

All the Special Resolutions were passed with requisite majority.



At the AGM of the Company held on 30<sup>th</sup> July 2013, no Special Resolution was passed.

At the AGM of the Company held on 27<sup>th</sup> July 2012, Special Resolution was passed for Shifting of the Register of Members and the Index of Members of the Company to M/s Karvy Computershare Pvt. Ltd., Hyderabad. The resolution was passed with requisite majority.

**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, and Andhra Prabha, Hyderabad (vernacular).

The Company has adopted the following clause 49 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 2014-15.

**(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, Time & Venue : 28<sup>th</sup> July 2015, 11.30 a.m.  
Taj Krishna, Road No.1  
Banjara Hills  
Hyderabad – 500 034

**2. Share transfer book Closure dates** : 21<sup>st</sup> July 2015 to 28<sup>th</sup> July 2015  
(both days inclusive)

**3. Financial Year Calendar 2015-16:**

*Financial Results Reporting*

For the quarter ending June 30, 2015	28 <sup>th</sup> July 2015
For the quarter ending September 30, 2015	26 <sup>th</sup> October 2015
For the quarter ending December 31, 2015	29 <sup>th</sup> January 2016
For the quarter ending March 31, 2016	April / May 2016

**4. 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., Mumbai  
1<sup>st</sup> Floor, New Trading Ring Rotunda Bldg,  
P J Towers, Dalal Street, Fort,  
Mumbai 400 013.

### 5. Stock Code

i) Trading Symbol at

Bombay Stock Exchange Ltd., Mumbai (physical segment) : TAJGVK 32390  
Bombay Stock Exchange Ltd., 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

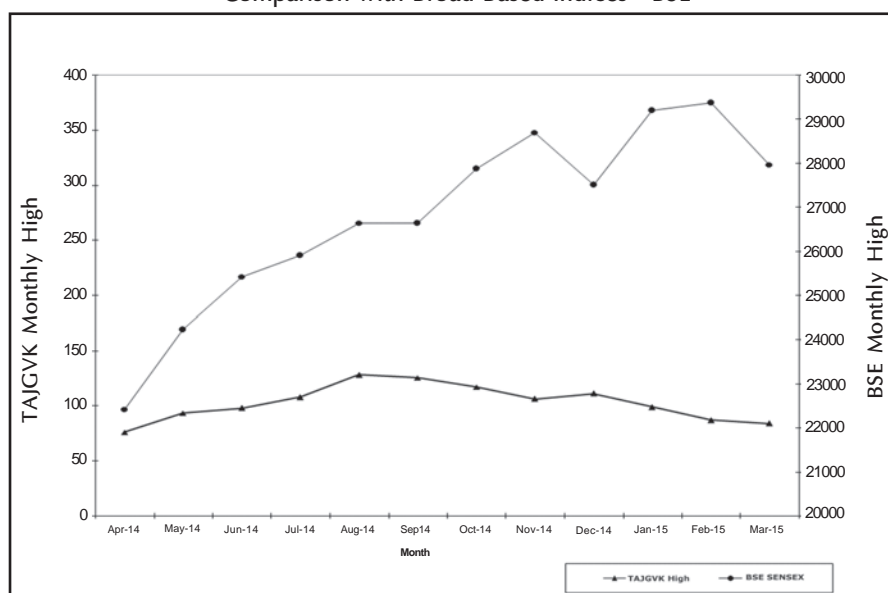
Equity Shares : INE 586B01026

Listing fees for and up to the year 2015-16 have been paid to the above Stock Exchanges

### 6. 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 2014	70.50	64.75	78.00	63.55
May 2014	88.40	81.00	93.40	65.50
June 2014	98.00	87.85	98.00	80.70
July 2014	103.90	99.60	110.00	90.65
August 2014	130.00	110.15	130.00	93.10
September 2014	121.50	108.10	125.85	106.00
October 2014	104.30	101.60	118.00	100.45
November 2014	89.80	86.70	106.90	85.00
December 2014	90.90	87.20	110.70	78.00
January 2015	87.50	84.00	98.80	84.00
February 2015	78.30	74.65	87.90	73.50
March 2015	71.00	68.25	84.10	66.40

Comparison with Broad Based Indices - BSE



7. 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.
8. Unclaimed Dividends : Under the provisions of the Companies Act, 2013 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:

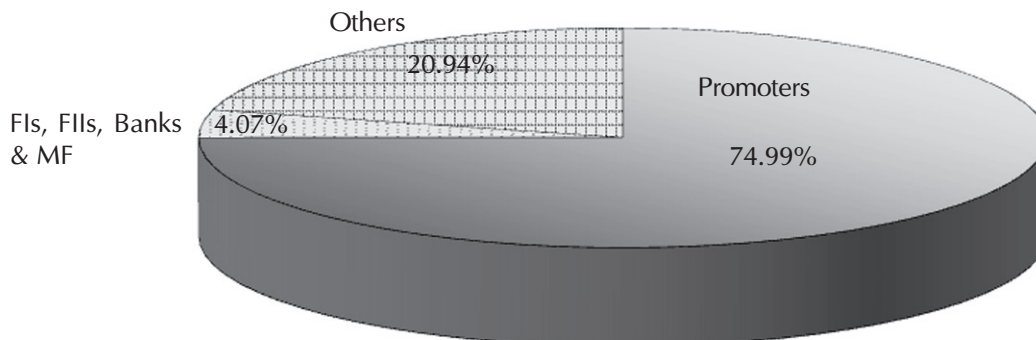
Financial year	Dividend declared %	Date of declaration of dividend	Last date for claiming unpaid dividend	Unclaimed dividend amount (₹)
2007-08	160%	30.07.2008	29.08.2015	34,26,588.80
2008-09	100%	25.07.2009	24.08.2016	24,34,724.00
2009-10	100%	26.07.2010	25.08.2017	23,52,312.00
2010-11	100%	26.07.2011	25.08.2018	24,27,494.00
2011-12	75%	27.07.2012	26.08.2019	20,69,412.50
2012-13	25%	30.07.2013	29.08.2020	7,86,279.00
2013-14	10%	01.08.2014	31.07.2021	3,46,789.00

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 2014-15 the Company has transferred unclaimed amount out of dividend declared for the financial year 2006-07 for an amount of ₹31,40,127/- to the General Revenue Account / Investor Education and Protection Fund (IEPF) pursuant to section 125 of the Companies Act, 2013.

9. Reconciliation of Share Capital Audit : Share Capital Audit is being carried out every quarter by a practising Company Secretary and the audit report is placed before the Board for its perusal and filed regularly with the Stock Exchanges within the stipulated time.

10. Distribution of Shareholding as on 31<sup>st</sup> March 2015



**Shareholding as on 31<sup>st</sup> March 2015**

No. of shares held	No. of Shares	% of share capital	No. of Shareholders	% of total no. of shareholders
Up to 500	4804896	7.66	41785	95.32
501 to 1000	949789	1.51	1171	2.67
1001 to 2000	691016	1.10	457	1.04
2001 to 3000	386256	0.62	151	0.34
3001 to 4000	205277	0.33	58	0.13
4001 to 5000	227187	0.36	48	0.11
5001 to 10000	538741	0.86	74	0.17
10001 and above	54898333	87.56	91	0.21
<b>Total</b>	<b>62701495</b>	<b>100.00</b>	<b>43835</b>	<b>100.00</b>

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

Approximately 96.13% of the shares issued by the Company have been dematerialised up to 31<sup>st</sup> March 2015. 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.

**12. 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  
1-10-147 & 148, Mayuri Marg, Begumpet  
Hyderabad – 500 016  
Phone No.040-67252626  
Email: [vivanta.begumpet@tajhotels.com](mailto:vivanta.begumpet@tajhotels.com)

**13. Address of Registrar & Transfer Agents & Electronic voting service**

Karvy Computershare Pvt. Ltd.  
Unit: TAJGVK Hotels & Resorts Limited  
Karvy Selenium Tower B, Plot No.31-32, Gachibowli,  
Financial District Nanakramguda 0Hyderabad 500 032.  
Tel: 040 67161605  
Fax: 040 23001153  
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.

**14. Any query on Annual Report**

CFO & 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)  
Website: [www.tajgvk.in](http://www.tajgvk.in)

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, 2015 compliance with the code of conduct of the Company laid down for them.

Place: Hyderabad  
Date: 11<sup>th</sup> May 2015

G Indira Krishna Reddy  
Managing Director  
DIN 00005230

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 31<sup>st</sup> March, 2015, 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.  
Chartered Accountants  
Registration No: 000513S

Place : Hyderabad  
Date : 11<sup>th</sup> May 2015

S.Satyanarayana Murthy  
Partner  
Membership No:023651

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 31<sup>st</sup> March, 2015:

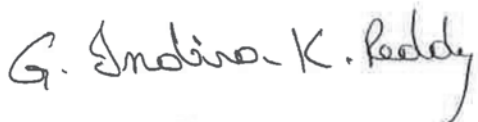
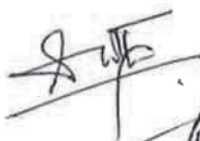


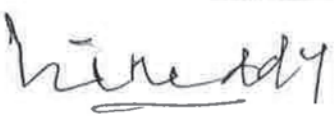
1. We have reviewed the financial statements and the cash flow statements for the period ended 31<sup>st</sup> March, 2015 and that to the best to our knowledge and belief, these statements :
  - (i) do not contain any materially untrue statement or omit any material fact or contain statements that might 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  
DIN 00005230

J Srinivasa Murthy  
CFO & Company Secretary  
M. No. F4460

Place: Hyderabad  
Date: 11<sup>th</sup> May, 2015

**Form A**  
**Format of covering letter of the annual audit report to be filed with the  
stock exchanges**

1	Name of the Company	TAJGVK Hotels & Resorts Limited
2.	Annual Financial Statement for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-  CEO / Managing Director  CFO & Company Secretary  Auditor of the Company  Audit Committee Chairman	    

Place : Hyderabad  
Date : 11.05.2015

**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF TAJGVK Hotels & Resorts Limited, Hyderabad (Telangana)

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of TAJGVK Hotels & Resorts Limited, Hyderabad (Telangana) ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

**2. Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditor's Responsibility**

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

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

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

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

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

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Loss and its cash flows for the year ended on that date.

**5. Report on Other Legal and Regulatory Requirements**

- i) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the said order.
- ii) As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 17 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration No:0005135

S.Satyanarayana Murthy  
Partner  
Membership No:023651

Place: Hyderabad  
Date : 11<sup>th</sup> May, 2015

Annexure referred to in paragraph 5(i) of our report to the members of TAJGVK Hotels & Resorts Limited, Hyderabad (Telangana) (“the Company”) for the year ended 31<sup>st</sup> March, 2015. We report that:

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The company has conducted the physical verification of fixed assets during the year and has not identified any material differences during the verification.
- 2) a) The company has physically verified its inventories during the year. In our opinion the frequency of such verification is reasonable.
  - b) 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 nature of its business.
  - c) On the basis of our examination of the inventory records, in our opinion, 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.
- 3) a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
  - b) In view of our comment in paragraph 3(a) above, clause (iii) (a) and (b) of paragraph 3 of the Companies (Auditor’s Report) Order, 2015 are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
  - 5) The Company has not accepted deposits from public. Therefore compliance of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under doesn’t arise.
  - 6) In our opinion, and according to the information and explanations given to us, Maintenance of cost records under section 148 (1) of the Companies Act, 2013 are not applicable to the company.
  - 7) a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues applicable to it.
    - b) According to the records of the Company and information and explanations given to us, no undisputed statutory due payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax and Cess were in arrears, as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
    - c) According to the records of the Company and the information and explanations given to us, the following are the disputed demands:

Name of the statute	Name of the dues	Amount in lacs	Financial year to which the amount relates	Forum where the dispute is pending
Income-Tax Act, 1961	IncomeTax	93.91	2005-06	CIT(Appeals),Hyderabad
		51.57	2006-07	-Do-
		7.60	2009-10	-Do-
		151.08	2012-13	-Do-
Wealth Tax Act,1957	Wealth Tax	21.13	2004-05	CIT(Appeals),Hyderabad
		10.56	2006-07	-Do-
A.P.Tax on Luxuries Act,1987	Luxury tax	76.47	2008-09 & 2009-10	Appellate Deputy Commissioner Hyderabad
A.P.General Sales Tax Act	Sales Tax	294.05	2008-09 to 2010-11	High Court of Andhra Pradesh
		13.36	2008-09	Tribunal
		59.27	2009-10 to 2011-12	-Do-
		322.48	2012-13	Matter remanded to CTO, Khairatabad,
		80.61	2012-13	Appellate Deputy Commissioner, Hyd
Finance Act,1994	Service Tax	13.78	2005-06 to 2010-11	Commissioner Appeals(Chandigarh)
		2477.10	2006-07 to 2010-11	CESTAT (Bengaluru)



- d) There are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956(1 of 1956) and rules made thereunder.
- 8) The company has been incorporated for a period exceeding five years. The Company has no accumulated losses. It has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- 9) According to the records of the Company and information and explanations furnished to us, the company has not defaulted in repayment of dues to banks. The company has not issued debentures.
- 10) According to the records of the Company and information and explanations given to us the Company has not given guarantee for the loans taken by others from banks or financial institutions.
- 11) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- 12) Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Registration No:000513S

Place: Hyderabad  
Date : 11<sup>th</sup> May, 2015

S.Satyanarayana Murthy  
Partner  
Membership No:023651

**BALANCE SHEET AS AT 31.03.2015**

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

PARTICULARS	NOTE	As at March 31, 2015	As at March 31, 2014
<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	33,395.11	33,592.40
		<u>34,649.14</u>	<u>34,846.43</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3	26,934.98	18,716.59
(b) Deferred tax liability (Net)	15	4,144.88	4,131.00
(c) Other Long term liabilities	3	137.31	132.90
(d) Long-term provisions	3	196.84	117.63
		<u>31,414.01</u>	<u>23,098.12</u>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	1,621.34	1,503.50
(b) Trade payables	20	3,310.98	2,608.00
(c) Other current liabilities	4	1,711.41	4,480.85
(d) Short-term provisions	4	-	146.71
		<u>6,643.73</u>	<u>8,739.06</u>
	<b>TOTAL</b>	<u>72,706.88</u>	<u>66,683.61</u>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	5		
(i) Tangible assets		40,576.46	42,764.33
(ii) Intangible assets		187.15	233.01
(iii) Capital work-in-progress		7,536.47	5,690.97
(b) Non-current investments	6	11,026.80	5,099.18
(c) Long-term loans and advances	7	10,044.29	8,499.91
(d) Other non-current assets	8	56.25	71.25
		<u>69,427.42</u>	<u>62,358.65</u>
<b>2 Current assets</b>			
(a) Inventories	9	805.06	932.08
(b) Trade receivables	9	1,262.65	940.25
(c) Cash and bank balances	9	165.20	223.37
(d) Short-term loans and advances	9	910.35	2,096.44
(e) Other current assets	9	136.20	132.82
		<u>3,279.46</u>	<u>4,324.96</u>
	<b>TOTAL</b>	<u>72,706.88</u>	<u>66,683.61</u>

The accompanying notes form an integral part of the Balance Sheet

**Summary of significant accounting policies**

Per our report of even date

For BRAHMAYYA &amp; CO.,

Chartered Accountants

Firm Regn No. 000513S

**S. Satyanaryana Murthy**

Partner

M.No.: 023651

Place : Hyderabad

 Date : 11<sup>th</sup> May, 2015

For and on behalf of the Board

**Dr. G V Krishna Reddy**

Chairman

DIN 00005212

**Anil P. Goel**

Director

DIN 00050690

**G Indira Krishna Reddy**

Managing Director

DIN 00005230

**J. Srinivasa Murthy**

CFO &amp; Company Secretary

M No. F4460

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2015

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

PARTICULARS	NOTE	Current Year 31.03.2015	Previous Year 31.03.2014
<b>INCOME</b>	<b>10</b>		
I. Revenue from operations		24,803.30	24,385.44
II. Other income		198.48	128.00
III. TOTAL Revenue (I + II)		<u>25,001.78</u>	<u>24,513.44</u>
<b>IV. EXPENSES</b>			
Employee Benefits Expense	11	5,256.76	5,276.25
Food & Beverages Consumed	12	3,151.75	2,835.65
Finance Costs	13	2,777.79	2,340.63
Depreciation and amortization expense		2,477.91	2,463.88
Other operating and general expenses	14	11,520.99	11,134.52
TOTAL Expenses		<u>25,185.20</u>	<u>24,050.93</u>
V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		(183.42)	462.51
VI. Exceptional items	16	-	410.69
VII Profit / (Loss) before tax (V- VI)		<u>(183.42)</u>	<u>873.20</u>
VIII Tax expense:			
i) Current tax	15	-	190.00
ii) MAT Credit Entitlement		-	(190.00)
iii) Deferred tax		13.87	375.52
iv) Short Provision of Tax of earlier years (Net)		-	-
TOTAL Taxes		<u>13.87</u>	<u>375.52</u>
IX Profit/(Loss) after tax (VII-VIII)		<u>(197.29)</u>	<u>497.68</u>
<b>Earnings Per Share:</b>			
Profit after tax		(197.29)	497.68
No.of equity shares of ₹ 2/-each		627.01	627.01
Basic and Diluted		(0.31)	0.79

The accompanying notes form an integral part  
of the Statement of Profit and Loss

## Summary of significant accounting policies

Per our report of even date  
For BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn No. 000513S

S. Satyanaryana Murthy  
Partner  
M.No.: 023651

Place : Hyderabad  
Date : 11<sup>th</sup> May, 2015

For and on behalf of the Board

Dr. G V Krishna Reddy  
Chairman  
DIN 00005212

Anil P. Goel  
Director  
DIN 00050690

G Indira Krishna Reddy  
Managing Director  
DIN 00005230

J. Srinivasa Murthy  
CFO & Company Secretary  
M No. F4460

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015**

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

PARTICULARS	Current Year		Previous Year	
<b>A NET PROFIT BEFORE TAX</b>		(183.42)		873.20
Adjustments for :				
Depreciation	2,477.90		2,463.89	
Miscellaneous Expenditure Written off	15.00		15.79	
Loss on sale of assets	9.59		5.27	
Profit on sale of assets	(8.57)		(0.13)	
Bad debts written off	28.79		0.00	
Provision for Bad & Doubtful Debts	39.78		1.31	
Extra-ordinary / Prior period items written off	0.00		(410.69)	
Provision for bad & doubtful debts credited back	0.00		0.00	
Interest expenses	2,777.79		2,340.65	
Interest earned	(30.36)		(12.63)	
		<b>5,309.92</b>		<b>4,403.46</b>
Operating Profit before working capital changes		<b>5,126.50</b>		<b>5,276.66</b>
Adjustments for :				
Trade and other receivables	(1,527.85)		470.44	
Inventories	127.01		(64.15)	
Long term and Short term Loans and advances	1,077.68		(93.04)	
Other Current Liabilities	(26.77)		(34.98)	
Long term and Short term Provisions	79.21		7.54	
Trade payables	941.49	670.77	494.04	779.85
<b>Cash generated from operations</b>		<b>5,797.27</b>		<b>6,056.51</b>
Taxes paid		431.82		317.84
<b>Cash flow before extraordinary/prior period items</b>		<b>5,365.45</b>		<b>5,738.67</b>
Extraordinary / Prior Period items		0.00		(410.69)
<b>NET CASH IN FLOW FROM OPERATING ACTIVITIES</b>		<b>5,365.45</b>		<b>6,149.36</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets /addition to CWIP	(3,093.10)		(3,127.33)	
Interest Received	20.85		12.63	
Sale of Fixed Assets	15.78		15.06	
Purchase of Investments	(4,784.63)		(603.75)	
<b>NET CASH OUT FLOW FROM INVESTING ACTIVITIES</b>		<b>(7,841.10)</b>		<b>(3,703.40)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Long term loans raised	26,934.98		4,213.79	
Long term loans (repaid)	(21,686.42)		(2,102.37)	
Short term loans raised / (repaid)	(900.00)		(600.00)	
Working capital borrowings	1,017.86		(1,152.80)	
Long term deposits paid back	(13.10)		(21.31)	
Interest paid	(2,784.66)		(2,388.36)	
Dividend paid	(129.87)		(326.62)	
Taxes on dividend paid	(21.31)		(53.27)	
<b>NET CASH OUT FLOW FROM FINANCING ACTIVITIES</b>		<b>2,417.48</b>		<b>(2,430.94)</b>
Net increase in cash and cash equivalent		(58.17)		15.02
Cash and Cash equivalents as at beginning of the year		223.37		208.35
Cash and Cash equivalents as at end of the year		165.20		223.37

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

Per our report of even date

 For **BRAHMAYYA & CO.,**

Chartered Accountants

Firm Regn No. 000513S

**S. Satyanaryana Murthy**

Partner

M.No.: 023651

Place : Hyderabad

 Date : 11<sup>th</sup> May, 2015

For and on behalf of the Board

**Dr. G V Krishna Reddy**

Chairman

DIN 00005212

**Anil P. Goel**

Director

DIN 00050690

**G Indira Krishna Reddy**

Managing Director

DIN 00005230

**J. Srinivasa Murthy**

CFO &amp; Company Secretary

M No. F4460

## Notes to financial statements for the year ended 31 March, 2015

## 1. General information

TAJGVK Hotels & Resorts Limited ("TAJGVK"/"the Company") is joint venture between the GVK Group and Indian Hotels Company Limited and was incorporated on 2<sup>nd</sup> February, 1995 in state of Andhra Pradesh, India.

The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts with the brand name of "TAJ".

## 2. 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 generally accepted accounting principles in India ("Indian GAAP") and the applicable Accounting Standards notified under Section 211(3)(C) of the Companies Act, 1956 [The Companies (Accounting Standards) Rules, 2006 (as amended)] (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014), 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 Schedule III to the Companies Act, 2013. Based on the services rendered and their realisation 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. Exceptional and Extraordinary Items

- a. Exceptional Items: Items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as exceptional items.
- b. Extraordinary Items: Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly.

iv. 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 taxes collected. Rebates and discounts granted to customers are reduced from revenue.
- 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.

v. Inventories:

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

vi. Fixed Assets:

- a. 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 are carried at cost, net of credit availed in respect of any taxes and duties, less accumulated amortization. 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.

vii. Depreciation and Amortisation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical

evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and machinery	: 10 to 20 years
Electrical installations and equipment	: 20 years
Hotel Wooden Furniture	: 15 years
End User devices- Computers, Laptops, etc	: 6 years

In respect of Leasehold land, depreciation is provided from the date land is put to use for commercial operations, over the balance period of the lease. The renewal of these leases is considered as certain in view of past experience for the purpose of depreciation of building on leased property. In respect of improvements to buildings, depreciation is provided based on estimated useful life.

Intangible assets with finite lives are amortised over their estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods are reviewed and impairment evaluations are carried out once a year. The rates currently used for amortising intangible assets are as under:

Website Development Cost	: 5 years
Cost of Customer Reservation System (including licensed software)	: 6 years
Service & Operating Rights	: 10 years

**viii. 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.

**ix. Foreign Exchange Transactions:**

- Initial recognition: Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction.
- Conversion: Foreign currency monetary items are reported at the exchange rates on Balance Sheet date.
- Exchange Difference: Exchange differences arising on the settlement of monetary items, on reporting of such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise. Foreign currency assets / liabilities are restated at the rates prevailing at the year end and the gain / loss arising out of such restatement is taken to revenue.

**x. 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 non-current.

Current investments are stated at lower of cost and fair value. Non-current 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.

**xi. Unamortised Expenses:**

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

**xii. Retirement Benefits:**

**a. Defined Contribution Plan:**

Company's contribution towards Provident Fund, Employees State Insurance Corporation and Labour Welfare Fund are recognized in the Statement of Profit and Loss.

**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 employees as per Company's rules in this regard.**

**xiii. Borrowing Costs:**

General and specific borrowing costs directly attributable to the acquisition, construction of qualifying assets, which 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.

**xiv. Taxes on income:**

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

- 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.

- b. **Deferred Tax:** In accordance with the Accounting Standard (AS) 22 "Accounting for taxes on income" the company has recognised the deferred tax liability / asset 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 realized.
- c. **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.
- xv. **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.

xvi. **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.

xvii. **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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

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

DESCRIPTION	As at March 31, 2015	As at March 31, 2014
<b>NOTE 1 : SHARE CAPITAL</b>		
<b>1 Authorised Share capital</b>		
Equity Shares		
<i>170500000 (170500000) Equity Shares of ₹ 2/- each</i>	3,410.00	3,410.00
<b>2 Issued, Subscribed and Paid up</b>		
Equity Shares		
<i>62701495 (62701495) Equity Shares of ₹ 2/- each fully paid-up</i>	1,254.03	1,254.03
	1,254.03	1,254.03

**i) Reconciliation of Ordinary shares :**

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

PARTICULARS	No. of shares	As at	
		March 31, 2015	March 31, 2014
Shares outstanding at the beginning of the year	62,701,495	1,254.03	1,254.03
Add : Shares Issued during the year	-	-	-
Shares outstanding at the end of the year	62,701,495	1,254.03	1,254.03

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

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
VERTEX PROJECTS LIMITED	22,238,646	35.47	22,238,646	35.47
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

**iii) Rights, preferences and restrictions attached to shares:**

The company has one class of equity shares having a par value of ₹ 2 per share. Equity shares are attached with one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential creditors, in proportion to their shareholding.

**NOTE 2 : RESERVES AND SURPLUS**

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

PARTICULARS	As at March 31, 2015				As at March 31, 2014			
	Balance as at 31.03.2014	Additions	Deletions	Balance as at 31.03.2015	Balance as at 31.03.2013	Additions	Deletions	Balance as at 31.03.2014
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	7,100.00	-	-	7,100.00	7,100.00	-	-	7,100.00
4. Surplus in Statement of Profit and Loss								
<i>As at April 1</i>	19,891.10	-	-	19,891.10	19,540.13	-	-	19,540.13
Net Profit/(Net Loss) For the current year	-	(197.29)	-	(197.29)	-	497.68	-	497.68
Proposed Dividend	-	-	-	-	-	-	125.40	(125.40)
Tax on Proposed Dividend	-	-	-	-	-	-	21.31	(21.31)
Transfer to Reserves	-	-	-	-	-	-	-	-
<i>As at March 31, 2015</i>	19,891.10	(197.29)	-	19,693.81	19,540.13	497.68	146.71	19,891.10
<b>TOTAL</b>	<b>33,592.40</b>	<b>(197.29)</b>	<b>-</b>	<b>33,395.11</b>	<b>33,241.43</b>	<b>497.68</b>	<b>146.71</b>	<b>33,592.40</b>



## NOTE 3 : NON-CURRENT LIABILITIES

## Long Term Borrowings

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

PARTICULARS	As at March 31, 2015	As at March 31, 2014
Secured term loans from:		
Financial Institutions	-	10,716.59
Banks	26,934.98	8,000.00
<b>TOTAL Non-current Borrowings</b>	<b>26,934.98</b>	<b>18,716.59</b>

## Details of current and non current component of long term borrowing

PARTICULARS	As at March 31, 2015			As at March 31, 2014		
	Non-Current	Current	Total	Non-Current	Current	Total
(a) Term loans	26,934.98	-	26,934.98	18,716.59	2,969.83	21,686.42
(b) Loans from related parties	-	-	-	-	-	-
<b>TOTAL</b>	<b>26,934.98</b>	<b>-</b>	<b>26,934.98</b>	<b>18,716.59</b>	<b>2,969.83</b>	<b>21,686.42</b>

## i) Term Loans from Banks:

₹15,000.00 lacs from HDFC Bank Ltd secured by first charge on all assets of Taj Chandigarh, Chandigarh and repayable in 32 equal instalments with a moratorium of 2 years from date of first disbursement.

₹11,934.98 lacs from AXIS Bank Ltd secured by first charge on all assets of Taj Club House, Chennai and repayable in 26 unequal instalments with a moratorium of 2.5 years from date of first disbursement.

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>Other Long Term Liabilities</b>		
(a) Deposits	95.01	108.10
(b) Creditors for Capital Goods	42.30	24.80
<b>TOTAL</b>	<b>137.31</b>	<b>132.90</b>
<b>Long Term Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	69.05	-
Leave Encashment	127.79	117.63
<b>TOTAL</b>	<b>196.84</b>	<b>117.63</b>

**NOTE 4 : CURRENT LIABILITIES**

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

	As at March 31, 2015	As at March 31, 2014
<b>Short Term Borrowings</b>		
(a) Loans repayable on demand		
From Bank		
Secured	1,621.34	603.50
Unsecured	-	900.00
<b>TOTAL</b>	<u>1,621.34</u>	<u>1,503.50</u>
i) Secured loans:		
Bank overdraft		
₹1,621.34 lacs from AXIS Bank Ltd and IDBI Bank Ltd are secured by pari-passu first charge on current assets of the Company		
<b>Other Current Liabilities</b>		
(a) Current maturities of long-term debt	-	2,969.83
(b) Creditors for capital goods	475.34	225.58
(c) Interest accrued but not due on borrowings	-	6.88
(d) Income received in advance	439.48	427.92
(e) Unpaid dividends	138.44	167.26
(f) Other Liabilities	658.15	683.38
<b>TOTAL</b>	<u>1,711.41</u>	<u>4,480.85</u>
<b>Short Term Provisions</b>		
(a) Proposed Dividend	-	125.40
(b) Tax on Dividend	-	21.31
<b>TOTAL</b>	<u>-</u>	<u>146.71</u>

NOTE 5 : FIXED ASSETS

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

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 31.03.2014	Additions	Deductions	As at 31.03.2015	Upto 31.03.2014	For the year	Deductions	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
<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)	4,244.11 (4,244.11)
2. Leasehold Land	189.18 (189.18)	-	-	189.18 (189.18)	36.66 (30.05)	6.60 (6.60)	-	43.26 (36.66)	145.92 (152.52)	152.52 (159.13)
3. Buildings										
a Hotel Building	25,966.42 (25,787.64)	1.63 (178.78)	-	25,968.05 (25,966.42)	6,977.03 (6,182.96)	335.61 (794.07)	-	7,312.64 (6,977.02)	18,655.41 (18,989.40)	18,989.40 (19,604.68)
b Improvements to leasehold buildings	7,176.99 (7,176.99)	-	-	7,176.99 (7,176.99)	282.82 (165.08)	119.45 (117.74)	-	402.27 (282.81)	6,774.72 (6,894.19)	6,894.19 (7,011.91)
4. Plant & Machinery										
a Plant and Machinery	17,269.29 (17,000.65)	232.97 (287.11)	97.27 (18.48)	17,404.99 (17,269.28)	6,888.05 (5,905.37)	1,364.55 (994.09)	81.71 (11.42)	8,170.89 (6,888.05)	9,234.10 (10,381.23)	10,381.23 (11,095.28)
5. Furniture & Fixtures										
a Hotel Furniture and Fixtures	5,985.36 (5,964.44)	9.58 (30.21)	12.72 (9.29)	5,982.22 (5,983.36)	4,278.44 (3,887.56)	441.17 (398.80)	11.89 (7.92)	4,707.72 (4,278.44)	1,274.49 (1,706.92)	1,706.92 (2,076.92)
6 Office Equipments	1,110.84 (1,113.08)	16.48 (7.85)	5.88 (10.10)	1,121.44 (1,110.84)	862.42 (775.91)	118.62 (95.80)	5.59 (9.29)	975.45 (862.42)	145.98 (248.42)	248.42 (337.14)
7 Vehicles										
a Cars	292.47 (351.42)	-	2.34 (58.95)	290.13 (292.47)	144.92 (163.22)	45.71 (27.21)	2.22 (45.51)	188.41 (144.92)	101.73 (147.54)	147.54 (188.20)
<b>TANGIBLE ASSETS Total</b>	<b>62,234.66</b> <b>(61,827.52)</b>	<b>260.66</b> <b>(503.95)</b>	<b>118.21</b> <b>(96.82)</b>	<b>62,377.11</b> <b>(62,234.64)</b>	<b>19,470.34</b> <b>(17,110.16)</b>	<b>2,431.71</b> <b>(2,434.31)</b>	<b>101.41</b> <b>(74.14)</b>	<b>21,800.64</b> <b>(19,470.33)</b>	<b>40,576.46</b> <b>(42,764.33)</b>	<b>42,764.33</b> <b>(44,717.36)</b>
<b>TOTAL</b>	<b>62,234.66</b>	<b>260.66</b>	<b>118.21</b>	<b>62,377.11</b>	<b>19,470.34</b>	<b>2,431.71</b>	<b>101.41</b>	<b>21,800.64</b>	<b>40,576.46</b>	<b>42,764.33</b>
Less: Internal Transfers										
	62,234.66	260.66	118.21	62,377.11	19,470.34	2,431.71	101.41	21,800.64	40,576.46	42,764.33
<b>INTANGIBLE ASSETS</b>										
Software Systems	286.77 (126.25)	0.36 (160.52)	-	287.13 (286.77)	53.76 (24.18)	46.21 (29.57)	-	99.97 (53.76)	187.15 (233.01)	233.01 (102.06)
<b>INTANGIBLE ASSETS Total</b>	<b>286.77</b> <b>(126.25)</b>	<b>0.36</b> <b>(160.52)</b>	<b>-</b>	<b>287.13</b> <b>(286.77)</b>	<b>53.76</b> <b>(24.18)</b>	<b>46.21</b> <b>(29.57)</b>	<b>-</b>	<b>99.97</b> <b>(53.76)</b>	<b>187.15</b> <b>(233.01)</b>	<b>233.01</b> <b>(102.06)</b>
<b>TOTAL</b>	<b>62,521.43</b> <b>(61,953.76)</b>	<b>261.02</b> <b>(664.48)</b>	<b>118.21</b> <b>(96.82)</b>	<b>62,664.24</b> <b>(62,521.41)</b>	<b>19,524.10</b> <b>(17,134.35)</b>	<b>2,477.92</b> <b>(2,463.88)</b>	<b>101.41</b> <b>(74.14)</b>	<b>21,900.61</b> <b>(19,524.09)</b>	<b>40,763.61</b> <b>(42,997.34)</b>	<b>42,997.34</b> <b>(44,819.43)</b>
<b>Capital Work - In - Progress</b>										
				7,536.47 (5,690.97)					7,536.47 (5,690.97)	5,690.97 (4,212.21)
<b>TOTAL</b>				<b>70,200.71</b> <b>(68,212.37)</b>	<b>19,524.10</b> <b>(17,134.35)</b>	<b>2,477.92</b> <b>(2,463.88)</b>	<b>101.41</b> <b>(74.14)</b>	<b>21,900.61</b> <b>(19,524.09)</b>	<b>48,300.08</b> <b>(48,688.31)</b>	<b>48,688.31</b> <b>(49,031.63)</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 to Capital work in progress include ₹581.21 lacs (₹529.31 lacs) of borrowing cost capitalised during the year.  
 4) The transitional impact of depreciation amounting to ₹283.31 lacs on the opening block of fixed assets as of 1st April 2014 consequent to change in useful lives of certain assets as per Schedule II to the Companies act, 2013 is included in the depreciation charge for the year  
 5) Figures in brackets are of previous year.

**NOTE 6 : NON-CURRENT INVESTMENTS**

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

	As at March 31, 2015					As at March 31, 2014				
	Type of Investment	No. of Shares	Gross Cost	Provision	Net Cost	Type of Investment	No. of Shares	Gross Cost	Provision	Net Cost
1). LONG TERM INVESTMENT IN GROUP COMPANIES - TRADE - UNQUOTED										
Investment in Joint Ventures										
Greenwoods Palaces and Resorts Pvt Ltd	Equity	36,750,000	11,025.00	-	11,025.00	Equity	22,162,500	5,097.38	-	5,097.38
NON-TRADE INVESTMENT, UNQUOTED										
Green Infra Windfarms Limited (fully paid)	Equity	18,000	1.80	-	1.80	Equity	18,000	1.80	-	1.80
<b>TOTAL</b>			<b>11,026.80</b>	<b>-</b>	<b>11,026.80</b>			<b>5,099.18</b>	<b>-</b>	<b>5,099.18</b>

- i) The Company acquired 3,67,50,000 (48.99%) equity shares of ₹10/- each fully paid up of M/s.Greenwoods Palaces & Resorts Pvt Ltd at a premium of ₹ 20/- each (previous year 2,21,62,500 (29.55%) equity share of ₹10/- each at a premium of ₹ 20/- per share). M/s.Greenwoods Palaces & Resorts Pvt Ltd (SPV) is setting up a 5 Star Luxury hotel (Taj Santacruz) comprising of 279 rooms near Terminal 1C, Santacruz, Mumbai at Mumbai International Airport. The SPV is treated as a jointly controlled entity as per the Accounting Standards in vogue.
- ii) Non-Trade Unquoted Investment was 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.

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

PARTICULARS	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good		
(a) Capital Advances	6,318.55	5,314.48
(b) Deposits - Others	1,218.68	1,110.98
(c) Advance Tax (net of provision)	1,138.51	706.69
(d) Minimum Alternate Tax Credit	1,365.00	1,365.00
(e) Other loans and advances	3.55	2.76
<b>TOTAL</b>	<b>10,044.29</b>	<b>8,499.91</b>

**NOTE 8 : OTHER NON CURRENT ASSETS**

	As at March 31, 2015	As at March 31, 2014
Unamortized expenditure	56.25	71.25
<b>TOTAL</b>	<b>56.25</b>	<b>71.25</b>

## NOTE 9 : CURRENT ASSETS

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

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>Inventories</b>		
a) Stores and Operating Supplies	374.88	445.60
b) Food and Beverages	430.18	486.48
<b>TOTAL</b>	<u>805.06</u>	<u>932.08</u>
<b>Trade Receivables</b>		
<b>Outstanding over six months from the date they are due for payment:</b>		
Unsecured, considered good	192.95	65.54
Unsecured, considered doubtful	58.67	18.89
Less: Provision for doubtful debts	58.67	18.89
<b>Sub-total</b>	<u>192.95</u>	<u>65.54</u>
<b>Others:</b>		
Unsecured, considered good	1,069.70	874.71
Less: Provision for doubtful debts	-	-
<b>Sub-total</b>	<u>1,069.70</u>	<u>874.71</u>
<b>TOTAL</b>	<u>1,262.65</u>	<u>940.25</u>
<b>Cash and Bank Balances</b>		
Cash and Cash equivalents		
Cash on Hand	22.64	26.92
Current Accounts with banks	4.12	8.60
<b>Sub-total</b>	<u>26.76</u>	<u>35.52</u>
<b>Balances with Banks Others :</b>		
Margin Money Deposits maturing within 3 months	-	1.59
Deposits pledged with others	-	19.00
Earmarked balances with banks on account of unclaimed dividend	138.44	167.26
<b>Sub-total</b>	<u>138.44</u>	<u>187.85</u>
<b>TOTAL</b>	<u>165.20</u>	<u>223.37</u>
<b>Short-term loans and advances</b>		
Unsecured considered good:		
a. Deposits with Public Bodies and Others	13.81	10.75
b. Other advances recoverable in cash or in kind	896.54	2,085.69
<b>TOTAL</b>	<u>910.35</u>	<u>2,096.44</u>
<b>Other Current Assets</b>		
Unbilled receivables	111.69	117.82
Unamortized expenses (Refer Notes No.2(xi))	15.00	15.00
Interest receivable	9.51	-
<b>TOTAL</b>	<u>136.20</u>	<u>132.82</u>

**NOTE 10 : INCOME**

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

PARTICULARS	Current year	Previous year
<b>Revenue from operations</b>		
I) Rooms, Restaurants, Banquets and Other Services (net of duties)	24,803.30	24,385.44
<b>II) Other Income</b>		
(a) Surplus on sale of fixed assets	8.57	0.13
(b) Interest Income	30.36	7.59
(c) Miscellaneous Income	147.88	104.50
(d) Exchange gain / (loss) on foreign currency transaction & translation (net)	11.67	15.78
<b>Sub-total</b>	<u>198.48</u>	<u>128.00</u>
<b>TOTAL</b>	<u>25,001.78</u>	<u>24,513.44</u>

**NOTE 11 : EMPLOYEE BENEFITS EXPENSE**

(i) Salaries, Wages, Bonus etc.	3,250.51	3,408.99
(ii) Company's Contribution to Retirement Funds & Other Funds	288.46	202.12
(iii) Reimbursement of Expenses on Personnel Deputed to the Company	721.51	778.66
(iv) Payment to Contractors / Outsourced Labour	411.50	381.86
(v) Workmen / Staff Welfare Expenses	584.78	504.62
<b>TOTAL</b>	<u>5,256.76</u>	<u>5,276.25</u>

**NOTE 12 : FOOD & BEVERAGES CONSUMED**

Food & Beverages Consumed	3,151.75	2,835.65
---------------------------	----------	----------

**NOTE 13 : FINANCE COST**

Interest expenses	3,359.00	2,869.94
Less: Interest Capitalized	581.21	529.31
<b>TOTAL</b>	<u>2,777.79</u>	<u>2,340.63</u>

## NOTE 14 : OPERATING AND GENERAL EXPENSES

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

PARTICULARS	Current year	Previous year
a) Operating Expenses		
Linen and Room Supplies	804.16	762.83
Catering Supplies	243.95	201.98
Other Supplies	25.46	18.44
Fuel, Power and Light	3,095.59	3,075.51
Repairs to Buildings	332.65	287.61
Repairs to Machinery	772.57	720.01
Repairs to Others	103.95	103.64
Payment to Orchestra Staff & Artistes	439.17	393.56
Guest Transportation	161.46	114.55
Travel Agent's Commission	184.90	178.78
Collecting Agent's Commission	267.78	212.35
Sub - Total	<u>6,431.64</u>	<u>6,069.26</u>
b) General Expenses		
Rent	279.02	287.04
License Fees	693.05	621.68
Rates & Taxes	827.34	820.59
Insurance	92.98	117.65
Advertisement and Publicity	426.85	438.59
Printing and Stationery	136.86	126.25
Passage and Traveling	50.42	58.64
Provision for Doubtful Debts	39.78	1.31
Bad debts and advances written off	28.79	3.83
Professional Fees	130.24	123.04
Loss on Sale of Fixed Assets	9.59	5.27
Donation	0.12	18.65
Operating and Management fees	1,091.08	1,113.54
Auditors' Remuneration		
i. As Auditors	19.10	19.10
ii. For Taxation Audit	3.00	2.50
iii. For certification	0.10	0.15
Directors' Sitting Fees	10.20	10.00
Amortized expenses (Refer Note No.2(xi))	15.00	15.79
Other Expenses	1,235.83	1,281.64
Sub -total	<u>5,089.35</u>	<u>5,065.26</u>
<b>TOTAL</b>	<u><b>11,520.99</b></u>	<u><b>11,134.52</b></u>

**NOTE 15 : DETAILS OF TAXATION**
**a) Summary of Taxes charged during the year in the Profit & Loss A/c**

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

PARTICULARS	Current year	Previous year
Current Tax	-	190.00
Minimum Alternate Tax Credit Entitlement	-	(190.00)
Deferred Tax Debit/(Credit)	13.87	375.52
<b>TOTAL Debit/(Credit) to Statement of Profit &amp; Loss</b>	<b>13.87</b>	<b>375.52</b>

**b) Deferred Tax Asset/Liability as at March 31, 2015**

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Liability</b>		
Depreciation on Fixed Assets	2,126.49	2,216.26
Effect of carry forward loss due to Sec 35AD availment	2,106.87	1,963.63
<b>TOTAL</b>	<b>4,233.36</b>	<b>4,179.89</b>
<b>Deferred Tax Assets</b>		
Provision for Doubtful Debts	19.94	6.42
Employee Benefits	68.54	42.47
<b>TOTAL</b>	<b>88.48</b>	<b>48.89</b>
<b>Net Deferred Tax Liability/Asset</b>	<b>4,144.88</b>	<b>4,131.00</b>

**NOTE 16 : EXCEPTIONAL ITEMS**

PARTICULARS	Current year	Previous year
Refund of remuneration by Executive Chairman	-	410.69
<b>TOTAL</b>	<b>-</b>	<b>410.69</b>



17. Commitments and Contingent liabilities not provided for in respect of:

Commitments

Estimated amount of contracts remaining to be executed on capital account ₹16.30 Lacs (2014: ₹147.36 Lacs).

Contingent liabilities not provided for in respect of

(₹ in Lacs)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
Sales tax matters	769.77	939.00
Income tax matters	304.16	153.08
Service tax matters	2490.88	2490.88
Wealth tax matters	31.69	31.69
Luxury tax matters	76.47	76.47
Probable customs duty payable on the Equipment Imported under Export Promotion Capital Goods Scheme	487.18	487.18
Letters of Credit	-	79.56
Bank Guarantees – Others	134.81	159.38

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

- i) ₹ 295.89 lacs (₹ 124.14 lacs) paid under the VAT Act pertaining to financial years 2005-06 to 2012-13.
- ii) ₹ 147.09 lacs (₹ 86.40 lacs) paid under the Income Tax Act pertaining to financial years 2002-03 and 2005-06.

19. Due to inadequacy of the profits no commission to Managing Director 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 paid to the Managing Director and the Executive Director as per the terms of appointment, and to waive the excess remuneration paid to them.

During the previous year Executive Chairman refunded the remuneration of ₹ 410.69 lacs for the years 2008-09, 2010-11, 2011-12 and 2012-13 and the Company has withdrawn the application made to the Ministry of Company Affairs for waiver of remuneration paid in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956, due to inadequacy of profits and the same has been considered as exceptional item.

20. 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 (MSMED) Act, 2006".

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

(₹ in Lacs)

PARTICULARS	As at March 31, 2015	As at March 31, 2014
The principal amount due thereon remaining unpaid to any supplier as at the end of the accounting year	--	2.33
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with 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 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	--	--

21. Additional information pursuant to provisions of Clause 5 of Part II of Schedule III of the Companies Act 2013.

i) Income from Guest Accommodation, Restaurants etc (All amounts are ₹ in lacs, unless otherwise stated)

PARTICULARS	Current Year	Previous Year
Guest Accommodation	11,652.00	10,982.46
Food, Beverages and others	10,018.48	10,030.39
Liquor & Wines	2,059.72	2,059.03
Telephones	174.69	346.09
Other operating Income	890.14	967.47
Other Income	198.48	128.00
<b>TOTAL</b>	<b>25,001.78</b>	<b>24,513.44</b>

ii) Consumption of Provisions, Stores and Wines

PARTICULARS	Opening Stock	Purchases	Consumption	Closing Stock
Provisions & Stores, Beverages other than Liquor, Beer & Wines	348.42 (90.23)	2520.51 (2577.73)	2583.46 (2319.54)	285.47 (348.42)
Liquor, Beer & Wines	346.85 (310.58)	506.53 (552.38)	568.29 (516.11)	285.09 (346.85)
<b>TOTAL</b>	<b>695.27 (400.81)</b>	<b>3027.04 (3130.11)</b>	<b>3151.75 (2835.65)</b>	<b>570.56 (695.27)</b>

iii) Transactions in Foreign Currency

a) Earnings in Foreign Exchange ₹4163.46 Lacs (2014: ₹4698.84 Lacs)

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

b) Expenditure in foreign currency:

PARTICULARS	Current year	Previous year
Capital Goods	10.01	127.94
Consultancy	56.35	73.65
Others	187.47	169.92
<b>TOTAL</b>	<b>253.83</b>	<b>371.51</b>

iv) Consumption of raw materials (provisions, stores & wines)

Particulars	Current Year		Previous Year	
	₹ in lacs	%	₹ in lacs	%
Imported	210.96	6.69	220.34	7.77
Indigenous	2940.79	93.31	2615.31	92.23
<b>TOTAL</b>	<b>3151.75</b>	<b>100.00</b>	<b>2835.65</b>	<b>100.00</b>

22. Related Parties Disclosure

Disclosures as required under Accounting Standard (AS) 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are given below:

a. Key Management personnel:

Name of the Related Party	Relationship
Dr. G.V.Krishna Reddy	Chairman
Mrs. G.Indira Krishna Reddy	Managing Director
Mrs. Shalini Bhupal	Executive Director
Green Woods Palaces and Resorts Pvt Ltd	Jointly controlled entity
The Indian Hotels Company Limited	Joint Venturer

b. Companies/Firms/Trust in which the key management and their relatives are interested:

Accura Constructions (P) Ltd	GVK Properties & Management Co.(P) Ltd(*)
Accura Estates (P) Ltd	GVK Projects & Technical Services Ltd.
Alaknanda Hydro Power Co Ltd(*)	GVK Technical Consultancy Services (P) Ltd(*)
Amtran Constructions (P) Ltd	GVK Ratle Hydro Electric Project Pvt Ltd(*)
Bengaluru Airport & Infrastructure Developers Pvt.Ltd	GVK Virudhnagar SEZ (P) Ltd
Bengaluru International Airport Ltd(*)	Innovative Land Holdings (P) Ltd
Bonanza Real Estates (P) Ltd	Inogent Laboratories (P) Ltd(*)
Cygnus Real Estates (P) Ltd	GVKEMRI(*)
Eagle Land Holdings (P) Ltd	Mallikarjuna Estates (P) Ltd
GVK Gautami Power Ltd(*)	Mallikarjuna Finance (P) Ltd
Goldgreen Land Holdings (P) Ltd	Marriot Land Holdings (P) Ltd
Green Woods Palaces & Resorts (P) Ltd	Midas Estates (P) Ltd
Greenridge Hotels & Resorts LLP	Mumbai Airotopolis Pvt Ltd
GVK Airport Developers (P) Ltd	Mumbai Airport Habitation Pvt Ltd
GVK Airport Holdings (P) Ltd	Navi Mumbai Airport Developers (P) Ltd
GVK Biosciences (P) Ltd(*)	Mumbai Aviation Fuel Form Facility (P) Ltd
GVK City (P) Ltd	Mumbai International Airport (P) Ltd(*)
GVK Coal (Tokisud) Co.(P) Ltd(*)	Novopan Industries Ltd
GVK Davix Research (P) Ltd	Nova Technical & Consultancy Services P Ltd.
GVK Davix Technologies (P) Ltd	Orbit Travel & Tours (P) Ltd(*)
GVK Foundation	Pace Constructions (P) Ltd
GVK EMRI (UP) Pvt Ltd	Paigah House Hotel (P) Ltd
GVK Informatics (P) Ltd.	Pinakini Share & Stock Brokers Ltd
GVK Janani Shishu Suraksha (UP) Pvt Ltd	Pinnacle Land Holdings (P) Ltd
GVK Energy Ltd(*)	Raghavendra Finance (P) Ltd
GVK Energy Ventures (P) Ltd	Rocktown Estates Pvt Ltd(*)
GVK Estates Private Limited	SR Finance (P) Ltd
GVK Industries Ltd(*)	Starlet Land Holdings (P) Ltd
GVK Jaipur Expressway Private Ltd(*)	Suphala Real Estates (P) Ltd
GVK Natural Resources (P) Ltd(*)	Vertex Projects Ltd
GVK Oil & Gas Limited	Volantis Land Holdings (P) Ltd
GVK Power & Infrastructure Ltd(*)	Vulcon Constructions (P) Ltd
GVK Power (Goindwal Sahib) Ltd(*)	

(\*) – companies with which there are transactions during the year

**TRANSACTIONS DURING THE YEAR**

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

Name of the related party	Current Year	Previous Year
<b>Key Management Personnel:</b>		
Dr.G.V.Krishna Reddy – Remuneration	-	362.62
Mrs.G. Indira Krishna Reddy – Remuneration	216.48	200.83
Mrs.Shalini Bhupal – Remuneration	157.83	134.11
<b>Joint Venturer:</b>		
Indian Hotels Company Limited		
- Interest on unsecured loan	-	9.40
- Operating fee	1091.08	1113.54
- Reimbursement of advertisement expenses	348.19	343.63
<b>Jointly controlled entity:</b>		
Green Woods Palaces & Resorts (P) Ltd		
- Investment in Equity Shares	4784.63	603.75
<b>Enterprises in which key management personnel and / or their relatives have significant influence:</b>		
Rocktown Estates Pvt Ltd		
- Purchase of vegetables	8.08	7.92
Orbit Tours and Travels (P) Ltd		
- Purchase of travel tickets and car hire charges	18.97	42.51
GVK Foundation - Donation	-	17.46
GVK Industries Ltd		
- Salaries of deputed staff	-	3.07
Novopan Industries Ltd		
- Salaries of deputed staff	-	-
GVK Technical Consultancy Services (P) Ltd		
- Salaries of deputed staff	20.84	24.51
Pinakini Share and Stock Brokers Ltd		
- Annual Depository participant fee	-	0.20
<b>Income from sale of rooms and food &amp; beverages:</b>		
- Alakananda Hydro Power Co. Ltd	2.19	3.69
- GVK Gautami Power Ltd	2.35	10.28
- Mumbai International Airport Pvt Ltd	6.78	4.60
- Novopan Industries Ltd	-	0.82
- GVK Biosciences Pvt Ltd	14.97	22.36
- GVK Coal (Tokisud) Co. Pvt. Ltd	1.42	5.39
- GVK Industries Ltd	17.23	16.46
- GVK Jaipur Expressway Pvt Ltd	0.33	1.00
- GVK Power and Infrastructure Ltd	4.31	10.40
- GVK Power (Goindwal Sahib) Ltd	9.84	2.54
- Bengaluru International Airport Ltd	1.12	4.37
- GVK Energy Ltd	2.77	3.72
- Inogen Laboratories Pvt Ltd	1.16	0.89
- GVK Natural Resources Pvt Ltd	0.18	0.11
- GVK Projects and Technical Services Ltd	-	0.30
- GVK Ratle Hydro Electric Project Pvt Ltd	1.63	2.57

## TAJGVK HOTELS & RESORTS LIMITED

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

Name of the related party	Current Year	Previous Year
- GVK Technical Consultancy Services (P) Ltd	0.57	15.58
- GVK EMRI	12.19	12.14
- GVK Davix Technologies (P) Ltd	-	0.20
- GVK Properties & Management Co.(P) Ltd	0.24	0.19
- Verdura	-	2.40
<b>BALANCES OUTSTANDING AS OF 31 MARCH, 2015:</b>		
<b>Joint Venturer:</b>		
Indian Hotels Company Limited		
Operating fee & reimbursements payable	950.46	712.01
Reimbursement of expenses receivable	207.67	160.37
<b>Jointly controlled entity:</b>		
Green Woods Palaces & Resorts (P) Ltd		
Investment in Equity Shares	11025.00	5097.37
Advance against calls	-	1143.00
<b>Enterprises in which key management personnel and / or their relatives have significant influence:</b>		
GVK Industries Ltd		
- Salaries of deputed staff payable	-	3.07
GVK Technical Consultancy Services (P) Ltd		
- Salaries of deputed staff payable	-	1.57
Orbit Tours and Travels (P) Ltd		
- Purchase of travel tickets and car hire charges payable	-	1.37

### 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 31.03.2015 comprising of the following components.

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

PARTICULARS	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Liability on account of</b>		
Depreciation & amortisation	2,126.49	2,216.26
Allowance u/s 35AD	2,106.87	1,963.63
<b>Deferred Tax Liability (a)</b>	<b>4,233.36</b>	<b>4,179.89</b>
<b>Deferred Tax Asset on account of</b>		
Transactions considered u/s 43B of the Income Tax Act, 1961	68.54	42.47
Provision for doubtful debts	19.94	6.42
<b>Deferred Tax Asset (b)</b>	<b>88.48</b>	<b>48.89</b>
<b>Net Deferred Tax Liability (a-b)</b>	<b>4,144.88</b>	<b>4,131.00</b>
Deferred tax liability / (Asset) accruing for the year	13.87	375.52

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

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

PARTICULARS	As at March 31, 2015	As at March 31, 2014
Not later than one year	491.51	491.86
Later than one year but not later than five years	501.33	676.01
Later than 5 years	-	-

25. Employee benefits:

**Defined contribution plan:**

Amount recognised as an expense in statement of profit and loss ₹ 95.11 lacs (2014: ₹ 93.37 lacs) on account of provident fund and ₹ 46.95 lacs (2014: ₹ 49.75 lacs ) on account of Employee State Insurance.

**Defined benefit plan:**

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of ₹1,000,000/-

The Company's liability towards un-funded leave encashment is calculated by considering, each employee's, salary (last drawn salary) and accumulated un-utilised leave as at the reporting date.

The following tables summarize the components of net benefit recognized in the Statement of Profit and Loss and amounts recognized in the Balance Sheet for the respective employee benefit plans.

**a. Statement of Profit and Loss**

PARTICULARS	Current Year	Previous Year
Current Service Cost	20.61	24.19
Interest on Defined Benefit Obligation	33.96	29.06
Expected Return on Plan Assets	(27.27)	(27.23)
Net Actuarial Losses	60.10	(23.46)
Expenses recognized in Statement of Profit and Loss	87.40	2.56

**b. Reconciliation of Defined Benefit Obligation**

PARTICULARS	As at 31-03-2015	As at 31-03-2014
Opening Defined benefit Obligation	432.44	421.52
Current Service Cost	20.61	24.19
Interest Cost	33.96	29.06
Actuarial Losses / (Gain)	86.94	(13.74)
Benefits Paid	(128.74)	(28.59)
Closing Defined Benefit Obligation	445.21	432.44

c. Change in Fair Value of Assets

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

PARTICULARS	As at 31-03-2015	As at 31-03-2014
Opening Fair Value of Plan Assets	439.02	430.66
Expected Return on Plan Assets	27.27	27.23
Actuarial gain/(Losses)	26.83	9.72
Contributions by Employer	-	-
Benefits Paid	(128.74)	(28.59)
Closing Fair Value of Plan Assets	364.38	439.02

d. Amount recognized in Balance Sheet

PARTICULARS	As at 31-03-2015	As at 31-03-2014
Present Value of Funded Obligations	445.21	432.44
Fair Value of Plan Assets	(364.38)	(439.01)
Net Liability recognized in the Balance Sheet	(80.83)	(6.57)

e. Description of Plan Assets

PARTICULARS	As at 31-03-2015	As at 31-03-2014
Insurer Managed Funds	100%	100%

Amounts for the current and previous four years are as follows:

PARTICULARS	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011
Defined Benefit Obligation	445.21	432.44	421.52	432.27	442.14
Planned Assets at the end of the period	364.38	439.02	430.66	401.66	316.47
Surplus / (deficit)	(80.83)	6.57	9.15	(30.61)	(125.67)
Experience adjustments on plan liabilities	50.92	18.24	(17.85)	(35.90)	54.33
Experience adjustments on plan assets	26.84	9.72	15.02	10.65	3.72

The principal assumptions used in determining gratuity and leave benefit obligation in the above plans are as under:

PARTICULARS	Current Year	Previous Year
Discount Rate	8.05%	9.30%
Expected return on Assets	7.50%	7.50%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Salary Escalation rate	5.00%	5.00%

The estimates of future salary increases (which has been set in consultation with the company) takes on account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

26. Disclosure of interest in jointly controlled entities:

- i) The Company holds 48.99% (Previous year 29.55%) of the total share capital of M/s Green Woods Palaces & Resorts Pvt Ltd (Greenwoods), which is incorporated in India.
- ii) The proportionate share of estimated contracts to be executed on capital account by Green Woods is ₹ 2988.99 lacs (₹ 2487.53 lacs).
- iii) The interest of the Company in Green Woods' assets and liabilities as required to be disclosed as per Accounting Standard 27, Financial Reporting of interests in Joint Ventures, is given below:

PARTICULARS	Current Year	Previous Year
Profit/(loss) for the year	(10.57)	(3.78)

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

PARTICULARS	As at 31 March, 2015	As at 31 March, 2014
<b>Liabilities:</b>		
Non-current liabilities	8851.59	2091.07
Current liabilities	273.97	58.12
<b>Assets:</b>		
Tangible assets	9229.94	1947.80
Intangible assets	307.53	185.45
Non-current loans and advances	999.66	568.10
Current assets	2244.03	616.98

27. 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.

28. Segmental Reporting:

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Accounting Standard (AS) 17 "Segmental Information" notified by the Companies (Accounting Standards) Rules, 2006 (as amended). There is no geographical segment to be reported since all the operations are undertaken in India.

29. The Company has during the year adopted the useful lives prescribed under Schedule II to the Companies Act, 2013, except for those mentioned in note 2 (vii) to the financial statements. The transitional impact of depreciation amounting to ₹283.31 lacs on the opening block of fixed assets as of 1st April 2014 consequent to change in useful lives of certain assets as per Schedule II to the Companies act, 2013 is included in the depreciation charge for the year.

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

S. Satyanaryana Murthy  
Partner  
M.No.: 023651

Place : Hyderabad  
Date : 11<sup>th</sup> May, 2015

For and on behalf of the Board

Dr. G V Krishna Reddy  
Chairman  
DIN 00005212

Anil P. Goel  
Director  
DIN 00050690

G Indira Krishna Reddy  
Managing Director  
DIN 00005230

J. Srinivasa Murthy  
CFO & Company Secretary  
M No. F4460





*This page is intentionally left blank*



# TAJGVK Hotels & Resorts Limited

CIN:L40109AP1995PLC019349

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

Email: [tajgvkshares.hyd@tajhotels.com](mailto:tajgvkshares.hyd@tajhotels.com), Website: [www.tajgvk.in](http://www.tajgvk.in) Phone No.040-66293664

FORM No. MGT - 11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

DPID*:	
Client ID*:	

Regd. Folio No. :	
No. of Shares held :	

I / We being the member(s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

1. Name	Address:	Signature	or failing him / her
E-mail Id:			
2. Name:	Address:	Signature	or failing him / her
E-mail Id:			
3. Name:	Address:	Signature	
E-mail Id:			

as my / our proxy to attend and vote for me / us on my / our behalf at the 20<sup>th</sup> ANNUAL GENERAL MEETING of the Company, to be held on Tuesday, the 28<sup>th</sup> July 2015, at 11.30 a.m. at Taj Krishna, Road No.1, Banjara Hills – 500 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	For	Against
<b>Ordinary Business</b>			
1.	Adoption of Accounts for the year ended 31.03.2015		
2.	Appointment of Mr. G V Sanjay Reddy as a director retiring by rotation		
3.	Appointment of Mr. Krishnaram Bhupal as a director retiring by rotation		
4.	Appointment of M/s. Brahmayya & Company, Chartered Accountants as Auditors and fix the fee.		
<b>Special Business</b>			
5.	Appointment of Mr. Rakesh Sarna as a Promoter Director		
6.	Appointment of Mr. K Jayabharath Reddy as an Independent Director		
7.	Appointment of Mr. D R Kaarthikeyan as an Independent Director		
8.	Appointment of Mr. M B N Rao as an Independent Director		
9.	Appointment of Mr. Ch G Krishna Murthy as an Independent Director		
10.	Appointment of Mr. S Anwar as an Independent Director		
11.	Appointment of Mrs. Santha John as an Independent Director		
12.	Approval of the re-appointment of Mrs. G Indira Krishna Reddy, as a Managing Director		
13.	Approval of the excess remuneration paid to Managing Director		
14.	Approval of the excess remuneration paid to Executive Director		

As witness my / our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signed by the said \_\_\_\_\_ Signature of Proxy \_\_\_\_\_

Affix  
₹ 1/-  
Revenue  
Stamp

Note:1. 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.  
2. The Proxy need not be a member of the Company.

\* Applicable for investors holding shares in Electronic Form.

*This page is intentionally left blank*

















Superior Charm Room, Vivanta by Taj, Begumpet, Hyderabad



Swimming Pool, Taj Krishna, Hyderabad



Taj Krishna, Hyderabad



Taj Deccan, Hyderabad



Taj Chandigarh, Chandigarh



Taj Banjara, Hyderabad



Taj Clubhouse, Chennai



Vivanta by Taj, Begumpet, Hyderabad



TAJGVK Hotels & Resorts Limited

**Registered Office:**

CIN: L40109AP1995PLC019349

'Taj Krishna' Road No.1, Banjara Hills,  
Hyderabad 500 034, India

[www.tajgvk.in](http://www.tajgvk.in)