



TAJGVK

TAJGVK Hotels & Resorts Limited

19th Annual Report 2013 - 14



Corporate information

Board of Directors

(As on 12.05.2014)

Dr G V Krishna Reddy	: Chairman
G Indira Krishna Reddy	: Managing Director
Shalini Bhupal	: Executive Director
G V Sanjay Reddy	: Director
Krishnaram Bhupal	: Director
Dr Raymond N Bickson	: Director
Anil P Goel	: Director
Deepa Misra Harris	: Director
D R Kaarthikeyan	: Director
C D Arha	: Director
P Abraham	: Director
K Jayabharath Reddy	: Director
M B N Rao	: Director
Ch G Krishna Murthy	: Director
S Anwar	: Director
A Rajasekhar	: Additional Director w.e.f. 03.02.2014
J Srinivasa Murthy	: General Manager - Finance and Company Secretary

Committees of the Board

Audit Committee

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

Nomination and Remuneration Committee

K Jayabharath Reddy	: Chairman
Dr Raymond N Bickson	
D R Kaarthikeyan	
C D Arha	

Stakeholders Relationship Committee

G Indira Krishna Reddy	: Chairperson
Anil P Goel	
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

Secretarial Auditors: M/s. Narender & Associates
Company Secretaries
403, Naina Residency
Srinivasa Nagar (East), Ameerpet
Hyderabad – 500 038.
Chennai – 600 004

Bankers / Financial Institutions : IDBI Bank Limited
HDFC Bank Ltd.
The Bank of Nova Scotia
HDFC Limited
IFCI 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
Ph No.040-66662323 Extn: 3664

Registrars & Share Transfer Agents : Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad 500 081.
Tel: 040 23420815 - 28
Fax: 040 23420859
E-mail: mailmanager@karvy.com

Stock Exchanges where Company's securities are listed : Bombay Stock Exchange Limited
The National Stock Exchange of
India Limited

FINANCIAL HIGHLIGHTS

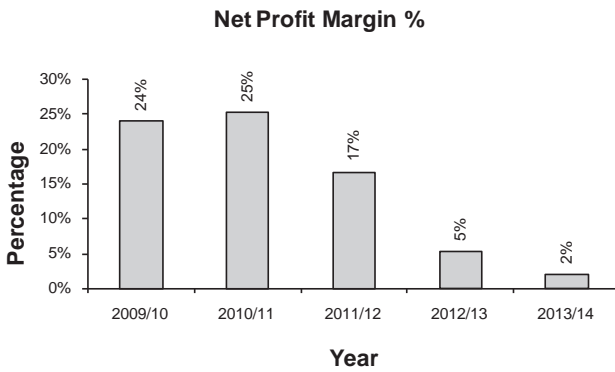
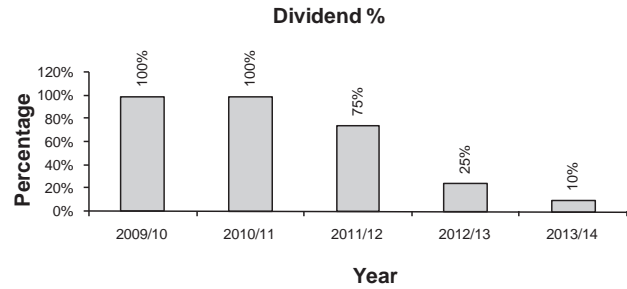
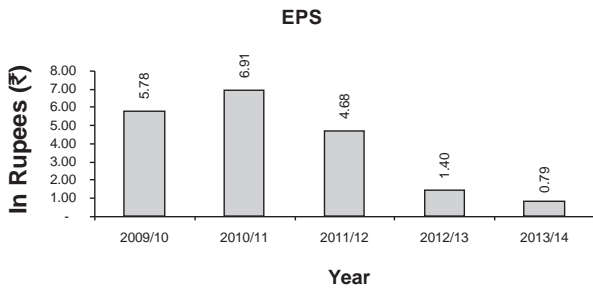
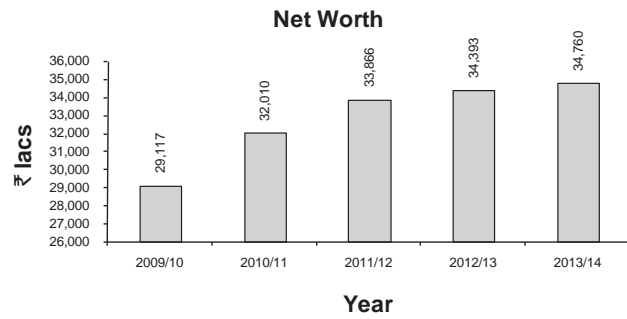
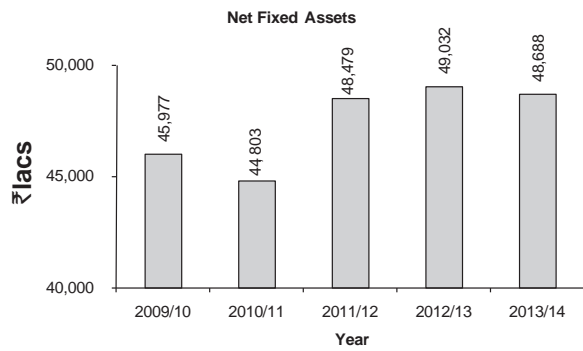
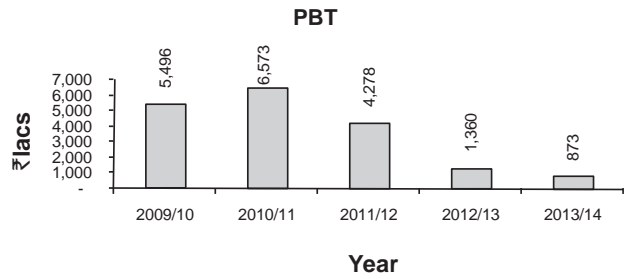
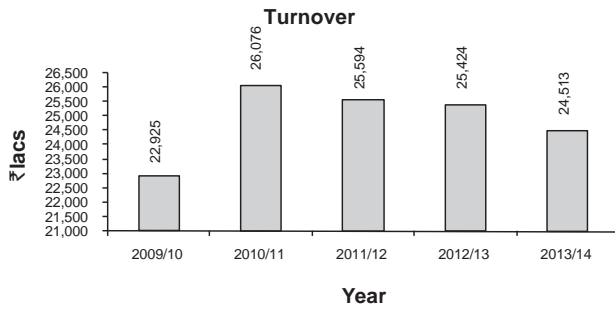
(₹ In crores)

	2013-14	2012-13	2011-12	2010-11	2009-10
Gross revenue	245.13	254.24	255.94	260.66	229.25
Profit before tax	8.73	13.60	42.78	65.73	54.96
Profit after tax (after extraordinary / prior period items)	4.98	8.78	29.33	43.34	36.27
Dividend (incl. Dividend tax and surcharge, if any)	1.47	3.67	10.92	14.57	14.62
Net Worth	347.60	343.93	338.66	320.10	291.17
Borrowings	239.43	228.31	189.32	141.13	125.33
Debt Equity ratio	0.69:1	0.65:1	0.55:1	0.42:1	0.43:1
Book value per share (₹)	55.62	55.01	54.20	51.27	46.68
Earnings per share (₹)	0.79	1.40	4.68	6.91	5.78
Dividend %	10%	25%	75%	100%	100%

CONTENTS

	From	To
Financial Highlights	1	1
Select Historical Data	2	2
Notice	3	10
Directors' Report	11	13
Management Discussion & Analysis	13	18
Corporate Governance	18	22
General Shareholder Information	22	27
Independent Auditors Report	28	30
Balance Sheet	31	31
Profit & Loss Account	32	32
Cash Flow Statement	33	33
Significant Accounting Policies	34	36
Notes forming part of the Accounts	36	51
Attendance Slip	53	53
Proxy Form	54	54

SELECT HISTORICAL DATA



NOTICE OF THE 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING of TAJGVK HOTELS & RESORTS LIMITED** will be held at Sri Sathya Sai Nigamagmam, 8-3-987/2, Srinagar Colony, Hyderabad 500073, on **Friday, the 1st August 2014, at 11.30 a.m.** to transact the following business:

ORDINARY BUSINESS:

- 1) To consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2014, and the Balance Sheet as at that date, together with the Directors' Report and the Auditors' Report thereon.
- 2) To declare dividend on the Equity Shares
- 3) To appoint a Director in place of DR. Raymond N Bickson (DIN 00050664), who retires by rotation and being eligible, seeks re-appointment.
- 4) To appoint a Director in place of Mr. Anil P Goel (DIN 00050690), who retires by rotation and being eligible, seeks re-appointment.
- 5) To appoint M/s Brahmayya & Company, Chartered Accountants (ICAI Registration No.000513S), to hold the office as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

- 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. A Rajasekhar (DIN 01235041), 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 Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years i.e. up to March 31st, 2019".
- 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. C D Arha (DIN 02226619), who was appointed as an Independent Director of the Company liable to retire by rotation under the provisions of Companies Act, 1956, and whose terms expires at 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 Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years i.e. up to March 31st, 2019".

- 8) 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 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) 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. Shalini Bhupal (DIN 00005431), as the "Whole Time Director" designated as an Executive Director of the Company for a period of five years effective from 16.06.2014, on the terms and conditions as under:

I Period of Appointment

The appointment is for a period of 5 years with effect from 16th June 2014.

II. Remuneration

Salary: Basic pay shall be ₹5,75,000/- per month
 Basic Scale: ₹5,75,000 - ₹50,000 - ₹8,25,000/-.

III. Perquisites & Allowances

In addition to the salary payable, the Executive 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 Board of Directors and the Executive Director; such perquisites and allowances will be subject to a maximum of 125% of her annual salary.

IV. Commission:

In addition to the salary, perquisites and allowances payable, the Executive Director is also entitled to a Commission, payable @ 1% on the net profits after tax of the Company, subject to the overall ceilings stipulated in Sections 196, 197 and 203 of the Companies Act, 2013.

V. Annual Bonus:

Bonus shall be payable as may be decided by the Board of Directors of the Company.

VI. Other Terms & Conditions:

- i. 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.
- ii. Expenses incurred for travelling, boarding and lodging including attendants during business trips and 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.
- iii. 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 as per the rules of the Company and to the extent not taxable under Income Tax law, shall not be included for the purpose of computations of overall ceiling of Remuneration.
- iv. The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to the Executive Director in accordance with Schedule V to the Act or any amendments thereto made hereinafter in this regard, as may be agreed by the Board and Mrs. Shalini Bhupal.
- v. If at any time the Executive Director ceases to be a Director of the Company for any reason whatsoever, she shall also cease to be an Executive Director of the Company.

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during her tenure, the Company shall pay Mrs. Shalini Bhupal the remuneration by way of salary, perquisites, commission or any other allowance as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013, read with Schedule V

of Companies Act, 2013, or such other limit as may be prescribed by the Government from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, appropriate and desirable to give effect to this resolution and delegate to any Director or any officer of the Company for obtaining necessary permission and approvals, if any, in this connection from Government and / or any authorities."

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted through Postal Ballot on 09.03.2006 and pursuant to section 180(1)(c) 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), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹500 crores (Rupees Five Hundred Crores Only) over and above the aggregate of the paid up share capital and free reserves of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby also authorised to do all such other acts, deeds, things as may be required from time to time which may be incidental or ancillary thereto in giving effect to this resolution".

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

"RESOLVED THAT in supersession of the Ordinary Resolution adopted through Postal Ballot on 09.03.2006 and pursuant to section 180(1)(a) 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), the consent of the Company be and is hereby accorded to the Board of Directors to create charge on the assets and undertakings of the Company by way of equitable mortgage etc., with any Financial Institution(s), Bank(s) and such other lenders and to arrange or fix the terms and conditions including interest, repayment, security etc., for all such monies to be borrowed from time to time as may think fit and proper in the best interest of the Company".

"RESOLVED FURTHER THAT the Board be and is hereby also authorised to do all such other acts, deeds, things as may be required from time to time which may be incidental or ancillary thereto in giving effect to this resolution".

- 11) 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 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent and approval of the members of the company be and is hereby accorded to alter/ amend the Article 1 (a) of the Article of Association in the following manner:

Article 1(a): The regulations contained in Table F of schedule I of the Companies Act 2013, shall apply to the company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Article of Association of the Company".

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts

and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

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

J Srinivasa Murthy

Place : Hyderabad
Date : 12th May, 2014

General Manager Finance
and Company Secretary

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 Extn: 3664

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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 28th July 2014 to Friday the 1st August 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company and for payment of dividend.
4. During the year 2013-14 the Company has transferred unclaimed amount, out of dividend declared for the financial year 2005-06 for an amount of ₹19,65,728/- 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 and it cannot be claimed from that fund.
5. Members who have not encashed their dividend warrants within the validity period may write to the Company Secretary, TAJGVK Hotels & Resorts Limited, Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034, for obtaining payment in lieu of such dividend warrants.
6. The dividend on Ordinary Shares, as recommended by the Directors, if declared at the Annual General Meeting, will be paid on or before 30th August 2014, to the Members whose names appear on the Company's Register of Members on 27.07.2014. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of shares as per details furnished by National Securities Depository Limited and Central Depository Services India Limited for the purpose.
7. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment and re-appointment at the meeting are annexed.
8. Members are requested to update their email id with their respective depository participant and with the Company's Registrar and Transfer Agents (RTA) to enable dispatch the communications in electronic form from time to time as your Company has taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.
9. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
10. Members are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communications to their changed addresses.
11. Members desiring any information as regards the accounts are requested to write to the General Manager - Finance and Company Secretary at an early date so as to enable the Management to reply at the Meeting.
12. 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.
13. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold 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 forming part of the Annual Report.
14. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.

15. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 19th 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 - "EVSN" 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 EVSN 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 followed 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 shareholders)	
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.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* 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 "99999999" in the dividend Bank details and 13/06/2014 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 this 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> in 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 voting period begins on 25th July, 2014 at 9.00 a.m. and ends on 28th July, 2014 at 6.00 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: inward.ris@karvy.com 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. Narender Gandhari, Practising Company Secretary (Membership No. 4898), Partner of M/s. Narender & Associates, Company Secretaries 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 on or 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 and will be communicated to the Stock Exchanges on which the Company's equity shares are listed.

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.6

The Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company appointed Mr. A Rajasekhar (DIN 01235041), as an Additional Director of the Company with effect from 03.02.2014.

In terms of the provisions of Section 161(1) of the Companies Act, 2013 Mr. A Rajasekhar (DIN 01235041) would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. A Rajasekhar (DIN 01235041) for the office of Independent Director of the Company.

Mr. A Rajasekhar (DIN 01235041) is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

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. A Rajasekhar (DIN 01235041) 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. A Rajasekhar (DIN 01235041) possesses appropriate skills, experience and knowledge, inter alia, in the field of finance and corporate advisory services.

In the opinion of the Board, Mr. A Rajasekhar (DIN 01235041) fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Mr. A Rajasekhar (DIN 01235041) is independent of the management.

Brief resume of Mr. A Rajasekhar (DIN 01235041), 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.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. A Rajasekhar (DIN 01235041) is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. A Rajasekhar (DIN 01235041) as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

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

Save and except Mr. A Rajasekhar (DIN 01235041) 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.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. C D Arha (DIN 02226619) is an Independent Director of the Company appointed under the provisions of Companies Act, 1956, who is liable to retire by rotation.

With the Notification of new Companies Act, 2013, the Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. C D Arha (DIN 02226619) for the office of Independent Director of the Company.

Mr. C D Arha (DIN 02226619) is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The Company has also received a declaration from Mr. C D Arha (DIN 02226619) 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.

In the opinion of the Board, Mr. C D Arha (DIN 02226619) fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement. Mr. C D Arha (DIN 02226619) is independent of the management.

It is proposed to appoint Mr. C D Arha (DIN 02226619) as an Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to holds office for 5 (five) consecutive years up to 31st March 2019.

Brief resume of Mr. C D Arha (DIN 02226619), 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.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. C D Arha (DIN 02226619) is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. C D Arha (DIN 02226619) as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

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

Save and except Mr. C D Arha (DIN 02226619) 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.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

The Board of Directors of the Company (the "Board"), at its meeting held on May 12th 2014 on the recommendation of

Nomination and Remuneration Committee and subject to the approval of members, re-appointed Mrs. Shalini Bhupal (DIN 00005431) as whole time Director designated as "Executive Director", for a period of 5 (five) years from the expiry of her present term, which expires on 15.06.2014, at the remuneration recommended by the Nomination and Remuneration Committee (the "NR Committee") of the Board.

It is proposed to seek the members approval for the re-appointment of and remuneration payable to Mrs. Shalini Bhupal (DIN 00005431) as an Executive Director in terms of the applicable provisions of the Companies Act, 2013.

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.8 of the Notice for approval by the shareholders.

ITEM NO.9

The members of the Company passed the Resolution through postal ballot on 09.03.2006 by way of Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹500 crores (Rupees five hundred crores only).

Section 180(1) (c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the members of the Company accorded by way of a Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, as set out at Item No.9 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to ₹500 crores (Rupees five hundred crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relative is concerned or interested, financial or otherwise, in the resolution set out at Item No.9.

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

ITEM NO.10

The members of the Company passed the Resolution through postal ballot on 09.03.2006 by way of Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956 to create charge on the assets and undertakings of the Company by way of equitable mortgage etc., with any Financial Institution(s), Bank(s) and such other lenders and to arrange or fix the terms and conditions including interest, repayment, security etc.

Section 180(1) (a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not create charge on the assets and undertakings of the Company by way of equitable mortgage etc., with any Financial Institution(s), Bank(s) and such other lenders except with the

consent of members of the Company accorded by way of a Special Resolution It is therefore necessary to pass Special Resolution as set out in Item No.10.

None of the Directors / Key Managerial Personnel of the Company / their relative is concerned or interested, financial or otherwise, in the resolution set out at Item No.10.

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

ITEM NO.11

The Company has adopted table A of the Companies Act, 1956 and save as except the present Articles of Association. The Company has amended the Articles of Association in the year 2000, 2003, 2004 and 2005 by inserting the Article 4, 23A, 23B, 74(a) and 95 of Articles of Association of the Company.

The New Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick Companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of Companies stand notified.

The existing Articles of Association of the Company is based on table A of the Companies Act, 1956 and with the implementation of Companies Act, 2013, the Company proposes to adopt table F of Schedule I of the Companies Act, 2013 and according propose to alter / amend the existing article 1(a) with the new article as set out in the Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.11 of the Notice.

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

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

J Srinivasa Murthy
General Manager Finance
and Company Secretary

Place : Hyderabad
Date : 12th May, 2014

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 Extn: 3664

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	Dr. Raymond N Bickson	Mr. Anil P Goel	Mr. A Rajasekhar	Mr. C D Arha	Mrs. Shalini Bhupal
Date of Birth	16.12.1955	20.05.1957	26.09.1968	02.07.1945	21.07.1963
Date of Appointment	26.07.2011	26.07.2011	03.02.2014	12.05.2014	16.06.2014
Qualifications	Advanced Management Program at Harvard Business School in Boston. Studied at the Goethe Institute in Berlin, the Alliance Francaise in Paris, the Universite' de Sorbonne in Paris, L'ecole Hotelier, Lausanne, and Cornell University in New York.	Member of the Institute of Chartered Accountants of India	Masters in Law	M.A. I.A.S. (Retd)	B.A.
Expertise in specific functional areas	Versatile experience in the hotel operations. Worked in different continents and has global experience in hoteliering.	Finance, Accounts & Taxation	Finance and Corporate Advisory	Finance and Administration	Interior designing, Administration & General Management
List of Companies in which outside Directorship held as on 31.03.2014	1) The Indian Hotels Company Ltd. 2) Oriental Hotels Ltd 3) Benaras Hotels Ltd. 4) Taj Trade Transport Company Ltd. 5) Roots Corporation Ltd. 6) Taj safaris Ltd. 7) Taj Sats Air Catering Ltd. 8) TAL Hotels & Resorts Ltd. 9) Taj International Hotels (H.K) Ltd. 10) United Hotels Ltd. 11) St.James Court Hotel Ltd. 12) Piem Hotels Ltd.	1) The Indian Hotels Company Ltd. 2) TIFCO Holdings Ltd. 3) Taj Kerala Hotels & Resorts Ltd. 4) Piem Hotels Ltd. 5) Roots Corporation Ltd. 6) Taj Sats Air Catering Ltd. 7) Kaveri Retreat & Resorts Ltd. 8) Oriental Hotels Ltd.	NIL	1) Anand Rathi Financial Services Ltd. 2) Emami Cement Ltd. 3) Aryan Global Beneficiation Company Ltd 4) GVK EMRI	1) Pinakini share & Stock Brokers Ltd
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31.03.2014	Audit Committee: Chairman Roots Corporation Ltd. Taj SATS Air Catering Ltd. Taj Safaris Ltd. Taj Trade and Transport Company Ltd.	Audit Committee: Member Taj SATS Air Catering Ltd. Roots Corporation Ltd. Piem Hotels Ltd.	NIL	Audit Committee: Chairman Emami Cement Ltd. Nomination & Remuneration Committee Chairman Emami Cement	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 Nineteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2014.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2014 is summarized below:

(₹In Crores)		
Particulars	2013-14	2012-13
Turnover	245.13	254.23
Profit before Depreciation, Interest & Tax (PBDIT)	56.77	60.80
Less: Depreciation	24.64	24.85
Profit Before Interest & Tax	32.13	35.95
Less: Interest	23.40	22.35
Profit Before Tax	8.73	13.60
Less: Provision for - Current Tax & Wealth Tax	1.90	3.05
- Deferred Tax	3.75	4.82
- MAT credit entitlement	(1.90)	(3.05)
- Short provision for earlier years	-	-
Profit After Tax	4.98	8.78
Balance brought forward from previous year	195.40	191.28
Profit available for appropriation	200.38	200.06
Less: Proposed Dividend	1.25	3.13
Dividend Tax on the above	0.22	0.53
Transfer to General Reserve	-	1.00
Balance carried over to balance sheet	198.91	195.40
Earnings per Share (₹)	0.79	1.40

OPERATIONS / PERFORMANCE

During the year 2013-14 your Company's turnover decreased by 4% from ₹254.23 crores to ₹245.13 crores. The gross operating profit (PBDIT) was lower by 6% at ₹56.77 crores from the previous year's ₹60.80 crores and the net profit was lower by 43% in the current year at ₹4.98 crores compared to ₹8.78 crores of the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend of 10% (₹0.20 per equity share) on the Equity Shares of the Company for the financial year 2013-14. The outflow on account of the dividend would be ₹1.47 crores including tax on Dividend.

EXPANSIONS PLANS

Taj Krishna

Your Company has taken up the renovation and up gradation of the facilities viz: Swimming Pool, Spa, Gym and also a

large banquet area and car park, which would attract larger functions, exhibitions, conferences and events and with the synergy already available between Taj Krishna and Taj Deccan with the interconnecting bridge, the additional facility will bring in more room and F&B business to both properties. Further, work on an improved landscaping at Taj Krishna along-with a new fitness centre and Spa is under progress.

GINGER HOTEL PROJECTS

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.

INVESTMENT IN MUMBAI HOTEL PROJECT

The Company jointly with M/s. Greenridge Hotels & Resorts LLP (Greenridge - a GVK Company) through its SPV M/s. Green Woods Palaces & Resorts Private Limited (Green Woods) are setting up a 5 Star Deluxe (Luxury category) Hotel Project comprising of 279 rooms near Terminal 1C, Mumbai International Airport, Santacruz, Mumbai under the 'TAJ' brand.

Necessary agreements to this effect have been entered into and the work is progressing well on this project. TAJGVK in tranches will be investing around ₹110.25 crores in the Hotel Project.

OTHER PROJECTS

Company has been allotted around 6 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.

HUMAN RESOURCES

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

The total strength of employees of your Company for the year under review was about 1840, which includes executives, bargainable staff, probationers, trainees, apprentices and contract employees.

Industrial Relations throughout the year continued to remain cordial.

QUALITY

The three properties at Hyderabad and 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 The National Stock Exchange of India Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees, etc.

DIRECTORS

During the year Dr. A Ramakrishna, Independent Director expired on 20th August, 2013. Dr. Ramakrishna was the Director since 2005. The Board acknowledged the immense contribution of Dr. Ramakrishna and deeply regret his sudden demise.

In accordance with the Companies Act, 2013 read with the Articles of Association of the Company, Dr. Raymond N Bickson and Mr. Anil P Goel, Directors, retires by rotation and being eligible have offered themselves for re-appointment.

Mr. C D Arha, Director who is appointed as an Independent Director liable to retire by rotation at this Annual General Meeting, the Company has received a notice from shareholder proposing him as an Independent Director. The Board recommends the appointment of Mr. C D Arha, as an Independent Director not liable to retire by rotation and to hold office for a period of 5 (five) years up to 31st March, 2019.

Mr. A Rajasekhar has been co-opted as an Additional Director on 3rd February 2014 and shall hold the office up to this Annual General Meeting. Your company is in receipt of individual notice under section 160, 161(1) of the Companies Act, 2013 for his appointment as an Independent Director of the Company.

The Board recommends the appointment of Mr. A Rajasekhar, as an Independent Director not liable to retire by rotation and to hold office for a period of 5 (five) years up to 31st March, 2019.

Your Board recommends the above appointment / re-appointment of Directors in the best interest of the company.

INTERNAL AUDIT

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 in place of the existing firm M/s. AF Ferguson & Company for the financial year 2014-15.

AUDITORS

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

PUBLIC DEPOSITS

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

PARTICULARS OF EMPLOYEES

Information as required under section 217(2A) of the Companies Act, 2013 read with the Companies (Particulars of Employees) Rules, 1975 will be made available on request by the Members.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 217(2AA) of the Companies Act, 2013, the Board of Directors, based on the representations received from the Operations Management, hereby confirms that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made 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 as at 31st March 2014 and of the profit of the Company for that period.
- iii. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognised while relying on any system of internal control and records.
- iv. It has prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

IMPACT ON HOSPITALITY BUSINESS

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

OTHER INFORMATION

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on 12th May 2014 and recommended the same for the approval of the Board of Directors.

CONSERVATION OF ENERGY

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 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.23(iii) a & b.

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, during the year under review.

By Order and on behalf of the Board

Dr G V Krishna Reddy
Chairman

Place : Hyderabad
Date : 12th May 2014

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 Extn: 3664

Management Discussion and Analysis

1. ECONOMIC OVERVIEW:

The pre-Budget Economic Survey tells a story of self-inflicted economic pain in the country, while being optimistic on growth reviving in the next fiscal. It calls for curbing the fiscal deficit and cutting down on wasteful subsidies to that end. But it clearly argues for protecting developmental expenditure so as to preserve growth, which means raising tax collections to reduce the deficit. The Survey also explicitly calls for augmenting tax revenues by broadening the tax base rather than by increasing marginal rates of tax. The stress should be to boost savings as the right way to rein in the burgeoning current account deficit. Gold imports can be curbed primarily by making financial investment avenues more lucrative. This could translate into additional incentives for household financial savings. Growth has been tardy because of a steep fall in investment particularly by the private corporate sector. This, in turn, has two drivers. Inflation-constrained RBI has raised interest rates and policy paralysis has kept projects dangling for want of clearances.

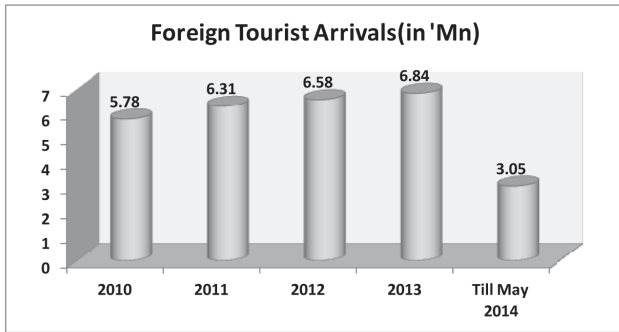
Financial market volatility increased globally in the first half of 2013-14 after a period of calm since last summer. In advanced economies, longer-term interest rate and financial market volatility have risen. Peripheral euro area sovereign spreads have widened again after a period of sustained declines. Emerging market economies have generally been hit hardest, as recent increases in advanced economy interest rates and asset price volatility, combined with weaker domestic activity have

led to some capital outflows, equity price declines, rising local yields, and currency depreciation. The underperformance was due to three factors. First, continuing growth disappointments in major emerging market economies, reflecting, to varying degrees, infrastructure bottlenecks and other capacity constraints, slower external demand growth, lower commodity prices, financial stability concerns, and, in some cases, weaker policy support. Second, a deeper recession in the euro area, as low demand, depressed confidence, and weak balance sheets interacted to exacerbate the effects on growth and the impact of tight fiscal and financial conditions. Third, the U.S. economy expanded at a weaker pace, as stronger fiscal contraction weighed on improving private demand.

2. HOSPITALITY & TOURISM INDUSTRY OVERVIEW:

The Hospitality industry is gaining its sheen in many parts of world. While there are parts of the world that did well, there are others which witnessed negative outlook. While Europe continued its struggle, countries like China emerged as a more important player in domestic and international travel and tourism. The most important market for hotels, the United States has witnessed a revival from its 2010 lows and experienced solid growth.

The year that went by saw hotels focusing on revenue management, human resources, and cost control. There was also focus on sustainability in the phase of globalization. Another interesting factor that was witnessed was the customers' demand for sustainable hotel operations and daily deals for increasing brand loyalty.



Government Initiatives

The Government has allowed 100 per cent FDI under the automatic route in the hotel and tourism related industry, according to the Consolidated FDI Policy, released by DIPP, Ministry of Commerce and Industry, Government of India.

The Ministry of Tourism, has signed memoranda of understanding (MoU) with 47 countries, a tripartite agreement between India, Brazil and South Africa and a multilateral agreement between India and Member States of Association of South East Asian Nations (ASEAN) for cooperation in the tourism sector.

The Ministry of Tourism as part of its promotional activities releases campaigns in the international and domestic markets under the Incredible India brand-line, to promote various tourism destinations and products of India. The budget allocated for the Domestic Promotion & Publicity and Overseas Promotion & Publicity including Marketing Development stood at Rs 110 crore (US\$ 17.73 million) and Rs 350 crore (US\$ 56.41 million) for the FY 2013-14.



3. Market Overview

Your company has modest scale of operations, with significant geographic concentration in Hyderabad, nearly 70% of room portfolio while the rest 30% is contributed by Chandigarh and Chennai. In tandem with subdued performance in the Indian Hotels industry, Your Company too witnessed a considerable moderation in performance and was also impacted due to the Telangana issue. While the revenue growth remained flattish, the fixed overheads led to a sharp contraction in margins. In order to overcome the geographical risk

(of being heavily concentrated in Hyderabad), Your Company is now expanding into newer geographies of Bangalore, Mumbai, which would provide better scale and geographic diversity over the longer term.

With world tourist arrivals expected to increase by 50 Mn every year on an average for the coming decade, and the FTAs in emerging countries is expected to grow faster than in advanced economies, a hidden opportunity in tourism is waiting for India. With the advent of cruise shipping, thanks to global leisure industry, India with a vast and coastline will emerge as a fabulous tourist destination.

India is perceived as one of the fastest growing medical tourism destination. The inflow of medical tourists are expected to double to 50 lakh next year from the current level of 25 lakh. The medical tourists arrival alone is expected to grow at a CAGR of 30 per cent.

The Foreign tourist arrivals for the year 2014 was at 3.05 Mn as against 2.86 Mn for the year before. The total market size of Indian tourism and hospitality sector which is current at US\$ 119 Bn, is expected to grow four-fold in the coming decade. According to the Department of Industrial Policy and Promotion (DIPP), the foreign direct investment (FDI) inflows in hotel and tourism sector has crossed the US\$ 6,750 Mn mark.

4. Future Expansion plans

Taj Krishna

The construction of an additional Car parking facility along-with connecting bridges at the existing premises of Taj Krishna has been completed. A 20,000 sq.ft banqueting facility over the car park has also been constructed which will attract larger functions, exhibitions, conferences and events and with the synergy already available between Taj Krishna and Taj Deccan with the interconnecting bridge, the additional facility will bring in more room and F&B business to both properties. Further, work on an improved landscaping at Taj Krishna along-with a new fitness centre and Spa is under progress.

Investment in Mumbai Hotel

The Company jointly with M/s. Greenridge Hotels & Resorts LLP (Greenridge - a GVK Company) through its SPV M/s. Green Woods Palaces & Resorts Private Limited (Green Woods) are setting up a 5 Star Deluxe (Luxury category) Hotel Project comprising of 279 rooms near Terminal 1C, Santacruz, Mumbai at Mumbai International Airport, under the 'TAJ' brand.

Necessary agreements to this effect have been entered into. Work is progressing well on this project. TAJGVK in tranches would invest around ₹110.25 crs for 49% stake in the SPV.

5. Financials

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

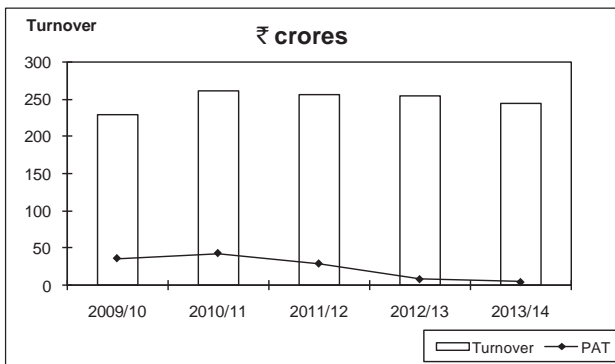
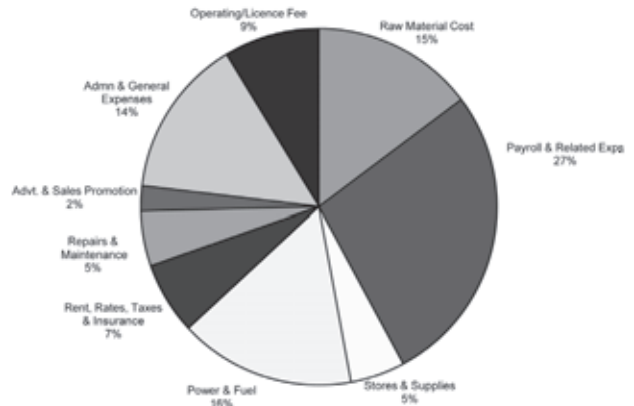
Revenues:

Income has decreased by 4% to ₹245.13 crores from ₹254.23 crores in the previous year.

The room revenues fell by 12% to ₹99.11 crores from ₹112.60 crores. The Food & Beverage income was ₹125.00 crores a rise of 3% compared to previous year's ₹120.86 crores.

Expenditure:

- 1 The total expenditure increased by 1% to ₹240.51 crores from ₹238.94 crores in the previous year due to the effect of inflation.
- 1 Payroll cost was in line with that of previous year mainly on account of optimisation of staff in spite of the annual salary increments.



- 1 Other operating expenses were higher by only 1% as compared to previous year mainly on account of rise in cost of raw material and other costs as a result of inflation.
- 1 Other expenses were lower than previous year by 1%.
- 1 There was an exceptional item of income during the year amounting to ₹4.11 crs being remuneration refunded by Executive Chairman for the years 2008-09, 2010-11, 2011-12 and 2012-13 to comply with the provisions of the Companies Act, 1956.

The percentage of operational expenditure break-up is given in pie chart below.

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

EBIDTA registered a decline of 6% (₹4.02 crores) to ₹56.78 crores from ₹60.80 crores in the previous year.

Profit before Tax:

The PBT fell by 36% to ₹8.73 crores from ₹13.60 crores in the previous year.

Profit after Tax:

The PAT decreased by 43% to ₹4.98 crores from ₹8.78 crores in the previous year.

6. RISK MANAGEMENT:

Risks and Concerns

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

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

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

Company-specific Risks

Heavy Dependence on India:

Risk of wage inflation: The hotel industry needs quality employees and with demand for the same improving across the industry, the Company feels that wage inflation would be a critical factor in determining costs for the Company. Thus, your Company will continue to focus on improving manpower efficiencies and creating a lean organisation, while maximising effectiveness in terms of customer service and satisfaction, which is an area of great importance for your Company.

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

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

7. Internal Controls

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

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

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

8. HUMAN RESOURCES:

Human Capital

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:

- H Birthday Celebrations including cake and meal for the family.
- H Total employee involvement initiatives.
- H FTC medical insurance cover.
- H Free stay for newlyweds and Retiring employees.
- H Health Camp.
- H Up gradation of Heart of the House facility.
- H Learn at Taj: Children of the associates have been given scholarships to 3 Taj scholars on merit based in their age category
- H Paternity leave: 1 week leave has been provided
- H Vidya scheme: the associates of the hotels have been driven for computer literacy.
- H Bridging gaps
- H House system.
- H Partner of the month.
- H Mid management holiday plan
- H 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 Akruthi School for the hearing impaired and Don Bosco Navajeevan a shelter for the street children. Each of our hotels distributes discard linen, uniforms, lost and found articles as per the corporate directive to registered underprivileged organizations.

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

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

NGO's are given a platform to showcase their products and sell them to associates. Products included handmade jute products by women self-help groups, products by weavers, organic bakery products etc. The sales give them incredible support and enthusiasm. A blood donation camp was organized on 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 total beneficiaries from Corporate Social Responsibility are 1695 and there are 250 volunteers from the TAJGVK group and will continue to scale many a heights in future.

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

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

EARTH (Environment Awareness and Renewal at Taj Hotels):

"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 is to target specific areas in environment awareness like waste minimization, reuse, recycling; energy efficiency, conservation, management; management of freshwater resources; waste water management; hazardous substances management; transport; land-use planning and management; involvement of staff, customers, communities in environmental issues; design for sustainability and partnerships for sustainable development. Over the next few years your Company aims to upgrade the level of certification by improved performance in all the above mentioned areas.

10. Outlook and the way forward:

Global activity has broadly strengthened and is expected to improve further in 2014-15, with much of the impetus coming from advanced economies. Inflation in these economies, however, has undershot projections, reflecting still-large output gaps and recent commodity

price declines. Activity in many emerging market economies has disappointed in a less favorable external financial environment, although they continue to contribute more than two-thirds of global growth. Their output growth is expected to be lifted by stronger exports to advanced economies. Looking ahead, global growth is projected to strengthen from 3 percent in 2013 to 3.6 percent in 2014 and 3.9 percent in 2015, broadly unchanged from the 2013 outlook. In 2013, the travel and tourism industry contributed ₹2.17 trillion (US\$ 36 billion) or 2 per cent to the country's gross domestic product (GDP). This is expected to rise to ₹4.35 trillion (US\$ 72.17 billion) in 2024. The revenue from domestic tourism is likely to grow by 8.2 per cent in 2014 as compared to 5.1 per cent a year ago, according to the World Travel and Tourism Council (WTTC).

India's economic outlook for 2014/15 looks better than the current fiscal year due to resurgence in exports, global economic revival and moderation in inflation. In India, further tightening of the monetary stance might be needed for a durable reduction in inflation and inflation expectations. Continued fiscal consolidation will be essential to lower macroeconomic imbalances. Policymakers must also concentrate on structural reforms to support investment, which has slowed markedly. Priorities include market-based pricing of natural resources to boost investment, addressing delays in the implementation of infrastructure projects, improving policy frameworks in the power and mining sectors, reforming the extensive network of subsidies, and securing passage of the new goods and services tax to underpin medium term fiscal consolidation.

Globally, hotel operating fundamentals are poised to remain strong in 2014. Most major markets have seen hotel demand levels recover to the previous peak, though average rates in a number of mature markets still have a way to go. Outside of major markets, the recovery in occupancy and rates has been more sluggish, but these markets continue to see improvement now that the recovery is progressing. Demand, especially in the Indian market will continue to be tempered by the conference and group business, which is still below the previous peak. This will continue to lead to a slow uptick in profit increases for hotels which rely on this segment. The country has also seen the growth of the budget and select service sector as a significant area of interest and growth.

CORPORATE GOVERNANCE

Corporate Governance (CG) refers to the system of structures, rights, duties and obligations by which corporations or director and controlled. Governance is a mechanism for monitoring the actions, policies and decisions of corporations. It involves the alignment of interests among the stakeholders. CG has been defined as "a system of law and sound approached by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby mitigating agency risks, which may stem

from the misdeeds of corporates.

This mechanisms and controls are designed to reduce the inefficiencies that arise from moral hazard and adverse selection. There are internal monitoring and external monitoring systems help Companies to achieve corporate goals and objectives, by which your Company is continuing conducting formalised Meetings, Committees consisting of Key Managerial Personnel, reviews periodically various activities and operations of the Company.

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 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 2013-14, Mr. A Rajasekhar was co-opted as an Additional Director. The Board presently consists of 16 Directors (one Non-Executive Chairman, one Managing Director, one Executive Director, eight non-executive independent directors, and five non-executive directors).

During the year 2013-14, the Board met 5 times - on 30.04.2013, 23.05.2013, 30.07.2013, 25.10.2013 and 03.02.2014. The maximum time gap between any two meetings was not more than four calendar months.

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

Name	Category	Board Meeting Attendance	Sitting Fees paid (₹)	AGM Attendance	No. of other Directorships+	No. of other Committee* positions held	
						Member	Chairman
Dr G V Krishna Reddy DIN 00005212	Promoter; Non-Executive Chairman	5	Nil	Yes	12	Nil	Nil
Mrs G Indira Krishna Reddy DIN 00005230	Promoter; Managing Director	5	Nil	Yes	11	3	Nil
Mrs. Shalini Bhupal DIN 00005431	Promoter; Executive Director	4	Nil	Yes	1	Nil	Nil
Mr G V Sanjay Reddy DIN 00005282	Promoter; Non executive	2	40,000	No	9	Nil	Nil
Mr. Krishnaram Bhupal DIN 00005442	Promoter; Non executive	4	80,000	Yes	13	Nil	Nil
Dr. Raymond N Bickson DIN 00050664	Promoter; Non executive	5	1,00,000	Yes	12	5	4
Mr. Anil P Goel DIN 00050690	Promoter; Non executive	4	80,000	Yes	7	3	Nil
Mrs. Deepa Misra Harris DIN 00064912	Promoter; Non executive	4	80,000	Yes	3	Nil	Nil
Mr D R Kaarthikeyan DIN 00327907	Independent Non executive	5	1,00,000	Yes	11	5	Nil
Dr A Ramakrishna@ DIN 00027520	Independent Non executive	3	60,000	Yes	Nil	Nil	Nil
Mr. C D Arha DIN 02226619	Independent Non executive	5	1,00,000	Yes	4	2	2
Mr. P Abraham DIN 00280426	Independent Non executive	Nil	Nil	No	11	5	Nil
Mr. K Jayabharath Reddy DIN 00038342	Independent Non executive	5	1,00,000	Yes	6	1	3
Mr. M B N Rao DIN 00287260	Independent Non executive	2	40,000	Yes	14	5	4
Mr. CH G Krishna Murthy DIN 01667614	Independent Non executive	5	1,00,000	No	1	Nil	1
Mr. S Anwar DIN 06454745	Independent Non executive	5	1,00,000	Yes	1	Nil	1
Mr. A Rajasekhar# DIN 01235041	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. A Ramakrishna expired on 20.08.2013

Mr. A Rajasekhar appointed as an Additional Director w.e.f. 03.02.2014.

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

During the year, Dr. A Ramakrishna, Independent Director and Chairman of Audit Committee expired on 20th August, 2013. Dr. Ramakrishna was the Director since 2005. The Committee acknowledged the immense contribution of Dr. Ramakrishna and deeply regretted his demise. Since, the Chairman of the Committee demised, Mr. K Jayabharath Reddy, an Independent Director has been appointed as Chairman of the Audit Committee through circular resolution dated 05.10.2013 and subsequently ratified his appointment by the Board in its meeting held on 25.10.2013.

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 2013-14 - on 30.04.2013, 30.07.2013, 25.10.2013 and 03.02.2014. 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
Dr A Ramakrishna@, Independent, Non-Executive	- 2
Mr D R Kaarthikeyan, Independent, Non-Executive	- 4
Dr Raymond N Bickson, Promoter, Non-Executive	- 4
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. A Ramakrishna expired on 20.08.2013

3. Nomination and Remuneration Committee

(Formerly known as Remuneration Committee)

Dr. A Ramakrishna, Independent Director and Chairman of Nomination and Remuneration Committee expired on 20th August, 2013. Dr. Ramakrishna was the Director since 2005. The Committee acknowledged the immense contribution of Dr. Ramakrishna and deeply regretted his demise. Since, the Chairman of the Committee demised, Mr. K Jayabharath Reddy, an Independent Director has been appointed as Chairman of the Nomination and Remuneration Committee through circular resolution dated 05.10.2013 and subsequently ratified his appointment by the Board in its meeting held on 25.10.2013.

During the year, no appointment or re-appointment was considered for the whole time Directors. Hence, the Committee has not met during the financial year 2013-14.

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 2013 to March 2014, 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	66	66
3	Non-receipt of Demat credit / Remat certificate	Nil	Nil
4	Non-receipt of Annual Report	4	4
5	Change of Address	125	125
6	Bank Details / Mandate	31	31
7	Issuing new share certificate(s) in lieu of erstwhile Hotel Sere Krishna Limited share certificate(s) received for exchange	42	42
8	Stop Transfer / Procedure for duplicate share certificate	48	48
9	Indemnity / Affidavit - duplicate	9	9
10	Remat Request	Nil	Nil
11	Revalidation / Replacement of Dividend Warrant	277	277
12	Procedure for Transfer / Transmission / Name Deletion	60	60
13	Registration of Signature	15	15
14	Data Mismatch	1	1
15	Others	88	88
TOTAL		766	766
Complaints received from:			
(a) SEBI		3	3
(b) Stock Exchanges		6	6

Mr. J Srinivasa Murthy, General Manager - Finance and 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
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
2010-11	26.07.2011	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad

Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2013-14.

Postal Ballot:

No Postal Ballot was conducted during the year 2013-14.

Special Resolutions:

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

At the AGM of the Company held on 27th 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.

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

6. Disclosures

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

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

Means of Communication

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

Non-Mandatory Requirements

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

(a) Ethics & Compliance Committee

The Ethics & Compliance Committee comprises of Mr. D R Kaarthekeyan, 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 2013-14.

(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 : 1st August 2014, 11.30 a.m.
Sri Sathya Sai Nigamagam
8-3-987/2, Srinagar Colony, Hyderabad - 500 073

**2. Share transfer book
Closure dates**

: 28th July 2014 to 1st August 2014
(both days inclusive)

3. Dividend Payment Date

: The dividend at 10% (₹0.20 per equity share), if approved in the ensuing AGM will be paid to the eligible shareholders within thirty days from the date of declaration.

4. Financial Year Calendar 2014-15:

Financial Results Reporting
For the quarter ending June 30, 2014 : 1st August 2014
For the quarter ending September 30, 2014 : 30th October 2014
For the quarter ending December 31, 2014 : 22nd January 2015
For the quarter ending March 31, 2015 : April / May 2015

5. Listing of Equity shares on

Stock Exchanges

- The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051.
- Bombay Stock Exchange Ltd., Mumbai 1st Floor, New Trading Ring Rotunda Bldg, P J Towers, Dalal Street, Fort, Mumbai 400 013.

6. Stock Code

i) Trading Symbol at

- The Stock Exchange, Mumbai (physical segment) : TAJGVK 32390
- The Stock Exchange, Mumbai (Demat segment) : TAJGVDM 532390
- National Stock Exchange, Mumbai (Physical segment) : TAJGVK EQ
- National Stock Exchange, Mumbai (Demat segment) T+1 : TAJGVK BE

ii) Demat ISIN Numbers in NSDL & CDSL

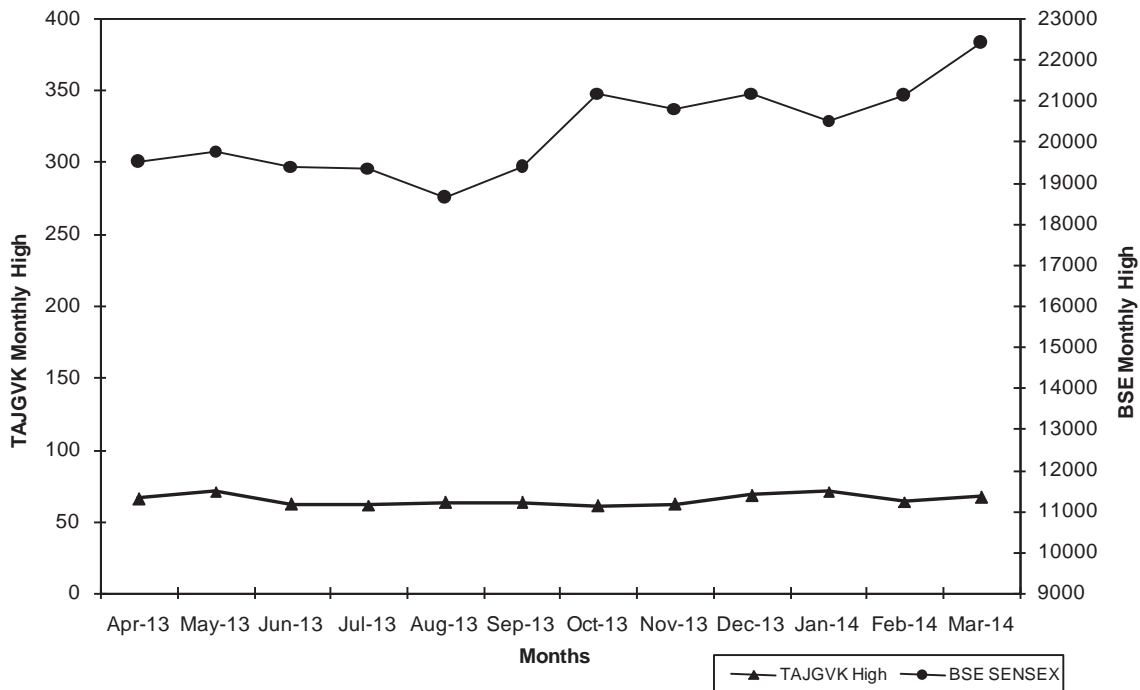
Equity Shares : INE 586B01026

Listing fees for and up to the year 2014-15 have been paid to all the above Stock Exchanges

7. Stock Market Data

Month & Year	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price (₹)	Month's Low Price (₹)	Month's High Price (₹)	Month's Low Price (₹)
April 2013	65.85	62.50	64.92	63.57
May 2013	70.95	60.15	64.26	61.46
June 2013	61.90	56.20	60.92	59.83
July 2013	61.25	56.55	59.93	58.67
August 2013	62.95	54.75	57.44	55.54
September 2013	63.00	53.10	56.65	54.86
October 2013	60.50	53.25	56.27	54.79
November 2013	61.80	54.00	57.51	55.34
December 2013	68.15	53.75	57.88	55.66
January 2014	70.80	57.40	65.12	62.21
February 2014	63.75	57.00	60.40	58.20
March 2014	67.00	57.35	62.51	60.07

COMPARISON WITH BROAD BASED INDICES - BSE



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

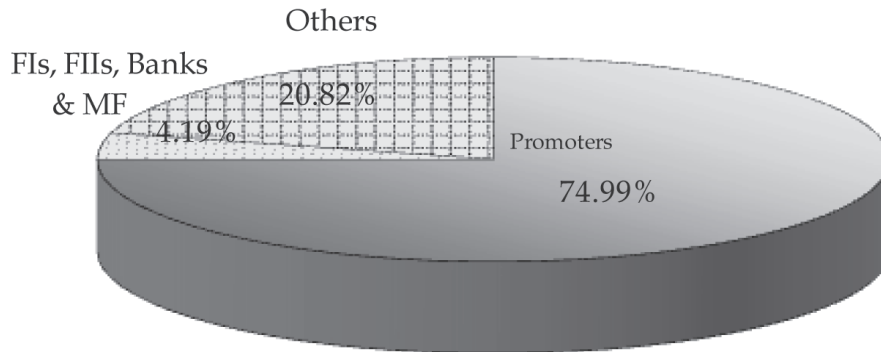
Financial year	Dividend declared %	Date of declaration of dividend	Last date for claiming unpaid dividend	Unclaimed dividend amount (₹)	Due date for transfer to Investor Education and Protection Fund
2006-07	150%	26.07.2007	25.08.2014	31,62,612.00	24.09.2014
2007-08	160%	30.07.2008	29.08.2015	34,41,468.80	28.09.2015
2008-09	100%	25.07.2009	24.08.2016	24,43,874.00	23.09.2016
2009-10	100%	26.07.2010	25.08.2017	23,64,222.00	24.09.2017
2010-11	100%	26.07.2011	25.08.2018	24,39,634.00	24.09.2018
2011-12	75%	27.07.2012	26.08.2019	20,81,037.50	25.09.2019
2012-13	25%	30.07.2013	29.08.2020	7,93,086.50	28.09.2020

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 2013-14 the Company has transferred unclaimed amount out of dividend declared for the financial year 2005-06 for an amount of ₹19,65,728/- to the General Revenue Account / Investor Education and Protection Fund (IEPF) pursuant to section 125 of the Companies Act, 2013.

10. Reconciliation of Share Capital Audit: Secretarial 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.

11. Distribution of Shareholding as on 31st March 2014



Shareholding as on 31st March 2014

No. of shares held	No. of Shares	% of share capital	No. of Shareholders	% of total no. of shareholders
Up to 500	5141490	8.20	44496	95.28
501 to 1000	1005898	1.60	1241	2.66
1001 to 2000	749630	1.20	495	1.06
2001 to 3000	432943	0.69	172	0.37
3001 to 4000	250335	0.40	71	0.15
4001 to 5000	314796	0.500	67	0.14
5001 to 10000	545758	0.87	75	0.16
10001 and above	54260645	86.54	84	0.18
TOTAL	62701495	100.00	46701	100.00

12. Dematerialisation of Shares & Facility of simultaneous transfer

Approximately 96.07% of the shares issued by the Company have been dematerialised up to 31st March 2014. Trading in equity shares of your Company on any Stock Exchange is permitted only in the dematerialised mode with effect from 2nd July 2001.

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

13. Unit Locations

- i. Taj Krishna, Road No.1, Banjara Hills, Hyderabad-500 034.
Phone: 040-66662323; Fax: 040-66661313
E-mail: krishna.hyderabad@tajhotels.com
- ii. Taj Deccan, Road No.1, Banjara Hills, Hyderabad-500 034.
Phone: 040-66663939; Fax: 040-23392684
E-mail: 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
- iv. Taj Chandigarh, Block No.9, Sector 17A, Chandigarh 160 017.
Phone: 0172-6613000; Fax: 0172-6614000
E-mail: 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
- vi. Vivanta By Taj Begumpet
1-10-147 & 148, Mayuri Marg, Begumpet
Hyderabad - 500 016
Phone No.040-67252626
Email: vivanta.begumpet@tajhotels.com

14. Address of the Registrar & Share Transfer Agents & Electronic Voting Service

: Karvy Computershare Pvt. Ltd.
Unit: TAJGVK Hotels & Resorts Limited
Plot No.17-24, Vittal Rao Nagar, Madhapur
Hyderabad 500 081.
Tel: 040 23420815 - 28
Fax: 040 23420814, 040-23420859
E-mail: einward.ris@karvy.com
mailmanager@karvy.com

15. Any query on Annual Report

: General Manager-Finance and Company Secretary
TAJGVK Hotels & Resorts Limited
Taj Krishna, Road No. 1
Banjara Hills, Hyderabad 500 034.
E-mail : tajgvkshares.hyd@tajhotels.com
Website: www.tajgvk.in

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

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 31st March, 2014 compliance with the code of conduct of the Company laid down for them.

Place : Hyderabad
Date : 12th May 2014

G Indira Krishna Reddy
Managing Director

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

To the Members of
TAJGVK Hotels & Resorts Limited

We have reviewed the compliance of conditions of Corporate Governance by TAJGVK Hotels & Resorts Limited, for the year ended on 31st March, 2014, 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 : 12th May 2014

Koteswara Rao SSR
Partner
Membership no:18952

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 31st March, 2014:


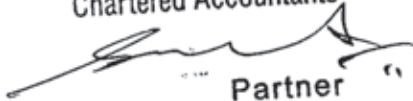

- We have reviewed the financial statements and the cash flow statements for the period ended 31st March, 2014 and that to the best to our knowledge and belief, these statements :
 - do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading :
 - together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 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.
- 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.
- we have indicated to the Auditors and the Audit Committee:
 - significant changes in internal control over financial reporting during the period under review;
 - significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
 - 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
Place : Hyderabad
Date : 12th May, 2014

J Srinivasa Murthy
General Manager - Finance and Company Secretary

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 Statements for the year ended	31 st March, 2014
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable
5	To be signed by- CEO/Managing Director General Manager- Finance and Company Secretary Auditor of the Company Audit Committee Chairman	<p>G. Indira K. Reddy</p> <p></p> <p>For branmayya & Co. Chartered Accountants</p> <p> Partner "</p> <p></p>

Place: Hyderabad
Date: 12.05.2014

INDEPENDENT AUDITORS REPORT

**To the Members of TAJGVK Hotels & Resorts Limited,
Hyderabad**

Report on the Financial Statements

1. We have audited the accompanying financial statements of **TAJGVK Hotels & Resorts Limited, Hyderabad (A.P.)** (the "Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing 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.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013
 - (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for **BRAHMAYYA & Co.**
Firm Reg. Number: 000513S
Chartered Accountants

Koteswara Rao SSR
Partner
Membership No:18952

Place : Hyderabad
Date : 12-05-2014

Re: TAJGVK Hotels & Resorts Limited

The Annexure referred to in paragraph 7 of our report of even date.

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

Name of the statute	Nature of the dues	Amount ₹ In lacs	Financial year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income- Tax	32.40	2004-05	CIT(Appeals),Hyderabad
		51.57	2005-06	--Do--
		7.6	2008-09	--Do--
Wealth Tax Act, 1957	Wealth Tax	21.13	2004-05	CWT(Appeals), Hyderabad
		10.57	2006-07	--Do--
A.P.Tax on Luxuries Act,1987	Luxuary Tax	76.47	2008-09 To 2009-10	Dy.Commissioner (Appeals) Hyderabad
A.P.General Sales Tax Act	Sales Tax	939.00	2005-06 to 2011-12	High Court of Andhra Pradesh
		2.61	2005-06 to 2009-10	Appellate Tribunal
Finance Act,1994	Service tax	13.78	2005-06 to 2010-11	Commissioner Appeals (Chandigarh)
Finance Act,1994	Service tax	2477.10	2006-07 to 2010-11	CESTAT (Bengaluru)

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

for **BRAHMAYYA & Co.**
Firm Reg. Number: 000513S
Chartered Accountants

Koteswara Rao SSR
Partner
Membership No:18952

Place : Hyderabad
Date : 12-05-2014

BALANCE SHEET AS AT 31.03.2014

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

PARTICULARS	NOTE	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,254.03	1,254.03
(b) Reserves and surplus	2	33,592.41	33,241.42
		34,846.44	34,495.45
2 Non-current liabilities			
(a) Long-term borrowings	3	18,716.59	17,450.00
(b) Deferred tax liability (Net)	15	4,131.01	3,755.50
(c) Other Long term liabilities	3	132.90	131.88
(d) Long-term provisions	3	117.63	110.10
		23,098.13	21,447.48
3 Current liabilities			
(a) Short-term borrowings	4	1,503.50	3,256.29
(b) Trade payables	-	2,607.99	1,901.48
(c) Other current liabilities	4	4,480.85	3,949.15
(d) Short-term provisions	4	146.72	366.79
		8,739.06	9,473.71
	TOTAL	66,683.62	65,416.64
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	5		
(i) Tangible assets		42,764.33	44,717.37
(ii) Intangible assets		233.02	102.06
(iii) Capital work-in-progress		5,690.97	4,212.21
(b) Non-current investments	6	5,099.18	4,495.43
(c) Long-term loans and advances	7	8,499.91	7,818.80
(d) Other non-current assets	8	71.25	85.99
		62,358.66	61,431.86
2 Current assets			
(a) Inventories	9	932.08	867.92
(b) Trade receivables	9	940.24	731.51
(c) Cash and bank balances	9	223.37	208.34
(d) Short-term loans and advances	9	2,096.45	2,095.62
(e) Other current assets	9	132.82	81.39
		4,324.96	3,984.78
	TOTAL	66,683.62	65,416.64

The accompanying notes form an integral part of the Balance Sheet

Summary of significant accounting policies

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

KOTESWARA RAO SSR
Partner
M.No.018952

Place : Hyderabad
Date : May 12, 2014

For and on behalf of the Board

Dr. G V Krishna Reddy
Chairman

Dr. Raymond N.Bickson
Director

G Indira Krishna Reddy
Managing Director

J Srinivasa Murthy
GM-Finance & Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014

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

PARTICULARS	NOTE	Year ended 31.03.2014	Year ended 31.03.2013
INCOME	10		
I. Revenue from operations		24,385.44	25,269.82
II. Other income		128.00	153.74
III. TOTAL Revenue (I + II)		24,513.44	25,423.56
IV. EXPENSES			
Employee Benefits Expense	11	5,276.25	5,281.72
Food & Beverages Consumed	12	2,835.65	2,666.17
Finance Costs	13	2,340.64	2,235.21
Depreciation and amortization expense		2,463.88	2,485.43
Other operating and general expenses	14	11,134.48	11,225.49
TOTAL Expenses		24,050.90	23,894.02
V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		462.54	1,529.54
VI. Exceptional items	16	410.69	(169.39)
VII. Profit / (Loss) before tax (VII- VIII)		873.23	1,360.15
VIII. Tax expense:			
i) Current tax	15	190.00	305.00
ii) MAT Credit Entitlement		(190.00)	(305.00)
iii) Deferred tax		375.52	481.73
iv) Short Provision of Tax of earlier years (Net)		-	-
TOTAL Taxes		375.52	481.73
IX. Profit/(Loss) after tax (VII-VIII)		497.71	878.42
Earnings Per Share:			
Profit after tax		497.71	878.42
No.of equity shares of ₹ 2/-each		627.01	627.01
Basic and Diluted (in Rupees)		0.79	1.40

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

KOTESWARA RAO SSR
Partner
M.No.018952

Place : Hyderabad
Date : May 12, 2014

For and on behalf of the Board

Dr. G V Krishna Reddy
Chairman

Dr. Raymond N.Bickson
Director

G Indira Krishna Reddy
Managing Director

J Srinivasa Murthy
GM-Finance & Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

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

PARTICULARS	Current Year		Previous Year	
A NET PROFIT BEFORE TAX		873.23		1,360.10
Adjustments for :				
Depreciation	2,463.88		2,485.44	
Miscellaneous Expenditure Written off	15.79		16.05	
Loss on sale of assets	5.27		15.97	
Profit on sale of assets	(0.13)		(2.15)	
Provision for Bad & Doubtful Debts	1.31		6.76	
Extra-ordinary / Prior period items written off	(410.69)		169.39	
Provision for bad & doubtful debts credited back	0.00		(8.97)	
Interest expenses	2,340.64		2,235.22	
Interest earned	(12.63)		(7.78)	
		4,403.44		4,909.93
Operating Profit before working capital changes		5,276.67		6,270.03
Adjustments for :				
Trade and other receivables	(626.67)		(1,511.17)	
Inventories	(64.15)		(170.58)	
Trade payables	484.10	(206.71)	(562.18)	(2,243.93)
Cash generated from operations		5,069.95		4,026.10
Taxes paid		317.84		439.91
Cash flow before extraordinary/prior period items		4,752.11		3,586.19
Extraordinary / Prior Period items		(410.69)		169.39
NET CASH IN FLOW FROM OPERATING ACTIVITIES		5,162.80		3,416.80
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets /addition to CWIP	(2,140.75)		(3,057.81)	
Interest Received	12.63		7.78	
Sale of Fixed Assets	15.06		6.39	
Purchase of Investments	(603.75)		(859.63)	
NET CASH OUT FLOW FROM INVESTING ACTIVITIES		(2,716.82)		(3,903.28)
C CASH FLOW FROM FINANCING ACTIVITIES				
Long term loans raised	4,213.79		5,000.00	
Long term loans (repaid)	(2,102.37)		(1,625.00)	
Short term loans raised / (repaid)	(600.00)		200.00	
Working capital borrowings	(1,152.80)		324.31	
Long term deposits paid back	(21.31)		(99.30)	
Interest paid	(2,388.36)		(2,203.72)	
Dividend paid	(326.62)		(944.19)	
Taxes on dividend paid	(53.28)		(152.57)	
NET CASH OUT FLOW FROM FINANCING ACTIVITIES		(2,430.95)		499.52
Net increase in cash and cash equivalent		15.03		13.04
Cash and Cash equivalents as at beginning of the year		208.34		195.29
Cash and Cash equivalents as at end of the year		223.37		208.34

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

For and on behalf of the Board

KOTESWARA RAO SSR
Partner
M.No.018952

Dr. G V Krishna Reddy
Chairman

G Indira Krishna Reddy
Managing Director

Place : Hyderabad
Date : May 12, 2014

Dr. Raymond N.Bickson
Director

J Srinivasa Murthy
GM-Finance & Company Secretary

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Basis of preparation of financial statements:

The financial statements have been prepared to comply in all material respects with accounting principles generally accepted in India and the applicable Accounting Standards notified under Section 211(3C) [the Companies (Accounting Standards) Rules, 2006 (as amended)] and the provisions of the Companies Act, 1956 of India ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

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

ii. Use of estimates:

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

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

iii. Revenue Recognition:

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

iv. Inventories:

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

v. Fixed Assets:

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

vi. Depreciation and Amortisation:

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

vii. Leases:

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

viii. Foreign Exchange Transactions:

- a. Initial recognition: Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction.
- b. Conversion: Foreign currency monetary items are reported at the exchange rates on Balance Sheet date
- c. 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.

ix. Investments:

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

x. 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.

xi. Retirement Benefits:

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

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

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

xii. Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition, construction of qualifying assets, which take a substantial period of time to get ready for their intended use, initially carried under expenditure incurred during the construction period are

added to the cost of those assets, till such time the assets are substantially ready for their intended use.

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

xiii. Taxes on income:

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

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

c. **Deferred Tax:** In accordance with the Accounting Standard - 22, Accounting for taxes on income, the company has recognised the deferred tax liability / 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.

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

xiv. Earnings per share:

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

b. **Diluted earnings per share:** Diluted earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity shareholders by the weighted average number of equity shares outstanding including equity shares which would have been issued on the conversion of all dilutive potential equity shares unless they are considered anti-dilutive in nature.

xv. Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generation unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The

reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

xvi. Provisions and Contingencies:

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

xvii. Segmental Reporting:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

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

DESCRIPTION	As at March 31, 2014	As at March 31, 2013
NOTE 1 : SHARE CAPITAL		
1 Authorised Share capital		
a) Equity Shares 170500000 (170500000) Equity Shares of ₹ 2/- each	3,410.00	3,410.00
2 Issued, Subscribed and Paid up		
a) Equity Shares 62701495 (62701495) Equity Shares of ₹ 2/- each fully paid-up	1,254.03	1,254.03
	1,254.03	1,254.03

Reconciliation of Ordinary shares :

PARTICULARS	No. of shares	As at	No. of shares	As at
		March 31, 2014		March 31, 2013
Shares outstanding at the beginning of the year	62,701,495	1,254.03	62,701,495	1,254.03
Add : Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	62,701,495	1,254.03	62,701,495	1,254.03

Shareholders holding more than 5% Equity Shares in the Company

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	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

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. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

* During the previous year M/s. Caspian Capital and Finance Ltd., was holding the equity shares and during the Financial Year the said Company was merged in to M/s. Vertex Projects Ltd., through a scheme of amalgamation as approved by Hon'ble High Court of Andhra Pradesh.

TAJGVK HOTELS & RESORTS LIMITED

NOTE 2 : RESERVES AND SURPLUS

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

PARTICULARS	As at March 31, 2014			As at March 31, 2013				
	Balance as at 31.03.2013	Additions	Deletions	Balance as at 31.03.2014	Balance as at 31.03.2012	Additions	Deletions	Balance as at 31.03.2013
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	7,000.00	100.00	-	7,100.00
4. Surplus in Statement of Profit and Loss								
As at April 1	19,540.13	-	-	19,540.13	19,128.55	-	-	19,128.55
Net Profit/(Net Loss)								
For the current year	-	497.71	-	497.71	-	878.37	-	878.37
Proposed Dividend	-	-	125.40	(125.40)	-	-	313.51	(313.51)
Tax on Proposed Dividend	-	-	21.31	(21.31)	-	-	53.28	(53.28)
Transfer to Reserves	-	-	-	-	-	-	100.00	(100.00)
	-	-	-	-	-	-	-	-
As at March 31, 2014	19,540.13	497.71	146.72	19,891.10	19,128.55	878.37	466.79	19,540.13
TOTAL	33,241.43	497.71	146.72	33,592.41	32,729.85	978.37	466.79	33,241.42

NOTE 3 : NON-CURRENT LIABILITIES

Long Term Borrowings

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Secured term loans from:		
Financial Institutions	10,716.59	9,250.00
Banks	8,000.00	8,200.00
TOTAL Non-current Borrowings	18,716.59	17,450.00

Details of current and non current component of long term borrowing

PARTICULARS	As at March 31, 2014			As at March 31, 2013		
	Non-Current	Current	Total	Non-Current	Current	Total
(a) Term loans Secured	18,716.59	2,969.83	21,686.42	17,450.00	2,125.00	19,575.00
(b) Loans from related parties	-	-	-	-	500.00	500.00
TOTAL	18,716.59	2,969.83	21,686.42	17,450.00	2,625.00	20,075.00

i) Term Loans from:

a) Financial Institutions

₹91.86 crores from Housing Development Finance Corporation Limited secured by first charge on all assets of Taj Krishna & Taj Deccan and repayable in 32 equal instalments with a moratorium of 2 years from date of first disbursement.

₹30 crores from IFCI Limited secured by first charge on all assets of Taj Chandigarh and repayable in 20 equal instalments with a moratorium of 2 years from date of first disbursement.

b) Banks

₹75 crores from HDFC Bank Ltd secured by first charge on all assets of Taj Club House, Chennai and moveable assets of VBT - Begumpet and repayable in 32 equal instalments with a moratorium of 2 years from date of first disbursement.

₹20 crores from HDFC Bank Ltd secured by first charge on all assets of Taj Club House, Chennai and moveable assets of VBT - Begumpet and repayable in 32 equal instalments with a moratorium of 2 years from date of first disbursement.

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

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Other Long Term Liabilities		
(a) Deposits	108.10	129.41
(b) Creditors for Capital Goods	24.80	2.47
TOTAL	132.90	131.88
Long Term Provisions		
Provision for employee benefits		
Leave Encashment	117.63	110.10
TOTAL	117.63	110.10

NOTE 4 : CURRENT LIABILITIES

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Short Term Borrowings		
(a) Loans repayable on demand		
From Bank		
Secured	603.50	1,756.29
Unsecured	900.00	1,000.00
(b) Loan from related party (IHCL) unsecured	-	500.00
TOTAL	1,503.50	3,256.29
i) Secured loans:		
Bank overdraft		
₹6,03,49,519/- from IDBI Bank Ltd secured by hypothecation of Operating Supplies, Stores, Food & Beverages and Receivables.		
ii) Unsecured loans:		
From Banks:		
Bank of Nova Scotia for a tenure of a maximum of 180 days		
Other Current Liabilities		
(a) Current maturities of long-term debt	2,969.83	2,125.00
(b) Creditors for capital goods	225.58	465.07
(c) Interest accrued but not due on borrowings	6.88	54.61
(d) Income received in advance	427.92	463.78
(e) Unpaid dividends	167.26	179.51
(f) Other Liabilities	683.38	661.18
TOTAL	4,480.85	3,949.15
Short Term Provisions		
(a) Proposed Dividend	125.40	313.51
(b) Tax on Dividend	21.31	53.28
TOTAL	146.71	366.79

NOTE 5 : FIXED ASSETS (All amounts are ₹ in lacs, unless otherwise stated)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31.03.2013	Additions	Deductions	As at 31.03.2014	Charge for the year	Deductions	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
TANGIBLE ASSETS									
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)	6.60 (6.60)	-	36.65 (30.05)	152.53 (159.13)	159.13 (165.23)
3. Buildings									
a Hotel Building	25,787.64 (25,468.79)	178.78 (324.59)	-	25,966.42 (25,787.64)	794.07 (787.25)	-	6,977.03 (6,182.95)	18,989.39 (19,604.69)	19,604.69 (20,070.93)
b Improvements to leasehold buildings	7,176.99 (6,380.29)	-	-	7,176.99 (7,176.99)	117.74 (112.30)	-	282.82 (165.07)	6,894.17 (7,011.93)	7,011.93 (6,327.51)
4. Plant & Machinery									
a Plant and Machinery	17,000.65 (16,416.05)	287.11 (632.26)	18.48 (47.66)	17,269.28 (17,000.64)	994.09 (990.75)	11.42 (33.11)	6,888.04 (5,905.37)	10,381.24 (11,095.27)	11,095.27 (11,468.31)
5. Furniture & Fixtures									
a Hotel Furniture and Fixtures	5,964.44 (5,839.76)	30.21 (143.56)	9.29 (18.87)	5,985.36 (5,964.44)	398.80 (434.41)	7.92 (17.16)	4,278.44 (3,887.52)	1,706.92 (2,076.92)	2,076.92 (2,369.49)
6. Office Equipments	1,113.09 (1,055.44)	7.85 (59.39)	10.10 (1.75)	1,110.84 (1,113.09)	95.80 (103.30)	9.29 (1.41)	862.42 (775.95)	248.42 (337.14)	337.14 (381.39)
7. Vehicles									
a Cars	351.42 (351.42)	-	58.95	292.47 (351.42)	27.21 (33.34)	45.51	144.92 (163.22)	147.55 (188.20)	188.20 (221.53)
TANGIBLE ASSETS Total	61,827.52 (59,945.05)	503.95 (1,956.51)	96.82 (74.04)	62,234.65 (61,827.52)	2,434.31 (2,467.92)	74.14 (53.83)	19,470.32 (17,110.15)	42,764.33 (44,717.37)	44,717.39 (45,249.00)
Total	61,827.52	503.95	96.82	62,234.65	2,434.31	74.14	19,470.32	42,764.33	44,717.39
Less: Internal Transfers	2.48	501.47	94.34	62,234.65	2,434.31	74.14	19,470.32	42,764.33	44,717.39
INTANGIBLE ASSETS									
10 Software Systems	126.25 (51.75)	160.52 (74.49)	-	286.77 (126.25)	29.57 (17.51)	-	53.75 (24.18)	233.02 (102.06)	102.06 (45.08)
INTANGIBLE ASSETS Total	126.25 (51.75)	160.52 (74.49)	-	286.77 (126.25)	29.57 (17.51)	-	53.75 (24.18)	233.02 (102.06)	102.06 (45.08)
Total	61,953.77 (59,996.80)	661.99 (2,031.00)	94.34 (74.04)	62,521.42 (61,953.76)	2,463.88 (2,485.43)	74.14 (53.83)	19,524.07 (17,134.34)	42,997.35 (44,819.44)	44,819.45 (45,294.08)
Capital Work - In-Progress									
TOTAL	68,212.39 (66,165.96)	17,134.33 (14,702.74)	74.14 (53.83)	17,134.33 (14,702.74)	2,463.88 (2,485.43)	74.14 (53.83)	19,524.07 (17,134.34)	48,688.32 (49,031.65)	49,031.66 (48,479.46)

Note: 1) Hotel at Chandigarh is constructed on land taken on lease for 99 years.
2) Vivania by Taj - Begumpet is on land and superstructure taken on lease for 60 years, extendable by further period of 30 years.
3) Additions to assets and Capital work in progress include ₹5,29,31,418/- of borrowing cost capitalised during the year.
4) Figures in brackets are of previous period.

NOTE 6 : NON- CURRENT INVESTMENTS

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

	As at March 31, 2014					As at March 31, 2013				
	Type of Investment	No. of Shares	Gross Cost	Provision	Net Cost	Type of Investment	No. of	Gross Cost	Provision	Net Cost
1) LONG TERM INVESTMENT IN GROUP COMPANIES - TRADE - UNQUOTED Investment in Joint Ventures Greenwoods Palaces and Resorts Pvt Ltd (partly paid)	Equity	22,162,500	5,097.38	-	5,097.38	Equity		19,537,500	4,493.63	4,493.63
NON-TRADE INVESTMENT, UNQUOTED Green Infra Windfarms Limited (fully paid)	Equity	18,000	1.80	-	1.80	Equity	18,000	1.80	-	1.80
TOTAL			5,099.18	-	5,099.18			4,495.43	-	4,495.43

- i) The Company has acquired 2,21,62,500 (1,95,37,500) Equity Shares (29.55% [26.05%] of total shares issued) of ₹10/- each (₹3/- paid up) of Greenwoods Palaces & Resorts Pvt Ltd from M/s Greenridge Hotels and Resorts LLP (a GVK group company) at a premium of ₹20/- per share. M/s.Greenwoods Palaces & Resorts Pvt Ltd (SPV) is setting up a 5 Star Deluxe (Luxury category) Hotel Project comprising of 279 rooms near Terminal 1C, Santacruz, Mumbai at Mumbai International Airport, under the TAJ brand. As per the MOU with M/s Greenridge, the Company is entitled to acquire upto 49% stake in the SPV. As per the terms of the share holders agreement, the same 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, 2014	As at March 31, 2013
(a) Capital Advances		
Unsecured, considered good	5,314.48	5,043.38
(b) Deposits - Others	1,110.98	1,016.28
(c) Advance Tax (net of provision)	706.69	578.85
(d) Minimum Alternate Tax Credit	1,365.00	1,175.00
(e) Other loans and advances	2.76	5.29
TOTAL	8,499.91	7,818.80

NOTE 8 : OTHER NON CURRENT ASSETS

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Unamortized expenditure	71.25	85.99
TOTAL	71.25	85.99

TAJGVK HOTELS & RESORTS LIMITED

NOTE 9 : CURRENT ASSETS

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

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Inventories		
a) Stores and Operating Supplies	445.60	468.31
b) Food and Beverages	486.48	399.61
TOTAL	932.08	867.92
Trade receivables		
Outstanding over six months from the date they are due for payment:		
Unsecured, considered good	65.53	76.16
Unsecured, considered doubtful	18.89	17.58
Less: Provision for doubtful debts	18.89	17.58
Sub-total	65.53	76.16
Others:		
Unsecured, considered good	874.71	655.35
Less: Provision for doubtful debts	-	-
Sub-total	874.71	655.35
TOTAL	940.24	731.51
Cash and Bank Balances		
Cash and Cash equivalents :		
Cash on Hand	26.92	23.45
Cheques on hands	-	4.59
Current Accounts with banks	8.60	0.79
Sub-total	35.52	28.83
Balances with Banks Others :		
Margin Money Deposits maturing within 3 months	1.59	-
Deposits pledged with others	19.00	-
Earmarked balances with banks on account of unclaimed dividend	167.26	179.51
Sub-total	187.85	179.51
TOTAL	223.37	208.34
Short-term loans and advances		
Unsecured considered good:		
a. Deposits with Public Bodies and Others	10.75	105.41
b. Other advances recoverable in cash or in kind	2,085.70	1,990.21
TOTAL	2,096.45	2,095.62
Other Current Assets		
Unbilled receivables	117.82	60.31
Unamortized expenses	15.00	16.05
Interest receivable	-	5.03
TOTAL	132.82	81.39

NOTE 10 : INCOME

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

PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
Revenue from operations		
I) Rooms, Restaurants, Banquets and other Services (net of duties)	24,385.44	25,269.82
II) Other Income		
(a) Surplus on sale of fixed assets	0.13	2.15
(b) Interest Income	7.59	8.60
(c) Miscellaneous Income	104.50	126.58
(d) Exchange gain / (loss) on foreign currency transaction & translation (net)	15.78	16.41
Sub-total	128.00	153.74
TOTAL	24,513.44	25,423.56

NOTE 11 : EMPLOYEE BENEFITS EXPENSES

(i) Salaries, Wages, Bonus etc.	3,408.99	3,449.43
(ii) Company's Contribution to Retirement Funds & Other Funds	202.12	156.38
(iii) Reimbursement of Expenses on Personnel Deputed to the Company	778.66	808.76
(iv) Payment to Contractors / Outsourced Labour	381.86	282.51
(v) Workmen / Staff Welfare Expenses	504.62	584.64
TOTAL	5,276.25	5,281.72

NOTE 12 : FOOD & BEVERAGES CONSUMED

Food & Beverages Consumed	2,835.65	2,666.17
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NOTE 13 : FINANCE COST

Finance cost		
Interest expenses	2,869.95	2,522.78
Less: Interest Capitalized	529.31	287.57
TOTAL	2,340.64	2,235.21

TAJGVK HOTELS & RESORTS LIMITED

NOTE 14 : OPERATING AND GENERAL EXPENSES

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

PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
a) Operating Expenses		
Linen and Room Supplies	762.83	727.91
Catering Supplies	201.98	213.76
Other Supplies	18.44	10.09
Fuel, Power and Light	3,075.51	3,135.84
Repairs to Buildings	287.61	329.88
Repairs to Machinery	720.01	664.04
Repairs to Others	103.64	114.14
Payment to Orchestra Staff & Artistes	393.56	381.97
Guest Transportation	114.55	95.84
Travel Agent's Commission	178.78	163.29
Collecting Agent's Commission	212.35	266.04
Sub - Total	6,069.26	6,102.80
b) General Expenses		
Rent	287.04	366.00
License Fees	621.68	647.57
Rates & Taxes	820.59	726.25
Insurance	117.65	123.78
Advertisement and Publicity	438.59	494.51
Printing and Stationery	126.25	135.52
Passage and Travelling	58.64	70.85
Provision for Doubtful Debts	1.31	6.76
Bad debts and advances written off	3.83	-
Professional Fees	123.04	134.89
Loss on Sale of Fixed Assets	5.27	15.97
Donation	18.65	27.32
Operating and Management fees	1,113.54	1,240.46
Auditors' Remuneration		
i. As Auditors	19.10	14.61
ii. For Taxation matters	2.50	3.07
iii. For certification	0.15	-
Directors' Fees	10.00	7.80
Amortized expenses	15.79	16.05
Other Expenses	1,281.60	1,091.28
Sub - Total	5,065.22	5,122.69
TOTAL	11,134.48	11,225.49

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	Year ended 31.03.2014	Year ended 31.03.2013
Current Tax	190.00	305.00
Minimum Alternate Tax Credit Entitlement	(190.00)	(305.00)
Deferred Tax Debit/(Credit)	375.52	481.73
Total Debit/(Credit) to Statement of Profit & Loss	375.52	481.73

b) Deferred Tax Asset/Liability

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Deferred Tax Liability		
Depreciation on Fixed Assets	2,216.27	2,220.46
Effect of carry forward loss due to Sec 35AD availment	1,963.64	1,584.40
TOTAL	4,179.91	3,804.86
Deferred Tax Assets		
Provision for Doubtful Debts	6.42	6.77
Employee Benefits	42.47	42.60
TOTAL	48.89	49.37
Net Deferred Tax Liability/Asset	4,131.02	3,755.49

NOTE 16 : EXCEPTIONAL ITEMS

PARTICULARS	Year ended 31.03.2014	Year ended 31.03.2013
Refund of remuneration by Executive Chairman	410.69	-
Fuel Surcharge Adjustment	-	(169.39)
TOTAL	410.69	(169.39)

17. Contingent liabilities not provided for in respect of :

(₹ in lacs)

Sl. No.	PARTICULARS	As at 31-03-2014	As at 31-03-2013
i.	Sales Tax matters	939.00	296.66
ii.	Income Tax matters	91.57	40.00
iii.	Service Tax matters	2490.88	41.08
iv.	Excise duty	-	3.21
v.	Wealth Tax matters	31.69	21.13
vi.	Luxury Tax matters	76.47	76.47
vii.	Probable customs duty payable on the Equipment Imported under Export Promotion Capital Goods Scheme	487.18	487.18
viii.	Letters of Credit	79.56	-
ix.	Bank Guarantees - Others	159.38	158.89
x.	Estimated amount of contracts remaining to be executed on capital account.	147.36	59.63

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

- i) ₹124.14 lacs paid under the VAT Act pertaining to financial years 2005-06 to 2008-09.

19. Other Commitments: The uncalled liability on account of acquisition of 2,21,62,500 (1,95,37,500) equity shares of ₹10/- each of Greenwoods Palaces & Resorts Pvt Ltd, ₹15,51,37,500/- (₹13,67,62,500/-).

20. ₹410.69 lacs of exceptional item represents remuneration refunded by Executive Chairman for the years 2008-09, 2010-11, 2011-12 and 2012-13 by withdrawing 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.

21. 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" and relied upon by the Auditors.

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

(₹ in lacs)

PARTICULARS	Current Year	Previous Year
The principal amount due thereon remaining unpaid to any supplier as at the end of the accounting year	2.33	3.56
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amounts of payments made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable 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	-	-

22. The Managing Director is entitled to commission @ 1% each of Net Profits computed in accordance with Section 349 of the Companies Act, 1956 after tax. Due to inadequacy of the profits no commission was provided for the year.

Dr. G V Krishna Reddy, who was the Executive Chairman during the financial year 2013-14 had voluntarily waived to take salary from 1st January 2014 and the Company has paid remuneration to him for 9 months only i.e. April 2013 to December 2013. He also stepped down as an Executive Chairman of the Company with effect from 12.05.2014 and the Board of Directors elected / appointed Dr. G V Krishna Reddy as Non-Executive Chairman of the Company with effect from 12.05.2014.

The Company is in the process of submitting an application to the Central Government for approval of minimum remuneration as per the terms of appointment, of the whole time Directors.

23. Additional information pursuant to provisions of Clause 5 of Part II of Schedule VI of the Companies Act 1956.

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

PARTICULARS	Current Year	Previous Year
Guest Accommodation	10982.45	12445.75
Food, Beverages and others	10030.39	8498.59
Liquor & Wines	2059.03	2019.47
Telephones	346.09	336.49
Other Income	1095.47	2123.26
TOTAL	24513.43	25423.56

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

PARTICULARS	Opening Stock	Purchases	Consumption	Closing Stock
Provisions & Stores, Beverages other than Liquor, Beer & Wines	90.23 (107.99)	2577.73 (1792.57)	2319.54 (1810.33)	348.42 (90.23)
Liquor, Beer & Wines	310.58 (248.82)	552.38 (547.56)	516.11 (485.80)	346.85 (310.58)
TOTAL	400.81 (356.81)	3130.11 (2340.13)	2835.65 (2296.13)	695.27 (400.81)

- iii) **Transactions in Foreign Currency**

PARTICULARS	Current Year	Previous Year
a) Earnings in Foreign Exchange	4698.84	6889.91
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:		
Capital Goods	127.94	106.10
Consultancy	73.65	6.61
Others	169.92	116.75
TOTAL	371.51	229.46

- c) **Consumption of raw materials (provisions, stores & wines)**

PARTICULARS	Current Year		Previous Year	
	₹ in lacs	%	₹ in lacs	%
Imported	220.34	7.77	222.11	9.67
Indigenous	2615.31	92.23	2074.02	90.33
TOTAL	2835.65	100.00	2296.13	100.00

24. Related Parties Disclosure

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

Key Management personnel:

Dr. G.V.Krishna Reddy	Chairman
Mrs. G.Indira Krishna Reddy	Managing Director
Mrs. Shalini Bhupal	Executive Director
Joint Venture with	The Indian Hotels Company Limited
Jointly controlled entity	Greenwoods Palaces and Resorts Pvt Ltd

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

Accura Constructions (P) Ltd	GVK Power & Infrastructure Ltd (*)
Accura Estates (P) Ltd	GVK Power (Goindwal Sahib) Ltd (*)
Alaknanda Hydro Power Co Ltd (*)	GVK Properties & Management Co.(P) Ltd (*)
Allied Estates (P) Ltd	GVK Projects & Technical Services Ltd. (*)
Amtran Constructions (P) Ltd	GVK Technical Consultancy Services (P) Ltd (*)
Anchor Estates (P) Ltd	GVK Ratle Hydro Electric Project Pvt Ltd (*)
Appease Estates Private Limited	GVK Transportation (P) Ltd (*)
Bengaluru Airport & Infrastructure Developers Pvt.Ltd	GVK Virudhnagar SEZ (P) Ltd
Bengaluru International Airport Ltd	(*) Inc GVK Bio (P) Ltd
Blue Streak Land Holdings (P) Ltd	Innovative Land Holdings (P) Ltd
Bonanza Real Estates (P) Ltd	Inogent Laboratories (P) Ltd
Caspian Capital & Finance (P) Ltd	GVK EMRI(*)
Casuarina Capital & Finance (P) Ltd	Mallikarjuna Estates (P) Ltd
Classic Land Holdings (P) Ltd	Mallikarjuna Finance (P) Ltd
Consolidated Real Estates (P) Ltd	Marriot Land Holdings (P) Ltd
Cygnus Real Estates (P) Ltd	Metro Architects & Contractors (P) Ltd
Delta Land Holdings (P) Ltd	Midas Estates (P) Ltd
Dhauasidh Power (P) Ltd	Mumbai Airotopolis Pvt Ltd
Eagle Land Holdings (P) Ltd	Mumbai Airport Habitation Pvt Ltd
Fair Value Land Holdings (P) Ltd	Navi Mumbai Airport Developers (P) Ltd
Fortune Real Estates (P) Ltd	Mumbai Aviation Fuel Form Facility (P) Ltd
Fresenius Intraven (P) Ltd	Mumbai International Airport (P) Ltd (*)
GVK Gautami Power Ltd (*)	Novopan Industries Ltd (*)
Genesis Realtors (P) Ltd	Orbit Travel & Tours (P) Ltd (*)
Goldgreen Land Holdings (P) Ltd	Oxford Land Holdings (P) Ltd
Goriganga Hydro Power Co.(P) Ltd	Pace Constructions (P) Ltd
Greenwoods Land Holdings (P) Ltd	Pace Estates (P) Ltd
Greenwoods Palaces & Resorts (P) Ltd (*)	Paigah House Hotel (P)Ltd
Greenridge Hotels & Resorts LLP	Parthasarathy A/c Tourists (P) Ltd
GVK Airport Developers (P) Ltd	Parvathi Enterprises
GVK Airport Holdings (P) Ltd	Pinakini Share & Stock Brokers Ltd (*)
GVK Biosciences (P) Ltd (*)	Pinnacle Land Holdings (P) Ltd
GVK City (P) Ltd	Raghavendra Finance (P) Ltd
GVK Coal (Tokisud) Co.(P) Ltd (*)	Raghavendra Land Holdings (P) Ltd

GVK Davix Research (P) Ltd	Regulus Estates (P) Ltd
GVK Davix Technologies (P) Ltd (*)	Rocktown Estates Pvt Ltd(*)
GVK Deoli Kota Expressway (P) Ltd	Seregarha Mines Limited
GVK Developmental Projects (P) Ltd	SR Finance (P) Ltd
GVK Foundation (*)	Starlet Land Holdings (P) Ltd
GVK EMRI (UP) Pvt Ltd	Sunshine Enterprises
GVK Janani Shishu Suraksha (UP) Pvt Ltd	Suphala Real Estates (P) Ltd
GVK Energy Holdings (P) Ltd	Sri Vishnu Enterprises
GVK Energy Ltd (*)	Sri Venkateswara Enterprises
GVK Energy Ventures (P) Ltd	Verdura (*)
GVK Estates Private Limited	Vertex Infratech (P) Ltd
GVK Hydel (P) Ltd	Vertex Projects Ltd
GVK Industries Ltd (*)	Volantis Land Holdings (P) Ltd
GVK Jaipur Expressway Private Ltd (*)	Vulcon Constructions (P) Ltd
GVK Natural Resources (P) Ltd	Woodstar Industries
GVK Oil & Gas Limited (*)	Zinger Investments (P) Ltd
GVK Perambalur SEZ (P) Ltd	

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

TRANSACTIONS WITH THE RELATED PARTIES:
STATEMENT OF MATERIAL TRANSACTIONS:

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

Name of Company	Current Year	Previous Year
Key Management Personnel:		
Dr. G.V.Krishna Reddy - Salary	362.62	457.12
Mrs. G. Indira Krishna Reddy - Salary	168.10	161.12
Mrs. Shalini Bhupal - Salary	119.11	108.31
Joint Venture:		
Indian Hotels Company Limited		
- Interest on unsecured loan	9.40	35.00
- Operating fee	1113.54	1240.46
- Reimbursement of advertisement expenses	343.63	361.78
Jointly controlled entity:		
Greenwoods Palaces & Resorts (P) Ltd		
- Investment in Equity Shares	603.75	4493.63
- Advance against calls	-	1143.00
Enterprises in which key management personnel and / or their relatives have significant influence:		
Rocktown Estates Pvt Ltd		
- Purchase of vegetables	7.92	5.99
Orbit Tours and Travels (P) Ltd		
- Purchase of travel tickets and car hire charges	42.51	183.76
GVK Foundation		
- Donation	17.46	27.20
GVK Industries Ltd		
- Salaries of deputed staff	3.07	4.40
Novopan Industries Ltd		
- Salaries of deputed staff	-	0.54

TAJGVK HOTELS & RESORTS LIMITED

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

Name of Company	Current Year	Previous Year
GVK Technical Consultancy Services (P) Ltd		
- Salaries of deputed staff	24.51	21.68
Pinakini Share and Stock Brokers Ltd		
- Annual Depository Participant Fee	0.20	-
Income from sale of rooms and food & beverages:		
- Alakananda Hydro Power Co. Ltd	3.69	3.73
- GVK Gautami Power Ltd	10.28	0.49
- Mumbai International Airport Pvt Ltd	4.60	4.51
- Novopan Industries Ltd	0.82	0.54
- GVK Biosciences Pvt Ltd	22.36	9.46
- GVK Coal (Tokisud) Co. Pvt. Ltd	5.39	1.41
- GVK Industries Ltd	16.46	18.50
- GVK Jaipur Expressway Pvt Ltd	1.00	0.47
- GVK Power and Infrastructure Ltd	10.40	6.71
- GVK Power (Goindwal Sahib) Ltd	2.54	4.36
- GVK Oil and Gas Ltd	-	0.22
- Bengaluru International Airport Ltd	4.37	1.39
- GVK Energy Ltd	3.72	4.13
- Inogent Laboratories Pvt Ltd	0.89	0.60
- GVK Natural Resources Pvt Ltd	0.11	-
- GVK Projects and Technical Services Ltd	0.30	0.14
- GVK Ratle Hydro Electric Project Pvt Ltd	2.57	0.22
- GVK Technical Consultancy Services (P) Ltd	15.58	15.68
- Sri Venkateswara Enterprises	-	0.49
- GVK EMRI	12.14	-
- GVK Davix Technologies (P) Ltd	0.02	-
- GVK Properties & Management Co.(P) Ltd	0.19	-
- Verdura	2.40	2.40

BALANCES OUTSTANDING:

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

Name of Company	As at March 31, 2014	As at March 31, 2013
Joint Venture:		
Indian Hotels Company Limited		
- Interest accrued on unsecured loan	-	54.61
- Unsecured Loan outstanding	-	500.00
- Operating fee & reimbursements payable	712.01	496.27
- Reimbursement of expenses receivable	160.37	231.79
Jointly controlled entity:		
Greenwoods Palaces & Resorts (P) Ltd		
- Investment in Equity Shares	5097.37	4493.63
- Advance against calls	1143.00	1143.00
Enterprises in which key management personnel and / or their relatives have significant influence:		
GVK Industries Ltd		
- Salaries of deputed staff payable	3.07	4.40
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	-

25. 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 31.03.2014 comprising of the following components.

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

PARTICULARS	As at March 31, 2014	As at March 31, 2013
Deferred Tax Liability:		
Depreciation on Fixed Assets	2216.27	2220.46
Effect of allowance u/s 35AD	1963.64	1584.40
Deferred Tax Asset:		
Provision for bonus & leave encashment	42.47	42.60
Provision for doubtful debts	6.42	6.77
Net Deferred Tax Liability	4131.02	3755.49

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

PARTICULARS	Current Year	Previous Year
Not later than one year	491.86	597.37
Later than one year but not later than five years	676.01	1474.76
Later than 5 years	-	158.06

**27. The company operates a post retirement benefit plan for gratuity and the details are as under:
Details of gratuity plan are as under:**
Amount recognized in Balance Sheet

PARTICULARS	Current Year	Previous Year
Present Value of Funded Obligations	432.44	421.52
Fair Value of Plan Assets	(439.01)	(430.66)
Net Liability recognized in the Balance Sheet	(6.57)	(9.14)

Expenses recognized in the Profit & Loss Account

PARTICULARS	Current Year	Previous Year
Current Service Cost	24.19	27.24
Interest on Defined Benefit Obligation	29.06	33.95
Expected Return on Plan Assets	(27.23)	(27.88)
Net Actuarial Losses	(23.46)	(73.06)
Net Expenses recognized in the Profit & Loss Account	2.57	(39.75)

Reconciliation of Defined Benefit Obligation

PARTICULARS	Current Year	Previous Year
Opening Defined benefit Obligation	421.52	432.28
Current Service Cost	24.19	27.24
Interest Cost	29.06	33.95
Actuarial Losses / (Gain)	(13.74)	(58.04)
Benefits Paid	(28.59)	(13.91)
Closing Defined Benefit Obligation	432.44	421.52

TAJGVK HOTELS & RESORTS LIMITED

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

PARTICULARS	Current Year	Previous Year
Reconciliation of Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	430.66	401.66
Expected Return on Plan Assets	27.23	27.88
Actuarial gain / (Losses)	9.72	15.02
Contributions by Employer	-	-
Benefits Paid	(28.59)	(13.90)
Closing Fair Value of Plan Assets	439.02	430.66
Description of Plan Assets		
Insurer Managed Funds	100%	100%
Summary of Actuarial Assumptions		
Discount Rate	9.30%	7.95%
Expected rate of return on Assets	7.50%	7.50%
Salary Escalation Rate	5.00%	5.00%

28. Disclosure of interest in jointly controlled entities:

- i) The Company holds 29.55% (Previous year 26.05%) of the total share capital of M/s Greenwoods Palaces & Resorts Pvt Ltd (Greenwoods), which is incorporated in India.
- ii) The share of contracts to be executed on capital account of the Company in Greenwoods is ₹2487.53 lacs (₹1159.60 lacs).
- iii) The interest of the Company in Greenwoods, 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 period	(3.78)	2.59
Liabilities:		
Non-current liabilities	2091.07	20.68
Current liabilities	58.12	61.59
Assets:		
Tangible assets	1947.80	577.35
Intangible assets	185.45	163.49
Non-current loans and advances	568.10	345.29
Current assets	616.98	30.14

29. 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.

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.0005135

KOTESWARA RAO SSR
Partner
M.No.018952

Place : Hyderabad
Date : May 12, 2014

For and on behalf of the Board

Dr. G V Krishna Reddy
Chairman

Dr. Raymond N.Bickson
Director

G Indira Krishna Reddy
Managing Director

J Srinivasa Murthy
GM-Finance & Company Secretary

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TAJGVK Hotels & Resorts Limited

CIN:L40109AP1995PLC019349

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

ATTENDANCE SLIP

Annual General Meeting on Friday, the 1st August 2014, at 11.30 a.m.

Regd. Folio No.		*DP ID:	
No. of Shares held		*Client ID:	
Name of the Shareholder			
Name of Proxy			
Signature of Member / Proxy			

I / We hereby record my / our presence at the **19th ANNUAL GENERAL MEETING of the Company held on Friday, the 1st August 2014, at 11.30 a.m.** at Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, please sign here

If Proxy, please sign here

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

* Applicable for investors holding shares in Electronic Form.




TAJGVK
TAJGVK Hotels & Resorts Limited

CIN:L40109AP1995PLC019349

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

**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)

Regd. Folio No.	
No. of Shares held	

*DP ID:	
*Client ID:	

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

- | | | | |
|------------------|----------------|-----------------|-----------------|
| 1. Name: _____ | Address: _____ | Signature _____ | or failing him; |
| E-mail Id: _____ | | | |
| 2. Name: _____ | Address: _____ | Signature _____ | or failing him; |
| 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 **19th ANNUAL GENERAL MEETING of the Company, to be held on Friday, the 1st August 2014, at 11.30 a.m.** at Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073 and at any adjournment thereof in respect of such resolutions are indicated below:

Resolution No.	RESOLUTION	Vote	
		For	Against
Ordinary Business			
1.	Adoption of Accounts for the year ended 31.03.2014		
2.	To declare dividend on the equity shares		
3.	Appointment of Dr. Raymond N Bickson as a director retiring by rotation		
4.	Appointment of Mr. Anil P Goel as a director retiring by rotation		
5.	Appointment of M/s. Brahmayya & Company, Chartered Accountants as Auditors and authorise the board to fix their remuneration.		
Special Business			
6.	Appointment of Mr. A Rajasekhar as an Independent Director		
7.	Appointment of Mr. C D Arha as an Independent Director		
8.	Approval of the re-appointment of Mrs. Shalini Bhupal as an Executive Director		
9.	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money up to ₹500 crores over and above the aggregate of the paid up share capital and free reserves of the Company		
10.	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to create charge on the assets and undertakings of the Company by way of equitable mortgage etc.,		
11.	Special Resolution to alter / amend Article 1(a) of the Article of Association of the Company in conformity with the Companies Act, 2013		

As witness my / our hand(s) this _____ day of _____ 2014.

Signature of Shareholder: _____ Signature of Proxy _____

Affix ₹1/- Revenue Stamp

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

* Applicable for investors holding shares in Electronic Form.

NOTES



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:

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Thai Pavilion, Vivanta by Taj, Begumpet, Hyderabad