TAJGVK

TAJGVK Hotels & Resorts Limited

23RD ANNUAL REPORT 2017-18

Taj Santacruz, Mumbai


Grand Ball Room, Taj Santacruz, Mumbai


Banquet Hall, Taj Santacruz, Mumbai

CORPORATE INFORMATION

Board of Directors

(As on 17.05.2018)

Dr. GVK Reddy	: Non-Executive Chairman
Mrs. G Indira Krishna Reddy	: Managing Director
Mrs. Shalini Bhupal	: Executive Director
Mr. G V Sanjay Reddy	: Non-Executive Non-Independent Director
Mr. Krishna R Bhupal	: Non-Executive Non-Independent Director
Mr. Puneet Chhatwal	: Additional Director (w.e.f. 02.02.2018)
Mr. Rajendra Misra	: Non-Executive Non-Independent Director
Mr. Giridhar Sanjeevi	: Additional Director (w.e.f. 01.08.2017)
Mr. K Jayabharath Reddy	: Independent Director
Mr. D R Kaarthikeyan	: Independent Director
Mr. C D Arha	: Independent Director
Mr. M B N Rao	: Independent Director
Mr. Ch G Krishna Murthy	: Independent Director
Mr. S Anwar	: Independent Director
Mr. A Rajasekhar	: Independent Director
Mrs. Santha John	: Independent Director
Mr. J Srinivasa Murthy	: CFO & Company Secretary

Board Committees

Audit Committee

Mr. K Jayabharath Reddy	: Chairman
Mr. Puneet Chhatwal	: Member
Mr. Krishna R Bhupal	: Member
Mr. M B N Rao	: Member
Mr. Ch G Krishna Murthy	: Member
Mr. S Anwar	: Member

Nomination and Remuneration Committee

Mr. K Jayabharath Reddy	: Chairman
Mr. Puneet Chhatwal	: Member
Mr. Krishna R Bhupal	: Member
Mr. M B N Rao	: Member
Mr. C D Arha	: Member
Mr. D R Kaarthikeyan	: Member

Corporate Social Responsibility Committee

Mr. Ch G Krishna Murthy	: Chairman
Mrs. G Indira Krishna Reddy	: Member
Mr. D R Kaarthikeyan	: Member

Stakeholders Relationship Committee

Mr. Ch G Krishna Murthy	: Chairman
Mrs. G Indira Krishna Reddy	: Member

Company Bankers

AXIS Bank Limited
HDFC Bank Limited
IDBI Bank Limited

Stock Exchanges where Company's Securities are listed

BSE LTD & NSE LTD

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.040-66293664.

Registrars & Share Transfer Agents

Venture Capital & Corporate Investments Pvt. Ltd.
#12-10-167, Bharat Nagar
Hyderabad - 500 018.
Tel: 040-23818475, 040-23818476
Fax: 040-23868024
E-mail: info@vccipl.com,www.vccipl.com

Statutory Auditors

M/s. M. Bhaskara Rao & Co
Chartered Accountants
5-D, 5th Floor, "KAUTILYA"
6-3-652, Somajiguda,
Hyderabad – 500 082

Internal Auditors

M/s. Price Waterhouse & Co
Plot No.77/A, 8-2-624/A/1
3rd Floor, Road No.10
Banjara Hills, Hyderabad – 500034.

Secretarial Auditors

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

FINANCIAL HIGHLIGHTS

(Rs. in crores)

	2017-18	2016-17	2015-16	2014-15	2013-14
Total Revenue	**290.88**	269.77	272.00	250.02	245.13
Profit Before Tax	**32.01**	18.63	15.24	(2.04)	8.73
Profit After Tax (after extraordinary/prior period items)	**21.19**	10.22	8.21	(2.47)	4.98
Shareholders' Funds	**380.73**	362.48	355.28	347.07	348.46
Borrowings	**228.62**	256.37	269.35	269.35	216.86
Debt Equity ratio	**0.60:1**	0.71:1	0.76:1	0.78:1	0.62:1
Book value per share (Rs)	**60.72**	57.81	56.66	55.35	55.57
Earnings per share (Rs)	**3.38**	1.63	1.31	(0.39)	0.79
Dividend %	**30%**	20%	20%	NIL	10%

CONTENTS

NOTICE OF 23RD ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING of TAJGVK HOTELS & RESORTS LIMITED** will be held at **Sri Sathya Sai Nigamagamam,** 8-3-987/2, Sri Nagar Colony, Hyderabad – 500073 on **Friday, the 3rd August, 2018**, at **11.30 a.m.,** to transact the following business:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Standalone and Consolidated Audited Profit and Loss Account for the year ended March 31, 2018, and the Balance Sheet and Cash Flow Statement as on at that date, together with the Reports of Board of Directors' and Auditors' thereon.

2) To consider and declare dividend on the Equity Shares for the financial year ended March 31, 2018.

3) To appoint a Director in place of Mr. G V Sanjay Reddy (DIN:00005282) who retires by rotation and being eligible, offers himself for re-appointment as Director liable to retire by rotation.

4) To appoint a Director in place of Mr. Rajendra Misra (DIN:07493059) who retires by rotation and being eligible, offers himself for re-appointment as Director liable to retire by rotation.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and read with SEBI (Listing Obligations & Disclosure Regulations) Requirements, 2015, **Mr. Puneet Chhatwal** (DIN:07624616), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, liable to retire by rotation, be and is hereby appointed as a Director under the category of Promoter Non-Executive Non-Independent Director of the Company".

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

   "**RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with 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 read with SEBI (Listing Obligations & Disclosure Regulations) Requirements, 2015, **Mr. Giridhar Sanjeevi** (DIN:06648008), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, liable to retire by rotation, be and is hereby appointed as a Director under the category of Promoter Non-Executive Non-Independent Director of the Company".

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

"**RESOLVED THAT** pursuant to the provisions of section 197 and other applicable provisions, if any and read together with Schedule V of the Companies Act, 2013 and the Rules framed thereunder including any statutory modification thereof, for the time being in force and in pursuance of the resolution passed by the Members of the Company at the AGM held on 28th July, 2015 and subject to the approval of the Central Government and/or such other necessary approval(s), consent(s), or permission(s) as may be required and conditions / modifications if any, as may be prescribed or imposed by the Central Government, the consent and approval of the members of the company be and is hereby accorded to ratify and confirm the excess remuneration of Rs.1,46,23,953/- paid to Mrs. G. Indira Krishna Reddy, Managing Director in excess of the limits prescribed under the provisions of section 197, read with Schedule V of the Companies Act, 2013 for the financial year 2017-18 and also approved to waive the recovery of the excess remuneration from her as the payment made by the company being the minimum remuneration agreed to be paid to her as per the terms of approval of the members, and also approved to the extent it exceeds the statutory limit laid down under the Companies Act, 2013 and also approved the consequential retention thereof by Managing Director of the Company."

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

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

J Srinivasa Murthy
CFO & Company Secretary
M. No. : FCS4460

Place : Hyderabad
Date : 17.05.2018

NOTES

1) The Explanatory Statement for Item Nos. 5, 6 and 7, pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of this Notice. The relevant details as required under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), of persons seeking appointment / re-appointment as Directors under Item No.3, 4, 5 & 6 of the Notice are also annexed.

2) 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.

3) The Proxy form duly completed must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

4) Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.

5) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.

6) The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, the 28thJuly, 2018 to Friday, the 3rdAugust, 2018** (both days inclusive) for the purpose of the Annual General Meeting of the Company and for payment of dividend.

7) The Dividend for the financial year ended 31st March, 2018, as recommended by the Board, if approved at the AGM, will be paid on or after **8th August, 2018** to those members whose name appears in the Register of Members of the Company as on the book closure dates.

8) The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 1st August, 2017, for a period of 5 years.

9) Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants and Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Venture Capital & Corporate Investments Private Limited / Investor Service Department of the Company immediately.

10) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are Interested under section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.

11) For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.

12) Pursuant to prohibition imposed vide Secretarial Standards on General Meetings (SS-2) issued by ICSI and the MCA Circular, no gifts shall be distributed at the meeting.

13) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change / deletion in such bank details. Further, instructions, if any, already given by them in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their Depository Participants ('DPs'').

14) The Securities and Exchange Board of India (SEBI) has mandated submission of the permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Venture Capital & Corporate Investments Private Limited / Investor Service Department of the Company.

15) Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules, 2017 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares to Investor Education and Protection Fund ("IEPF") in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The company has sent notices to all the Members whose Dividends are lying unclaimed against their name for seven consecutive years or more.

The Company has also uploaded details of such members whose shares are transferred to IEPF Suspense Account under the website at www.tajgvk.in/Investor Relations/Dividend.

The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.

During the year 2017-18, pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of Rs.23,22,752/- for the financial year 2009-10 has been transferred on 23.08.2017 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, 378,669 corresponding shares were also transferred as per the requirements of the IEPF Rules. The details of unpaid dividend/shares transferred are placed under the website of the company www.tajgvk.in/Investor Relations/Dividend.

Members who have not encashed their dividend warrants for the financial year 2010-11 and thereafter are requested to write to CFO & Company Secretary, TAJGVK Hotels & Resorts Limited, Taj Krishna, Road No.1, Banjara Hills, Hyderabad – 500 034, e-mail:tajgvkshares.hyd@tajhotels.com or the Company's Registrar and Share Transfer Agents, for obtaining payment in lieu of such dividend warrants. The detailed dividend history and the due dates of transfer to IEPF are available on the website of the company www.tajgvk.in. Information in respect of such unclaimed dividend due for transfer to the Investor Education and Protection Fund (IEPF) are given below:

Financial year	Dividend declared %	Date of Declaration of dividend	Last Date for claiming unpaid dividend	Unclaimed dividend (in Rs.)	Due date for transfer to the IEPF A/c
2010-11	100%	26.07.2011	25.07.2018	24,04,742.00	25.08.2018
2011-12	75%	27.07.2012	26.07.2019	20,55,950.00	26.08.2019
2012-13	25%	30.07.2013	29.07.2020	7,81,146.50	29.08.2020
2013-14	10%	01.08.2014	31.07.2021	3,43,895.00	30.08.2021
2014-15	-	-	-	-	-
2015-16	20%	04.08.2016	03.08.2023	6,19,746.80	02.09.2023
2016-17	20%	01.08.2017	31.07.2024	3,00,465.60	01.09.2024

16) Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'E-communication Registration Form' to M/s. Venture Capital & Corporate Investments Pvt. Ltd., or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.

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

18) **Voting through electronic means**

In compliance with the provisions of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has provided facility to its Members to cast their vote electronically through the e-voting service provided by KARVY Computershare Private Limited (KARVY). The facility for ballot voting will also be made available at the AGM for Members to exercise their right at the AGM, who have not already cast their vote by remote e-voting. Members who have cast their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed separately. The Board has appointed Mr. Narender Gandhari, Practicing Company Secretary, as the Scrutinizer to scrutinize the e-voting / ballot process in a fair and transparent manner, on all resolutions set forth in this Notice.

The e-voting portal will be open for voting from **Tuesday, the 31st July, 2018 (9.00 a.m. IST) to Thursday, the 2nd August, 2018 (5.00 p.m. IST).** During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on cut-off date i.e., **25th July, 2018**, may cast their vote electronically. The e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e., **25th July, 2018**. E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.

Notice of the 23rd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participants(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 23rd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

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

J Srinivasa Murthy
CFO & Company Secretary
M. No. : FCS4460

Place : Hyderabad
Date : 17.05.2018

EXPLANATORY STATEMENT

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

The following Explanatory Statement sets out the material facts relating to Item Nos.5, 6 and 7 of the accompanying Notice of Annual General Meeting (AGM).

ITEM NO.5

The Board of Directors of the Company appointed Mr. Puneet Chhatwal (DIN:07624616), as an Additional Director of the Company with effect from 02.02.2018. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Puneet Chhatwal would hold office up to the date of the ensuing Annual General Meeting.

The Company has received notice under Section 160 of the Companies Act, 2013 from Indian Hotels Company Limited (IHCL) a Promoter Shareholder proposing the candidature of Mr. Puneet Chhatwal (DIN:07624616) as Director of the Company. The Company also received confirmation in terms of section 164 of the Companies Act, 2013 from Mr. Puneet Chhatwal that he is not disqualified from being appointed as Director.

The brief profile of Mr. Puneet Chhatwal is as follows:

Mr. Puneet Chhatwal is a hospitality industry veteran, with an experience of over three decades. He was previously the Chief Executive Officer of Deutsche Hospitality / Steigenberger Hotels AG. He holds MBA in international hospitality from Institute De Management Hotelier International (IMHI) (Cornell-Essec) France.

Mr. Chhatwal was Chief Executive Officer (CEO) and Member of Executive Board for close to 5 years for the most traditional German hotel company, Deutsche Hospitality / Steigenberger Hotels AG. Prior to this position, Chief Development Officer (CDO) for over 6 years and Member of Executive Committee of The Rezidor Hotel Group and in senior international leadership roles for almost 20 years. He is a specialist in driving profitable growth leveraging different business models (Managed, Owned, Franchised and Leased) by brand and by geography. Completed over 500 contracts in last 25 years in Europe, Middle East, Africa and Asia.

This Statement may also be regarded as an appropriate disclosure under the Act and Listing Regulations.

Keeping in view his vast expertise and knowledge in the operations of the Hotels, it will be in the interest of the Company that Mr. Puneet Chhatwal is appointed as a Non-Executive and Non-Independent Director.

Mr. Rajendra Mishra and Mr. Giridhar Sanjeevi, Directors of the Company and Nominee Directors of IHCL are interested in the resolution. Save and except Mr. Puneet Chhatwal and his relatives, to the extent of their shareholding interest, if any, in the Company, None of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.5 of the Notice.

The Board recommends the Special Business set out at Item No.5 of the Notice for the approval of the shareholders as Ordinary Resolution.

ITEM NO.6

The Board of Directors of the Company appointed Mr. Giridhar Sanjeevi (DIN:06648008), as an Additional Director of the Company with effect from 01.08.2017. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Giridhar Sanjeevi would hold office up to the date of the ensuing Annual General Meeting.

The Company has received notice under Section 160 of the Companies Act, 2013 from Indian Hotels Company Limited (IHCL) a Promoter Shareholder proposing the candidature of Mr. Giridhar Sanjeevi (DIN:06648008) as Director of the Company. The Company also received confirmation in terms of section 164 of the Companies Act, 2013 from Mr. Giridhar Sanjeevi that he is not disqualified from being appointed as Director.

The brief profile of Mr. Giridhar Sanjeevi is as follows:

Mr. Giridhar is the Chief Financial Officer of Indian Hotels Company Ltd (IHCL) and he is a qualified Chartered Accountant and an MBA from IIM Ahmedabad. Prior to IHCL, he was with Merck & Co, the American Pharma company, where he was the CFO for South Asia and the Business Head for Pakistan, Bangladesh, Sri Lanka and Nepal.

Mr. Giridhar started his career in ITC Ltd, where he did a variety of roles across businesses in India and the Middle East. Subsequently, he joined IL&FS as an Investment Banker and head of M&A. In addition, he was also the Head of the operations at Eastern India.

Mr. Giridhar spent several years with Diageo plc as their Global Business Development Director at London, covering M&A and Strategy. Earlier, he was the Finance Director at Singapore for large parts of Asia.

In a career spanning 30 years, Mr. Giridhar has built a broad based career, both in finance and commercial, and across multiple businesses – FMCG, Financial services, Retail and Pharma and across multiple geographies - Asia and Europe.

This Statement may also be regarded as an appropriate disclosure under the Act and Listing Regulations.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Giridhar Sanjeevi is appointed as a Non-Executive and Non-Independent Director.

Mr. Puneet Chhatwal and Mr. Rajendra Mishra, Directors of the Company and Nominee Directors of IHCL are interested in the resolution. Save and except Mr. Giridhar Sanjeevi 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 recommends the Special Business set out at Item No.6 of the Notice for the approval of the shareholders as Ordinary Resolution.

ITEM NO.7

The Company appointed Mrs. G. Indira Krishna Reddy (DIN 00005230) as Managing Director for a period of 5 years with effect from 25.04.2015 at the Annual General Meeting held on 28·07.2015, on a remuneration payable as per the terms of her appointment. The said remuneration shall also be the minimum remuneration payable to her in case of no profits / Inadequate profits in any financial year during the term of her appointment. During the financial year 2017-18, the company has paid remuneration as per the terms of her appointment and due to inadequate profits, the remuneration paid to her exceeded the limits prescribed under sections 197, 198 and read with Schedule V of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Board and the Board of Directors at their meeting(s) held on 17.05.2018 approved to waive of the recovery of the excess amount of Rs.1,46,23,953/- paid to Mrs. G. Indira Krishna Reddy, Managing Director and recommended the resolution for approval of the Shareholders at the ensuing Annual General Meeting.

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

Save and except Mrs. G. Indira Krishna Reddy (DIN 00005230) and her relatives to the extent of their shareholding interest, if any in the Company, none of the Directors / Key Managerial Personnel of the Company / their relatives or in any way concerned or interested Financially or otherwise in the Resolution set out at Item No.7 of the Notice.

The Board recommends the Special Business as set out in Item No.7 of the Notice for approval of the shareholders as Special Resolution.

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

J Srinivasa Murthy
CFO & Company Secretary
M. No. : FCS4460

Place : Hyderabad
Date : 17.05.2018

PROFILE OF DIRECTORS

Details of Directors Seeking Re-appointment at the 23rd Annual General Meeting of the Company
Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Name of the Director	**Mr. G V Sanjay Reddy**	**Mr. Rajendra Misra**
Date of Birth	18-11-1964	01-08-1967
Date of Appointment	09-01-1995	13-05-2016
Qualifications	B.E., M.B.A.	LL.B
Expertise in specific functional areas	He holds a Bachelors Degree in Industrial Engineering from Purdue University, USA and MBA (Finance). Mr. G V Sanjay Reddy is the Vice Chairman of GVK, a conglomerate with interests in Energy, Airports, Transportation, Resources, Real Estate, Hospitality and Life Sciences. While he is involved in all areas of businesses, he is instrumental in making GVK the leading private operator in India with Mumbai Airport and now with the development of the Navi Mumbai Airport. He founded GVK Biosciences, which is one of Asia's largest contract research organizations employing more than 2000 scientists. He is involved with GVK EMRI 108 service, which is the world's largest ambulance service offered free of cost to over 800 million people across India and having saved more than two million lives until date. In recognition of his extensive career accomplishments, he was declared the "Emerging Business Leader of the Year" by AIMA Managing India Awards and is one of the 25 Indians chosen as Young Global Leader by the World Economic Forum. He currently serves on the Purdue-India Executive Council and also a member of the Advisory Board of the Ross Business School at The University of Michigan. He has served as the Chairman of the Southern Region Council and the Chairman of Infrastructure Council of the Confederation of Indian Industry; he is an active member of the Young President's Organization (YPO) & the Chief Executives Organization (CEO) and is on the Board of the Jagdish and Kamala Mittal Museum of Indian Art, among others.	He is the General Counsel Taj group of companies. The Legal and Company Secretarial functions at the Taj group report to him. He holds a Bachelor of Laws degree (LLB) from the University of Calcutta, and is a Post Graduate Diploma in Patents Law (PGDPL) from the National Academy of Legal Studies and Research University(NALSAR). He has also completed the Hawkesmere Course on International Intellectual Property Law from London. Mr. Misra is a seasoned legal professional with more than 24 years experience in the legal field. During this period, he has served as in-house legal counsel of several leading business corporations like Hindustan Unilever Limited (HUL) and ITC Limited. He has extensive experience and expertise in various legal fields including Litigation Management, Intellectual Property Management, Competition law, corporate laws, etc.,Before joining the Taj group, Mr. Misra was the Senior Legal Counsel of HUL and a member of the HUL Leadership Team. He led the Legal team partnering the Personal Care and Home Care businesses of HUL, and was the Global Brand Legal Counsel for two iconic Unilever brands - Lifebuoy and Fair & Lovely, apart from serving as the Brand Development Counsel for the South Asia region. Prior to joining HUL, Mr. Misra was the Associate General Counsel of ITC. He began his career as in-house counsel with the Indian Aluminium Company Limited (INDAL).
List of Companies in which outside Directorship held as on 31.03.2018	15	NIL
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31.03.2018	Nil	Nil

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

PROFILE OF DIRECTORS

Details of Directors Seeking Appointment at the 23rd Annual General Meeting of the Company
Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Name of the Director	**Mr. Puneet Chhatwal**	**Mr. Giridhar Sanjeevi**
Date of Birth	16-04-1964	03-12-1963
Date of Appointment	02-02-2018	01-08-2017
Qualifications	MBA IMHI (Cornell—ESSEC), AMP from INSEAD	CA, MBA from IIM Ahmedabad
Expertise in specific functional areas	Mr. Puneet Chhatwal is the Managing Director and CEO of The Indian Hotels Company Limited (IHCL). Mr. Chhatwal is a hospitality industry veteran, with an experience of over three decades. He was previously the Chief Executive Officer of Deutsche Hospitality / Steigenberger Hotels AG. Mr. Chhatwal was Chief Executive Officer (CEO) and Member of Executive Board for close to 5 years for the most traditional German hotel company, Deutsche Hospitality / Steigenberger Hotels AG. Prior to this position, Chief Development Officer (CDO) for over 6 years and Member of Executive Committee of The Rezidor Hotel Group and in senior international leadership roles for almost 20 years. He is a specialist in driving profitable growth leveraging different business models (Managed, Owned, Franchised and Leased) by brand and by geography. Completed over 500 contracts in last 25 years in Europe, Middle East, Africa and Asia.	Mr. Giridhar is the Chief Financial Officer of The Indian Hotels Company Limited (IHCL). Prior to IHCL, he was with Merck & Co, the American Pharma company, where he was the CFO for South Asia and the Business Head for Pakistan, Bangladesh, Sri Lanka and Nepal. Mr. Giridhar started his career in ITC Ltd, where he did a variety of roles across businesses in India and the Middle East. Subsequently, he joined IL&FS as an Investment Banker and head of M&A. In addition, he was also the Head of the operations at Eastern India. Mr. Giridhar spent several years with Diageo plc as their Global Business Development Director at London, covering M&A and Strategy. Earlier, he was the Finance Director at Singapore for large parts of Asia. In a career spanning 30 years, Mr. Giridhar has built a broad based career, both in finance and commercial, and across multiple businesses – FMCG, Financial services, Retail and Pharma - and across multiple geographies Asia and Europe.
List of Companies in which outside Directorship held as on 31.03.2018	8	3
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31.03.2018	5	1

*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 Twenty Third Annual Report of the Company together with the Consolidated and Standalone Audited Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

The Standalone performance of the Company for the financial year ended 31st March, 2018 is as below:

(Rs. In Crores)

Particulars	2017-18	2016-17
Total Revenue	**290.88**	269.77
Operating expenses	**216.44**	204.10
Depreciation	**17.27**	18.13
Finance cost	**24.97**	29.07
Profit before tax	**32.20**	18.47
Tax expense:		
Current tax	**7.40**	-
Deferred tax	**3.61**	7.41
Short provision of tax of earlier years	**-**	0.84
Profit After Tax	**21.19**	10.22
Profit brought forward from previous year	**212.93**	205.72
Profit available for appropriation	**234.12**	215.94
Less: Dividend paid	**2.51**	2.51
Less: Dividend tax	**0.43**	0.51
Profit carried forward to Balance Sheet	**231.18**	212.92
Earnings per share (Rs.)	**3.38**	1.63

COMPANY'S PERFORMANCE

The total Income for the year ended 31st March, 2018 increased by Rs.21.11 Crores or 7.80% to Rs.290.88 Crores. The Company could achieve higher Room and F&B Income for the year under review, due to buyoancy in the markets, where the Company Hotels are located mainly aided by higher occupancy and improved Banqetting business.

The occupancy increased from 57% to 63% and REVPAR also increased from Rs.2973 to Rs.3281.

DEPRECIATION AND FINANCE COSTS

Depreciation for the year was lower at Rs.17.27 crores as compared to Rs.18.13 crores for the previous year.

Finance costs for the year ended 31st March, 2018 was Rs.24.97 crores, which is lower by Rs.4.10 crores than previous year, on account of repayment of term loans as also a reduction in interest costs of the loan portfolio.

TRANSFER OF AMOUNT TO RESERVES

The company does not propose to transfer any amount to reserves.

DIVIDEND

During the financial year 2017-18, the Board of Directors are pleased to declare a dividend of Rs.0.60 (Rupees Sixty Paisa) per equity share of Rs.2/- each (i.e. 30%). The total dividend distribution for the financial year amounts to Rs.376.21 lakhs plus Dividend Distribution Tax of Rs.65.10 lakhs. The total dividend payout shall be 20% of Profit After Tax (PAT) for the year.

The Dividend subject to approval of the Members at the Annual General Meeting on 3rd August, 2018 will be paid on or after 8th August, 2018 to the Members whose names appear in the Register of Members as on the date of Book closure i.e., 28th July, 2018 to 3rd August, 2018 (both days inclusive).

FINANCIAL RESULTS OF JOINT VENTURE (JV) COMPANY

The performance of Green Woods Palaces and Resorts Private Limited, the JV Company for the financial year ended 31st March, 2018 is as below :

(Rs. In Crores)

Particulars	2017-18	2016-17
Total Revenue	**122.73**	99.16
Operating expenses	**74.30**	64.37
Depreciation	**25.66**	25.59
Finance cost	**25.92**	27.25
Profit / (loss) before tax	**(3.15)**	(18.05)
Tax expense:		
Current tax	**-**	-
Deferred tax	**(1.89)**	(5.45)
Short provision of tax of earlier years	**-**	(0.06)
Profit / (loss) after tax	**(1.26)**	(12.54)
Earnings per share (Rs.)	**(0.17)**	(1.67)

CONSOLIDATED FINANCIAL PERFORMANCE

As required under the Listing Agreement entered into with the Stock Exchanges, a consolidated financial statement of the Company which includes Green Woods Palaces and Resorts Private Limited (the JV Company) is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rule, 2015 (as amended). The Company consolidated the proportional Loss after tax in accordance with Accounting Standards of Ind AS 110 read with Ind AS 28.

BORROWINGS / INDEBTNESS

The total long term borrowings of the company stood at Rs.228.62 crores for the year ended 31st March, 2018 as compared to Rs.256.37 crores as at 31st March, 2017 (excluding Ind AS adjustments). The company repaid Rs.27.73 crores of principal during the FY 2017-18.

EXPANSIONS :

BENGALURU HOTEL PROJECT

The Company has been allotted around 7.5 acres land in Yellahanka, Bengaluru for the hotel project. The construction of 2 bridge(s) across the land abutting Company land to connect to the National Highway is completed. During the year under review, the Company has completed the construction of compound wall to secure the site and also completed the rejuvenation of lake in front of the site as per the terms of MOU signed with Bengaluru Development Authority (BDA). The hotel construction will commence upon receipt of statutory approval / clearance shortly.

HOTEL RENOVATION / REFURBISHMENTS :

TAJ KRISHNA

The Company has taken up the phased refurbishments works of Guest Rooms, mock-up designs are finalized, approved and construction of mock up rooms have been completed during the year under review. The Company has taken up Refurbishments / Renovation of 150 Guest Rooms in the FY 2018-19 and expect to complete the entire Guest Rooms renovation in the next 2 years.

Refurbishments is also planned for the Lobby Area and F&B outlets during the FY 2018-19.

TAJ DECCAN

The Company has taken up the phased refurbishments of Guest Rooms in TAJ Deccan and the mock-up design of TAJ Deccan are approved and Company is taking up renovation of 50 Guest Rooms during FY 2018-19.

MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held during the year. Dates of the meetings are given in the Report on Corporate Governance.

DIRECTORS

Re-appointments

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

Resignation

During the year Mr. Rakesh Sarna, Non-Executive Non-Independent Director has tendered his resignation and expressed his desire to resign as Director of the Company with effect from the close of business hours of 30th September, 2017, consequent to his resignation as Managing Director & CEO of Indian Hotels Company Limited (IHCL). The Board of Directors took on record Mr. Rakesh Sarna's valuable contributions / guidance during his tenure as Director of the Company.

Appointments

The Board at its meeting held on 01.08.2017 appointed Mr. Giridhar Sanjeevi as the Additional Director and Board at its another meeting held on 02.02.2018 appointed Mr. Puneet Chhatwal as the Additional Director and these Directors shall hold office upto the date of ensuing AGM. Your Company is inreceipt of notice under section 160 of the Act, from Indian Hotels Company Limited (IHCL) a Promoter Shareholder proposing their candidature for appointment as Director(s), liable to retire by rotation under the category of Non-Executive Non-Independent Director of the Company.

PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), mandates evaluation of performance of Independent Directors, Non Independent Directors and

Chairperson. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. The Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc.

The Chairman of the Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria approved by the Board. The Committee and the Board expressed satisfaction on the performance of each Director.

INDEPENDENT DIRECTORS DECLARATION

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (the Act) and the Listing Regulations.

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors as required under the Schedule IV of the Companies Act, 2013 was held on 26th March, 2018, without presence of Executive Directors and Promoter Directors. Such meeting was conducted to review and evaluate (a) the performance of Non-Independent Directors and the Board as a whole, (b) the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors and (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors expressed their satisfaction with the performance of Non-Independent Directors and the Board as a whole and the Chairman of the Independent Directors meeting briefed the outcome of the meeting to the Chairman of the Board.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. Narender & Associates, Practicing Company Secretaries, (Certificate of Practice No.5024), Hyderabad to undertake the Secretarial Audit of your Company for the financial year 2017-18.

The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks. The Report in Form MR-3 is enclosed as **Annexure-1**.

AUDIT COMMITTEE

Details pertaining to composition of the Audit Committee are included in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board.

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

STATUTORY AUDITORS

M/s. M. Bhaskara Rao & Co., Chartered Accountants (Firm Registration No.000459S) were appointed as Statutory Auditors of your Company to hold office from the conclusion of the 22nd AGM held in the year 2017, until the conclusion of the 27th AGM to be held in the year 2022. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 1st August, 2017.

Auditors Report

There are no qualifications, reservations or adverse remarks made by M/s. M. Bhaskara Rao & Co., Chartered Accountants (Firm Registration No.000459S) Statutory Auditors in their Consolidated and Standalone Audit report for the Financial Year ended 31st March, 2018.

INTERNAL AUDITORS

The Board of Directors of the Company have appointed M/s. Price Waterhouse & Co., as Internal Auditors to perform Internal Audit of the operations of the Company for the Financial Year 2017-18 and the Internal Auditors have presented the observations to the Audit Committee at the meeting held on 17.05.2018.

PUBLIC DEPOSITS

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

INSURANCE

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

CHANGE IN THE NATURE OF BUSINESS

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

THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS

There were no instances of non-compliance by the company and no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

LIQUOR BAN ON NATIONAL HIGHWAY / STATE HIGHWAY

Your Company's Hotels at Chandigarh and Chennai were effected due to Non renewal of Liquor license with effect from 1st April, 2017 consequent to the orders passed by Hon'ble Supreme Court dated 31st March, 2017 in Civil Appeal No's 12164–12166 of 2016 Hon'ble Supreme Court directed all State Governments and Union Territories not to renew liquor license vends which are within 500 meters of National Highway / State Highway. The hotels got permission to open liquor outlets from 1st August, 2017 and the Company's hotels operations were impacted for 4 months.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the company for the financial year ended 31st March, 2018 to the date of signing of the Director's Report.

INFORMATION TO BE FURNISHED UNDER RULE 5(1) OF COMPANEIS (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Disclosure of information under Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in the Director's Report is annexed to this Report.

STATEMENT UNDER RULE 5(2) of COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

There are no employees drawing remuneration of more than Rs.102 lakhs or drawing remuneration of Rs.8.50 lakhs per month if employed part of the year as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

REPORT ON THE INTERNAL FINANCIAL CONTROLS

During the year under review, the company appointed M/s. K S Rao & Co., Chartered Accountants, Hyderabad as consultants to prepare the Risk Matrix and Control Matrix for the company and they had submitted the Report.

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitised and embedded in the business processes. Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

The statutory auditors of the company have tested the financial controls and they have not found any adverse/ non-compliance of the control mechanisms.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Act (to the extent notififed) and guidelines issued by SEBI. Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

a. In the preparation of the annual accounts, the applicable accounting standards (Ind AS) had been followed and that no material departures have been made from the same.

b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e. 31st March, 2018 and of the profit of the Company for that period.

c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. That the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2018 on a going concern basis.

e. They have laid down internal financial controls for the company and such internal financial controls are adequate and were operating efficiently, and

f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION COMMITTEE

Details pertaining to composition of the Nomination and Remuneration Committee are included in the Report on Corporate Governance.

Brief description of terms of reference:

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

NOMINATION AND REMUNERATION POLICY

The objectives of the Policy

1) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

2) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.

3) To carry out evaluation of the performance of Directors.

4) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

5) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The brief policy of Nomination and Remuneration is available on the Company's website at www.tajgvk.in / investor relations / corporate policies.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. As required under Regulations 34 of the Listing Regulations, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' certificate on the compliance of Corporate Governance are annexed and form part of the Annual Report.

RISK MANAGEMENT COMMITTEE

Pursuant to Regulations 21 of the Listing Regulations read with the Listing Agreement entered with the Stock Exchanges, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

SUBSIDIARY / ASSOCIATE COMPANIES

As per the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 (as amended), a separate statement containing the salient features of the financial statements of the Joint Venture in Form AOC-1 is enclosed as **Annexure-2** to this Report.

EXTRACTS OF ANNUAL RETURN

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT-9 is available on the Company's website at www.tajgvk.in / investor relations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee to monitor implementation of CSR activities of your Company. The details of the composition of the CSR Committee, CSR policy, CSR initiatives and activities during the year are given in the Annual Report on CSR activities in **Annexure-3** to this Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The company has not given any Loans / Guarantees and not made any Investments during the FY 2017-18, as required under the provisions of section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the disclosure in the prescribed format is annexed as **Annexure-4**.

ESTABLISHMENT OF VIGIL MECHANISM

The Company has established a mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The policy is available on our website at www.tajgvk.in/investor relations/ corporate policies.

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 regulation 34(2) of the Listing Regulations, a Management Discussion and Analysis Report is set out part of this Report.

ECONOMY AND MARKETS

Economy and markets for the year under review is given in the Management Discussion and Analysis Report.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at www.tajgvk.in under corporate policies. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length and on quarterly basis the transactions done during the quarter are placed before the audit committee for approval / ratification.

All Related Party Transactions are subjected to approval by Audit committee to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

OTHER INFORMATION

The Audit Committee of the Company reviewed the Consolidated and Standalone Financial statements for the year under review at its meeting held on May 17, 2018 and recommended the same for the approval of the Board of Directors.

HUMAN RESOURCES

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

Your Company understands the importance of having the right people with right skills, to deliver the strong and exceptional service and also requisite expertise, which is the basis of our relationships with the guests. To deliver that service and expertise, we are continuously improving our talent pool and are committeed to training and educating the future generation.

Learning and Developments :

The employes are encouraged to develop and manage their careers and this is facilitated by providing relevant Job training and where appropriate, the Company encourages to fill vacancies with existing staff, when the employees are suitably qualified and experienced.

The Company is committed to imporve empoloyee engagement and learning more about the needs of our employees. In addition to our training and development programme, the Company also communicate frequently with the employees and value hightly the committment of the employees and recognise the important role, the communication has in fastering the good working relationships.

The Company also ensure that employees are informed on matters relating to their employment and on financial and economic factors affecting the company's business. At this same time we also seek feedback and Ideas from employees to improve our operations.

The total strength of employees of your Company for the year under review was about 1742 permanent employees which includes Unit staff and Deputed staff and 1220 employees on FTC and outsourced.

QUALITY

Your Company's Hotel properties at Hyderabad, Chandigarh & Chennai are certified by Food Safety and Standards Authority of India (FSSAI) for the desired norms in F&B operations and also TAJ Krishna, Hyderabad certified and assessed as meeting Gold Certification requirements of the Earth Check Standards during the year under review.

LISTING

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees. The company has paid the listing fee for the financial year 2018-19.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. The Company has designated the external independent member as a Chairperson of the Committee.

The following is a summary of sexual harassment complaints received and disposed off during the year 2017-18

Number of complaints received	:	2
Number of complaints disposed off	:	2

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

(I) CONSERVATION OF ENERGY

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

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

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

(II) TECHNOLOGY ABSORPTION

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

(III) FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is hereunder.

(Rs. In lakhs)

Particulars	**March 31, 2018**	March 31, 2017
Earned	**4522.00**	4319.13
Used	**346.34**	408.48

ACKNOWLEDGEMENTS

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from customers, bankers, 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 of the Board of Directors
For **TAJGVK Hotels & Resorts Limited**

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17.05.2018

Annexure - 1

SECRETARIAL AUDIT REPORT

(As per Form No. MR-3)
For the Financial year ended 31.03.2018
(pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
TAJGVK Hotels & Resorts Limited,
(CIN: L40109AP1995PLC019349)
Taj Krishna, Road No.1,
Banjara Hills, Hyderabad – 500034.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TAJGVK Hotels & Resorts Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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

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

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

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

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

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

Based on our verification of the TAJGVK Hotels & Resorts Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by TAJGVK Hotels & Resorts Limited for the financial year ended 31st March, 2018 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
    d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and;
    e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

6. Labour and Industrial Laws, as applicable to the Company, as mentioned in the Annexure.
7. Other laws such as Environmental laws, as mentioned in the annexure, specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

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

We further report that

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

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

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

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

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

LIST OF LABOUR & INDUSTRIAL LAWS

1. The Telangana Shops and Establishment Act, 1988
2. Apprentices Act, 1961
3. Employees State Insurance Act, 1948
4. Employees Provident Fund and Misc. Provisions Act, 1952
5. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
6. Industrial Disputes Act, 1947
7. Payment of Bonus Act, 1965
8. Payment of Gratuity Act, 1972
9. Workmen's Compensation Act, 1923
10. Shops and Establishment Act, 1954
11. Minimum Wages Act, 1948
12. Payment of Wages Act, 1936
13. The Contract Labour (Regulation and Abolition) Act, 1970
14. Maternity Benefit Act, 1961
15. The Trade Unions Act, 1926
16. Equal Remuneration Act, 1976
17. Interstate Migrant Workmen Act, 1979
18. Bonded Labour System (Abolition) Act, 1976
19. Employers' Liability Act, 1938
20. Hotel Receipts Tax Act, 1980
21. Indian Boilers Act, 1923
22. Industrial Employment (Standing Orders) Act, 1946
23. Personal Injuries (Compensation Insurance) Act, 1963
24. The Sexual Harrassment of Women at Workplace (Prevention, Prohibition & Reddressal) Act, 2013.

LIST OF ENVIRONMENTAL LAWS

1. Air (Prevention and Control of Pollution) Act, 1981
2. Environment (Protection) Act, 1986
3. Water (Prevention and Control of Pollution), 1974

For Narender& Associates
Company Secretaries

G Narender
Proprietor
FCS-4898, CoP5024

Place : Hyderabad
Date : 17.05.2018

Annexure-2

Part "B": Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1.	Name of Joint Venture	Greenwoods Palaces and Resorts Pvt Ltd
2.	Latest audited Balance Sheet Date	31.03.2018
3.	Shares of Associate / Joint Ventures held by the company on the year end	3,67,50,000
4.	Amount of Investment in Associates / Joint Venture	Rs. 11,025 Lakhs
5.	Extent of Holding %	48.99% of Equity Share capital
6.	Description of how there is significant influence	As per the Shareholders Agreement, the Joint Venture (JV) Company is jointly controlled by Greenridge Hotels & Resorts LLP and TAJGVK Hotels & Resorts Limited. The Company has right to nominate Directors on the Board of JV Company
7.	Reason why the associate / joint venture is not consolidated	The Company consolidated the proportional Loss after tax in accordance with Accounting Standards of Ind AS 110 read with Ind AS 28 as prescribed under section 133 of the Companies Act, 2013 and rules made thereunder.
8.	Net worth attributable to Shareholding as per latest Audited Balance Sheet	Rs. (1219.55) Lakhs
9.	Profit / Loss for the year i. Loss considered in Consolidation	Rs. (61.77) Lakhs
	ii. Not considered in Consolidation	Not applicable

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

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17.05.2018

Annexure-3

CORPORATE SOCIAL RESPONSIBILITY

Report on Corporate Social Responsibility as per
Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

Brief outline of the Company's CSR Policy, Including overview of projects / programmes undertaken

In terms of section 135 read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of Corporate Social Responsibility (CSR) expenditure incurred by the Company for the FY 2017-18 are provided herein below :

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. :	The CSR Committee discussed and approved to spend amount towards contribution to rejuvenation of Lake at Bengaluru. **Weblink:** The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at www.tajgvk.in/investor relations/corporate policies.
2.	The Composition of the CSR Committee :	Mr. Ch G Krishna Murthy - Chairman Mrs. G Indira Krishna Reddy - Member Mr. D R Kaarthikeyan - Member
3.	Average net profit of the company for last three financial years. :	Rs.1,120.94 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above). :	Rs.22.42 Lakhs
5.	Details of CSR expenses spent during the financial year 2017-18 :	Rs.22.42 Lakhs (*Total of a+b)*
	(a) Total amount to be spent for the financial year 2017-18 :	Rs.22.42 Lakhs
	(b) Amount un spent, if any; :	Nil

c) Manner in which the amount spent during the financial year is detailed below.

(Rs. In lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in which the Project is Covered.**	**Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct on projects or progarms (2) Overheads:**	**Cumulative Expenditure upto the reporting Period.**	**Amount spent Direct or through implementing Agency.**
1	Excavation and rejuvenation of Lake	Excavation of Lake	Local Area, Yellahanka, Bengaluru, Karnataka	22.42	22.42	95.15	Direct
	Total			22.42	22.42	95.15	

Annexure-4

Annexure to Director's Report

Disclosure of Particulars of Loans, Guarantees and Investments under section 186 of the Companies Act, 2013

Amount outstanding as at 31st March, 2018

(Rs. In Lakhs)

Particulars	FY 2017-18 Amount	FY 2016-17 Amount
Loans given	Nil	Nil
Guarantees given	Nil	Nil
Investments made	11026.80	11026.80

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

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17.05.2018

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

Form No. AOC-2

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

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

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

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

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17.05.2018

ANNEXURE TO DIRECTOR'S REPORT

I Information pursuant to Section 134(3)(q) and Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2018 and forming part of the Directors' Report for the said financial year is as under:

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director / KMP and Designation	Remuneration of Director / KMP for financial year 2017-18 (Rs. In lakhs)	% increase in Remuneration in the Financial year 2017-18	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mrs. G Indira Krishna Reddy Managing Director	333.21	8.56%	64.51
2.	Mrs. Shalini Bhupal Executive Director	193.57	7.35%	37.48
3.	Mr. J Srinivasa Murthy * CFO & Company Secretary	77.76	17.23%	15.05

* Includes performance bonus of Rs. 22.77 lakhs pertaining to FY 2016-17 paid during current financial year.

The Independent Directors of the Company are entitled to sitting fees only as per the statutory provisions of the Act. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report.

ii) The median remuneration of permanent employees of the Company during the financial year 2017-18 was Rs.5.17 lakhs.

iii) In the financial year, there was an increase of 15.15% in the median remuneration of employees;

iv) There were 1742 permanent employees which includes the Unit staff and Deputed Staff as on 31st March, 2018. The number of employees on FTC / outsourced are 1220.

v) Price Earnings ratio of the Company was 51 as at 31st March, 2018 and was 97 as at 31st March, 2017.

vi) Average percentage increase made in the salaries of employees other than the managerial personnel inthe last financial year i.e. 2017-18 was 15.15% whereas the increase in the managerial remuneration for the financial year was 9.20%.

vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

The brief policy of Nomination and Remuneration is available on the Company's website at www.tajgvk.in/investor relations / corporate policies.

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

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17.05.2018

MANAGEMENT DISCUSSION AND ANALYSIS

Forward Looking Statement

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law.

Global Overview

Global economic recovery gathered pace, with the world economy growing at 3.7% in CY 2017, aided by across-the board recovery in developed economies, i.e. United States, European Union and Japan. Growth in Non-OECD markets, however, remained modest. Green shoots of trade recovery that was seen towards the end of CY 2016, continued in CY 2017, aided by the recovery in global demand and a sustained increase in major commodity prices. The sustained rise in global trade was led by a pickup in import demand in developed markets. While this augurs well for underlying demand trends, there are risks emerging from rising protectionism and trade tensions between major economies, and from geo-political developments in North East Asia and the Middle East.

Growth accelerated in the US as the economy approached full employment, labor markets tightened and inflation started creeping higher. The US Federal Reserve continued with the interest rate normalization cycle in FY 2017-18 by increasing rates thrice, in June, 2017, December, 2017 and March, 2018. The world is slowly coming out of the low interest rate and abundant liquidity regime as advanced economies normalize monetary policy.

India Overview

The FY 2017-18 marked a significant economic reform/ measure by the government: The Goods and Services Tax (GST) was implemented from July, 2017 as the nation moved to 'one nation-one tax'. The reform measure has helped India move into the Top 100 Club in World Bank's 'Global Ease of Doing Business' rankings. The Indian economy continued to grow strongly, as the economy recovered in the 2nd half post stabilization of the GST regime. Gross Domestic Product growth rate in FY 2017-18 was 6.7%, supported by consumption growth and government spending. With improving investments, there are signs that a recovery is underway. Industrial activity has rebounded with strong industrial production growth, led by a rise in consumption, manufacturing and electricity generation. Strong vehicle sales growth and improvement in road freight transport following stabilization of GST are further positive signs for continuing demand growth. Services indicators also show positive trends with services credit, services exports and imports clocking double digit growth.

Indian tourism Industry

Tourism has now become a significant industry in India. It is a sun rise industry, an employment generator, a significant source of foreign exchange for the country. Tourism in India is the third largest foreign exchange earner of the country. The booming tourism industry has had a cascading effect on the hospitality sector with an increase in the occupancy ratios and average room rates.

Tourism is a major engine of economic growth and an important source of employment & foreign exchange earnings in many countries including India. It has great capacity to create large scale employment of diverse kind – from the most specialized to the unskilled and hence can play a major role in creation of additional employment opportunities. It can also play an important role in achieving growth with equity and sustainability.

The Ministry of Tourism has the main objective of increasing and facilitating tourism in India. Augmenting tourism infrastructure, easing of visa regime, assurance of quality standards in services of tourism service providers, projecting the country as a 365 days' tourist destination, promoting tourism in a sustainable manner, etc. are some of the policy areas which need to be constantly worked upon to increase and facilitate tourism in India. Ministry of Tourism is according priority for holistic development of tourism destinations into world class destinations using a cluster approach including development of infrastructure, amenities, interpretation centre's and skill development by achieving synergy and convergence with other Central Ministries, State Governments and Industry Stakeholders. As a step in this direction, Ministry of Tourism has recently launched the 'Adopt A Heritage' project. Heritage sites are being offered for adoption by the public sector, private sector and individuals to become 'Monument Mitra's for developing amenities and facilities at these sites under this programme.

India's Tourism sector has been performing well with Foreign Tourist Arrivals (FTAs) growing by 9.7% to 8.8 million and Foreign Exchange Earnings (FEEs) at 8.8% to US$ 22.9 billion in 2016. FTAs during 2017 were 10.2 million, with a growth of 15.6%, while FEEs from tourism were US$ 27.7 billion, with a growth of 20.8% over 2016. Domestic tourist visits grew by 12.7% to 1,614 million in 2016 from 1,432 million in 2015. Tamil Nadu, Uttar Pradesh, Andhra Pradesh, Madhya Pradesh and Karnataka were the Top 5 Destination States in 2016.

Various initiatives have been taken by the Government to promote tourism include the introduction of the e-Visa facility under three categories of Tourist, Medical and Business for the citizens of 163 countries; launch of Global Media Campaign for 2017-18 on various Channels; launch of 'The Heritage Trails' to promote the World Heritage Sites in India; launch of International Media Campaign on various international TV channels; Celebration of 'Paryatan Parv' having 3 components namely 'Dekho Apna Desh' to encourage Indians to visit their own country, 'Tourism for All' with tourism events at sites across all states in the country, and 'Tourism & Governance' with interactive sessions & workshops with stakeholders on varied themes. FTAs on e-Tourist Visa grew by 143% to 10.8 lakh in 2016, and further grew by 57.2% to 17.0 lakh during 2017.

Wellness Tourism

Wellness Tourism is about travelling for the primary purpose of achieving, promoting or maintaining maximum health and a sense of well-being. It is about being proactive in discovering new ways to promote a healthier, less stressful lifestyle or finding balance in one's life. Health Tourism holds immense potential for India. The Indian systems of medicine, that is Ayurveda, Yoga, Panchakarma, Rejuvenation Therapy, etc., are among the most ancient systems of medical treatment, in the world. India can provide medical and health care of international standard at comparatively low cost. Most of the hotels/resorts are coming up with Ayurveda Centres. The leading tour operators have included Ayurveda in their brochures.

The Ministry of Tourism has issued guidelines for the promotion of Wellness as a Niche Tourism Product. These guidelines address various issues including inter alia, making available quality publicity material, training and capacity building for the service providers and participation in international & domestic wellness related events.

As per world travel and tourism Council (WTTC), India is one of the favorite tourist destinations from the year 2009 and will continue to be one of the favorite tourist destination.. Further, the Travel and Tourism Competitiveness Report by World Economic Forum, has ranked India at the sixth place in tourism and hospitality

The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). According to the data released by Department of Industrial Policy and Promotion (DIPP), the hotel and tourism sector attracted around US$ 10.6 billion of FDI during the FY17-18.

The hotel industry in India thrives largely due to the growth in tourism and travel. Due to the increase in tourism with rising foreign and domestic tourists, hotel sector is bound to grow. There is an emergence of budget hotels in India to cater to much of the population who seek affordable stay. International companies / foreign brands are also increasingly looking at setting up or increasing their portfolio of branded hotels. Imbalance in increase in tourists both domestic and foreign and not been supported with equal number of rooms is a latent source of opportunity for growth for hotel companies.

Supply

It is expected that the hotels industry is expected to fall short of meeting the long term demands of an economy growing at about 7% p.a. Regarding the supply from foreign nations, around 40 international brands are said to enter the country in the next five years (as per Cygnus estimates).

Demand

Largely depends on business travelers but tourist traffic is also on the rise. Also, there is seen an increasing demand for medical tourism. Demand normally spurts in the peak season between November and March.

Barriers to entry

Economic risks, high capital costs, competition in the industry, poor infrastructure facilities and scarcity of land.

Bargaining power of suppliers

Limited due to higher competition, especially in metros.

Bargaining power of customers

Higher in metros due to increasing room supply.

Competition

Intense in metros, slowly picking up in Tier-2 and Tier-3 cities. Competition has picked up due to the entry of foreign hotel chains. Also, there is an increasing competition from the startups / online industry due to the increasing penetration of the internet.

Prospects:

The long term, the demand-supply gap in India is very real and that there is need for more hotels. The shortage is especially true within the budget hotels and the mid-market hotels segment. There is an urgent need for budget and mid-market hotels in the country as travelers look for safe and affordable accommodation. Various domestic and international brands have made significant inroads into this space and more are expected to follow as the potential for this segment of hotels becomes more obvious.

Apart from the above, the Indian government has realised the country's potential in the tourism industry and has taken several steps to make India a global tourism hub. The "Clean India" campaign and development of inland waterways for transport and tourism are projects that have gained momentum over the previous year. Additionally, programmes such as "Make in India" and the "Smart Cities" initiative have highlighted the Government's support to skill development and investments in Hospitality and Tourism.

Apart from the above initiatives, the government has proactively sought foreign investment from countries such as China, the United States and Japan, leading to an increase of business related travel to the country. India, after China, is considered as one of the most lucrative hotel markets in the world and has the second largest construction pipeline in Asia. Growing affluence, potential for economic growth, increases in disposable incomes and the burgeoning middle class are expected to drive both leisure and business travel in the coming years.

The long-term outlook for the Indian hospitality business continues to be positive, both for the business and leisure segments. The sector has potential for growth on the back of increases in disposable incomes, increase in foreign tourist arrivals, momentum from government-led initiatives, and the burgeoning middle-class population.

Total contribution by travel and tourism sector to India's GDP is expected to increase from Rs.15.24 trillion (US$ 234.03 billion) in 2017 to Rs.32.05 trillion (US$ 492.21 billion) in 2028. India ranked 7th among 184 countries in terms of travel & tourism's total contribution to GDP in 2017.

FINANCIALS

Revenues: Income has increased by 7.80% to Rs.290.88 crores from Rs.269.77 crores in the previous year.

The room revenues rose by10% to Rs.128.83 crores from Rs.117.51 crores. The Food & Beverage income was Rs.134.77 crores a rise of 5% compared to previous year's Rs.127.90 crores.

Expenditure:

- The total expenditure increased by 6.05% to Rs.216.44 crores from Rs.204.10 crores in the previous year due to the effect of inflation.
- Payroll cost increased by 3.13% from Rs.60.58 crores to Rs.62.48 crores.
- Other operating expenses were higher by 2% as compared to previous year mainly on account of rise in cost of raw material and other costs as a result of inflation.

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

EBIDTA registered an increase of Rs.8.43 crores to Rs.74.25 crores in 2017-18 from Rs.65.82 crores in the previous year.

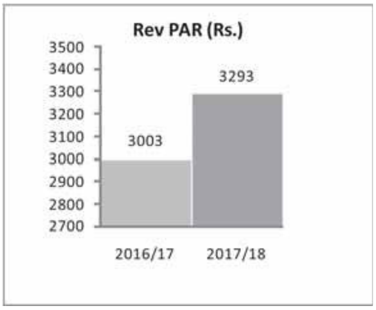
Profit before Tax:

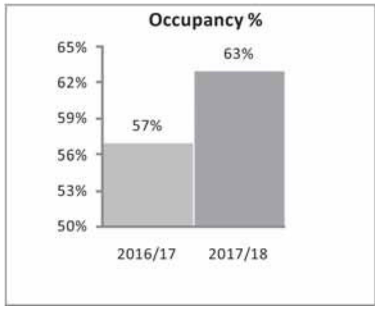
The company reported a Profit before tax of Rs.32.20 crores as compared to profit before tax of Rs.18.47 crores in the previous year.

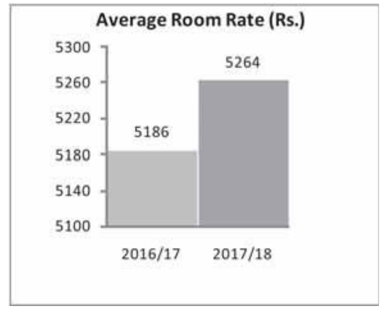
Profit after Tax:

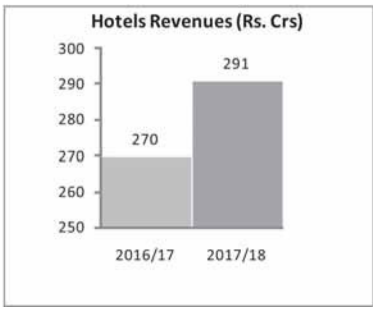
The company reported a Profit after tax of Rs.21.19 crores as compared to a proft after tax of Rs.10.22 crores in theprevious year.

KEY PERFORMANCE INDICATORS ARE AS FOLLOWS:
The Company achieved profitable growth and improved Asset Returns for the Company

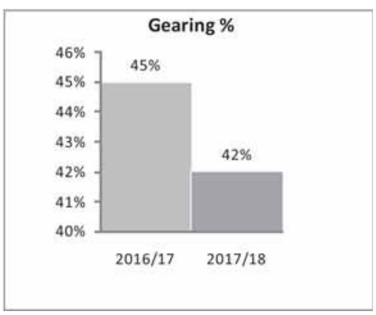


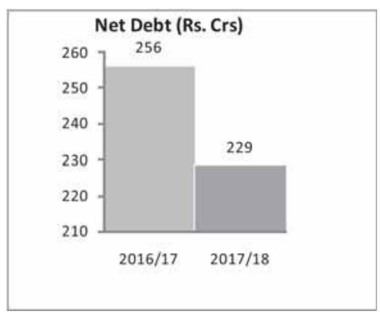




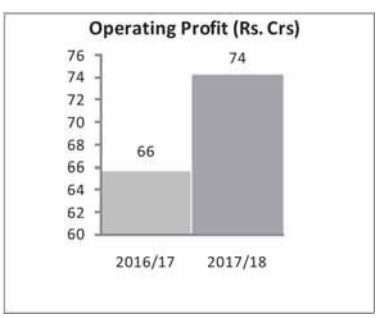


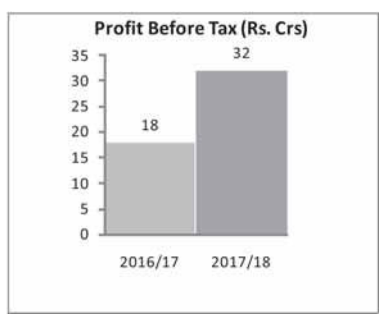
Financial Leverage: To ensure a sound Financial base, in order to provide a solid platform for the growth of the Company.





Cost Controls Mechanism : To ensure costs remain in line with revenue movements through a constant monitoring of expenses, technological advancements to drive efficiency across the hotels.





Financial Position: The Company interest coverage ratio for the year ended 31st March, 2018 is 2.28 times (2017: 1.96 times).

As at 31st March, 2018 the Company had 14.61 crores of cash and bank balance and Rs.30 crores as undrawn credit facilities, which provide the Company financial flexibility.

As at 31st March, 2018 the Company's Net debt amounted to Rs.228.62 crores (2017: 256.37 crores).

Internal Controls

Your Company's Internal Auditors carryout audit of the transactions of the Company at all the hotels and thecorporate office periodically, in order to ensure that recording and reporting are adequate and proper. TheInternal Audit also verifies whether internal controls and checks & balances in the systems are adequate, properand up to date. Corrective actions for any weaknesses in the system that may be disclosed by the Audits are taken.

HUMAN RESOURCES:

Human Capital

The term human capital formation means, "The process of acquiring and increasing the number of persons whohave the skills, education and experience which are critical for the development of the company. Moderntechnology is becoming more and more complex. With the growth of science, machinery and equipment arebecoming more sophisticated. Their efficient operation requires skill and technical knowledge. Therefore, capitaldevelopment is very significant and your Company endeavours to take a more strategic and supportiveapproach 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 Humanresources capital. In line with the corporate guidelines, the '**STARS**'-Special Thanks and Recognition System isbeing 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 TownHall meetings. Customary meetings are organized with the associates at department and hotel level.

Market Size

India is the most digitally-advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism. The number of Foreign Tourist Arrivals (FTAs) increased 10.8 per cent year-on-year to 3.88 million

The travel & tourism sector in India accounted for 8 per cent of the total employment opportunities generated in the country in 2017, providing employment to around 41.6 million people during the same year. The number is expected to rise by 2 per cent annum to 52.3 million jobs by 2028.

International hotel chains are increasing their presence in the country, as it will account for around 47 per cent share in the Tourism & Hospitality sector of India by 2020 & 50 per cent by 2022

Road Ahead

India's travel and tourism industry has huge growth potential. The tourism industry is also looking forward to the expansion of E-visa scheme which is expected to double the tourist inflow to India. India's travel and tourism industry has the potential to expand by 2.5 per cent on the back of higher budgetary allocation and low cost healthcare facility, according to a joint study conducted by Assocham and Yes Bank.

The launch of several branding and marketing initiatives by the Government of India such as 'Incredible India!' and 'Athiti Devo Bhava' has provided a focused impetus to growth. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country. Incredible India 2.0 campaign was launched in September 2017. The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

1. A. RELATED PARTY DISCLOSURE

Transactions with related parties are disclosed in the Notes to Accounts and all the transactions with related parties are at arms' length and in compliance with transfer pricing regulations.

All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors.

In terms of the provisions of the Companies Act, 2013 and Listing Agreement entered with the Stock Exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions.

The policy is placed on the Company's website at: www.tajgvk.in/investor relatios/corporate policies

B. MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT

1. The report on MDA is annexed to the Boards' Report.
2. Disclosure of Accounting Treatments:

The Company has followed the Indian Accounting Standards (Ind AS) in preparation of its Financial Statements.

C. CORPORATE GOVERNANCE:

The Company is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of Promoter, Executive and Independent Directors on the Board.

Corporate Governance is the interaction between various participants (Shareholders, Board of Directors, and Company's Management) in shaping corporation's performance and the way it is proceeding towards carrying the business as per the stakeholders' desires and it is actually conducted by the Board of Directors and the concerned committees for the company's stakeholder's benefit. It is all about balancing individual and societal goals, as well as, economic and social goals.

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.

2. BOARD OF DIRECTORS

The Company is in compliance with the Corporate Governance norms in terms of constitution of the Board of Directors. The Board of the Company is composed of eminent individuals from diverse fields. As on the date of this report, the Board of Directors comprises 16 Directors (one Non-Executive Chairman, one Managing Director, one Executive Director, eight Non-Executive Independent Directors, and five Non-Executive Promoter Directors).

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	Directorships in companies under Section 165 as on 31st March, 2018			No. of other Committee positions held Chairman	
		Listed Public	Unlisted Public	Unlisted Private	Member (1)	Chairman (2)
Dr GVK Reddy DIN 00005212	Promoter Non-Executive Chairman	2	5	8	-	-
Mrs. G Indira Krishna Reddy DIN 00005230	Promoter Managing Director	1	-	6	2	-
Mrs. Shalini Bhupal DIN 00005431	Promoter Executive Director	1	2	7	1	-
Mr. G V Sanjay Reddy DIN 00005282	Promoter Non-Executive Director	2	5	9	-	-
Mr. Krishna R Bhupal DIN 00005442	Promoter Non-Executive Director	2	4	7	2	-
Mr. Puneet Chhatwal DIN 07624616 (from 02.02.2018)	Promoter Non-Executive Director	3	5	-	4	1
Mr. Rakesh Sarna DIN 01875340	Promoter Non-Executive Director	Refer Note (3)				
Mr. Rajendra Misra DIN 07493059	Promoter Non-Executive Director	1	-	-	-	-
Mr. Giridhar Sanjeevi DIN 06648008 (from 01.08.2017)	Promoter Non-Executive Director	3	4	-	1	-
Mr. K Jayabharath Reddy DIN 00038342	Independent Non-Executive Director	2	1	-	-	4
Mr. D R Kaarthikeyan DIN 00327907	Independent Non-Executive Director	5	2	1	7	-
Mr. C D Arha DIN 02226619	Independent Non-Executive Director	1	6	-	5	1
Mr. M B N Rao DIN 00287260	Independent Non-Executive Director	4	4	4	5	4
Mr. Ch G Krishna Murthy DIN 01667614	Independent Non-Executive Director	2	3	1	3	5
Mr. S Anwar DIN 06454745	Independent Non-Executive Director	2	-	-	2	1
Mr. A Rajasekhar DIN 01235041	Independent Non-Executive Director	1	-	4	-	-
Mrs. Santha John DIN 00848172	Independent Non-Executive Director	2	-	1	-	-

Notes:

1) Excluding directorships outside of India.

2) Membership or Chairmanship in Audit Committee and Stakeholder Relationship Committee of all public limited companies as on 31st March, 2018, whether listed or not, including TAJGVK.

3) Resigned as Director on 30.09.2017

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

Board Meetings

During the year ended 31st March, 2018, Four Board Meetings were held on 17.05.2017, 01.08.2017, 02.11.2017 and 02.02.2018. Attendance details of each Director at the Board Meetings during the financial year ended 31st March, 2018 and the last Annual General Meeting are given below:

Name	No.of Board Meetings held during the tenure of the Director	No. of Board Meetings attended	Attendance at last AGM held on 1st August, 2017
Dr. GVK Reddy DIN 00005212	4	4	Yes
Mrs. G Indira Krishna Reddy DIN 00005230	4	4	Yes
Mrs. Shalini Bhupal DIN 00005431	4	3	Yes
Mr. G V Sanjay Reddy DIN 00005282	4	4	Yes
Mr. Krishna R Bhupal DIN 00005442	4	4	Yes
Mr. Puneet Chhatwal * DIN 07624616	1	1	NA
Mr. Rakesh Sarna ** DIN 01875340	2	2	No
Mr. Rajendra Misra DIN 07493059	4	4	Yes
Mr. Giridhar Sanjeevi * DIN 06648008	2	2	NA
Mr. K Jayabharath Reddy DIN 00038342	4	4	Yes
Mr. D R Kaarthikeyan DIN 00327907	4	4	Yes
Mr. C D Arha DIN 02226619	4	4	Yes
Mr. M B N Rao DIN 00287260	4	2	No
Mr. Ch G Krishna Murthy DIN 01667614	4	4	Yes
Mr. S Anwar DIN 06454745	4	4	Yes
Mr. A Rajasekhar DIN 01235041	4	4	Yes
Mrs. Santha John DIN 00848172	4	4	Yes

* Mr. Giridhar Sanjeevi, appointed w.e.f. 01.08.2017 as Non-Executive and Non-Independent Director.
Mr. Puneet Chhatwal, appointed w.e.f. 02.02.2018 as Non-Executive and Non-Independent Director.

** Mr. Rakesh Sarna resigned as Director w.e.f. 30.09.2017

Disclosure of relationship between directors inter-se

1. List of relatives of Dr GVK Reddy, Chairman

Name and Designation	Relationship
Mrs. G Indira Krishna Reddy, Managing Director	Spouse
Mrs. Shalini Bhupal, Executive Director	Daughter
Mr. G V Sanjay Reddy, Director	Son
Mr. Krishna R Bhupal, Director	Grandson

2. All the other Directors on the Board are not related to each other.

Shares held by Non-Executive Directors

Dr GVK Reddy, Chairman is holding 38,05,981 equity shares, Mr Krishna R Bhupal is holding 1,17,23,679 equity shares and all other Non-Excutive Directors are not holding any shares in the Company.

Familiarization program imparted to Independent Directors

Senior management personnel of the Company make presentations to the Board Members on a periodical basis, briefing them on the operations of the Company, loans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, the Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on material events, Whistle blower policy, Risk Management Policy, Policy on Anti-Corruption and Anti-Bribery, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility policy.

3. AUDIT COMMITTEE

Brief description of terms of reference:

The terms of reference of the Audit Committee are covering the matters specified for Audit Committee under Regulation 18 read with Part C of Schedule II to the Listing Regulations and Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee inter alia, is to review the financial statements including changes in accounting policies and practices before submission to the Board, recommending the appointment of statutory and internal auditors including fixation of audit fee, Review the internal auditors' findings and also to review the company's financial and risk management policies.

Composition and attendance details of the Committee meetings are as follows:

The Audit Committee consists of 6 Non-Executive Directors, of whom 4 are Independent Directors. The Audit Committee has met 4 times during the financial year 2017-18 on 17.05.2017, 01.08.2017, 02.11.2017 and 02.02.2018.

The constitution of the Audit Committee and attendance details during the financial year ended 31st March, 2018, are given below:

Name of the Member	Designation	No.of meetings held	No.of meetings attended
Mr. K Jayabharath Reddy	Chairman, Independent Director	4	4
Mr. Krishna R Bhupal	Member, Non-Executive Director	4	4
Mr. Puneet Chhatwal (from 02.02.2018)	Member, Non-Executive Director	1	1
Mr. Rakesh Sarna (upto 30.09.2017)	Member, Non-Executive Director	2	2
Mr. M B N Rao	Member, Independent Director	4	2
Mr. D R Kaarthikeyan (upto 01.08.2017)	Member, Independent Director	2	2
Mr. C D Arha (upto 01.08.2017)	Member, Independent Director	2	2
Mr. Ch G Krishna Murthy (from 01.08.2017)	Member, Independent Director	2	2
Mr. S Anwar (from 01.08.2017)	Member, Independent Director	2	2

The representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings. The representatives of Statutory Auditors, Executives from Accounts, Finance and Secretarial department(s) attend the Audit Committee meetings. The Internal Auditors attend the Audit Committee meeting where Internal audit report is discussed. The Internal Auditor reports directly to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 1st August, 2017.

4. NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference

The terms of reference of the Committee are in line with the requirements of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The Committee has been constituted to recommend / review the remuneration package of the Managing / Whole-Time Directors, nomination of Directors / Key Managerial Personnel and one level below the Board along with the heads of department apart from deciding other matters such as framing and implementation of stock option plans to employees, etc. The remuneration policy is directed towards rewarding performance based on review of achievements which are being reviewed periodically which is in consonance with the existing industry practices.

Composition, name of members and Chairperson

The Nomination and Remuneration Committee has met 1 time during the financial year 2017-18 i.e., on 17.05.2017. The constitution of the Committee and attendance details during the financial year ended 31st March, 2018, are given below:

Name of the Member	Designation	No.of meetings held	No.of meetings attended
Mr. K Jayabharath Reddy	Chairman, Independent Director	1	1
Mr. D R Kaarthikeyan	Member, Independent Director	1	1
Mr. C D Arha	Member, Independent Director	1	1
Mr. Rakesh Sarna (upto 30.09.2017)	Member, Non-Executive Director	1	1
Mr. Krishna R Bhupal (from 02.02.2018)	Member, Non-Executive Director	-	-
Mr. Puneet Chhatwal (from 02.02.2018)	Member, Non-Executive Director	-	-
Mr. M B N Rao (from 02.02.2018)	Member, Independent Director	-	-

Performance evaluation of Directors

Pursuant to applicable provisions of the Companies Act, 2013 and Listing Regulations, the Board in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Committees of Board, Non-Independent Directors, Managing Director, Executive Director and Chairperson of the Board.

The evaluation of all Directors of the Board and all Committees of the Board discussed in Directors Report.

5. Meeting of Independent Directors

A Separate meeting of the Independent Directors was held on 26.03.2018, inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole and Chairman of the Company. Inputs and suggestions received from the Directors were considered at the Board meeting.

6. **REMUNERATION OF NON-EXECUTIVE DIRECTORS :**

- Transactions with any Non-Executive Directors of the Company.
- Non-Executive Directors other than IHCL Nominee Directors are paid Sitting Fees for attending the Board Meetings / Committee meetings.

The Remuneration paid to the Whole time Director(s) during the year ended 31st March, 2018 is as follows:

Name of the Director	Gross Salary (Rs. in Lakhs)	Stock Option	Sweat Equity	Commission	Total (Rs. in Lakhs)	No. of shares held
Mrs. G Indira Krishna Reddy Managing Director	333.21	-	-	-	333.21	37,62,966
Mrs. Shalini Bhupal Executive Director	193.57	-	-	-	193.57	1,17,25,180

7. **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Committee comprises of two Members Mr. Ch G Krishna Murthy, Chairman, Mrs. G Indira Krishna Reddy, Member and Mr. J Srinivasa Murthy, Company Secretary and Compliance Officer acts as Secretary of the Committee. The responsibilities of the Committee include Redressal of all shareholders complaints and grievances.

TERMS OF REFERENCE OF STAKEHOLDERS' RELATIONSHIP COMMITTEE INTER ALIA INCLUDE THE FOLLOWING

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share / debenture certificates
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non receipt of declared dividend and so on.
- Oversee the performance of the Company's Registrars and Share Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Perform such other functions as may be necessary or appropriate for the performance of its duties
- Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable.

The Committee has met 4 times during the financial year 2017-18 on 17.05.2017, 01.08.2017, 02.11.2017 and 02.02.2018. The attendance details for the Committee meeting is as follows:

Name of the Member	Designation	No.of meetings held	No.of meetings attended
Mr. Ch G Krishna Murthy	Chairman, Independent Director	4	4
Mrs. G Indira Krishna Reddy	Member, Executive Director	4	4

The Share Transfer Committee of the Company, 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, 2017 to March, 2018, 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	-	-
2	Non-receipt of dividend warrant	115	115
3	Non-receipt of Demat credit / Remat certificate	-	-
4	Non-receipt of Annual Report	15	15
5	Change of Address	66	66
6	Bank Details / Mandate	17	17
7	Issuing new share certificate(s) in lieu of erstwhile Hotel Sree Krishna Limited share certificate(s) received for exchange	29	29
8	Stop Transfer / Procedure for duplicate share certificate	32	32
9	Indemnity / Affidavit – duplicate	16	16
10	Remat Request	-	-
11	Revalidation / Replacement of Dividend Warrant	-	-
12	Procedure for Transfer / Transmission / Name Deletion	13	13
13	Registration of Signature	-	-
14	Confirmation of details	-	-
15	Others	2	2
	TOTAL	**305**	**305**
	Complaints received from:		
1	SEBI	9	9
2	Stock Exchange	-	-

8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee provides guidance on CSR activities to be undertaken by the Company. The terms of reference for the CSR Committee include:

1. Formulate a CSR policy which shall indicate activities to be undertaken by the Company
2. Recommend the CSR policy to the Board
3. Recommend the amount of expenditure to be incurred on the activities
4. Monitor the policy from time to time as per the CSR policy.

During the year ended 31.03.2018, Two CSR Committee Meetings were held on 17.05.2017 and 26.03.2018. The constitution of the CSR Committee and attendance details during the financial year ended 31st March, 2018 are given below:

Name of the Member	Designation	No.of meetings held	No.of meetings attended
Mr. Ch G Krishna Murthy	Chairman, Independent Director	2	2
Mrs. G Indira Krishna Reddy	Member, Executive Director	2	2
Mr. D R Kaarthikeyan	Member, Independent Director	2	2

9. RISK MANAGEMENT COMMITTEE

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

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

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

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

10. COMPLIANCE OFFICER

Mr. J. Srinivasa Murthy, CFO & Company Secretary is Chief Compliance Officer of the Company for complying with requirements of Securities Laws.

11. PREVENTION OF INSIDER TRADING

As per the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr. J Srinivasa Murthy, CFO & Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. The Code of Conduct is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company. During the year under review there has been due compliance with the said code.

12. COMPLIANCE

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued thereunder, as applicable and Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

13. POST MEETING FOLLOW-UP MECHANISM

The guidelines for Board and Board Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments / divisions. Action taken report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board / Committees for noting.

14. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

The Company Secretary records minutes of proceedings of each Board, Committee and General Meeting. Draft minutes are circulated to Board / Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

15. COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)(B) TO (I) OF LISTING REGULATIONS

Sl. No.	Particulars	Regulation	Compliance Status Yes / No/N.A.	Compliance observed for the following during the financial year 2017-18
1	Board of Directors	17	Yes	• Composition • Number of meetings • Review of compliance reports • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to non-executive Directors • Minimum information to be placed before the Board • Compliance Certificate • Risk assessment and management • Performance evaluation of Independent Directors
2	Audit Committee	18	Yes	• Composition • Number of meetings • Powers of the Committee • Role of the Committee and review of information by the Committee
3	Nomination and Remuneration Committee	19	YES	• Composition • Role of the Committee
4	Stakeholders Relationship Committee	20	YES	• Composition • Role of the Committee
5	Risk Management Committee	21	YES	• Composition • Role of the Committee
6	Vigil Mechanism	22	YES	• Formulation of Vigil Mechanism for Directors and employees • Director access to Chairperson of Audit Committee
7	Related Party Transactions	23	YES	• Policy on Materiality of Related Party transactions and dealing with Related Party Transactions • Approval including omnibus approval of Audit Committee • Review of Related Party transactions • There were no material Related Party transactions
8	Obligations with respect to Independent Directors	25	YES	• Maximum directorships and tenure • Meetings of Independent Directors • Familiarisation of Independent Directors
9	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	26	YES	• Memberships / Chairmanships in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosure of shareholding by non-executive Directors • Disclosures by Senior Management about potential conflicts of interest • Agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by key managerial persons, director and promoter
10	Other Corporate Governance requirements	27	YES	• Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance
11	Website	46(2)(b) to (i)	YES	• Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management • Personnel Details of establishment of Vigil Mechanism / Whistle Blower policy • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries

16. GENERAL BODY MEETINGS

Year	Date	Time	Meeting	Venue
2016-17	01.08.2017	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad
2015-16	04.08.2016	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad
2014-15	28.07.2015	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad

Special Resolutions passed during last three years :

Year	Date	Meeting	Special resolutions passed with requisite majority
2016-17	01.08.2017	AGM	1) Waiver of excess remuneration paid to Managing Director for the financial year 2016-17 2) Waiver of excess remuneration paid to Executive Director for the financial year 2016-17
2015-16	04.08.2016	AGM	1) Waiver of excess remuneration paid to Managing Director for the financial year 2015-16 2) Waiver of excess remuneration paid to Executive Director for the financial year 2015-16 3) Change the Registrar and Share Transfer Agent of the Company from M/s. Karvy Compoutershare Pvt Ltd to M/s. Venture Capital & Corporate Investments Pvt Ltd.
2014-15	28.07.2015	AGM	1) Re-appointment of Mrs. G. Indira Krishna Reddy, as Managing Director 2) Waiver of excess remuneration paid to Managing Director for the financial year 2014-15 3) Waiver of excess remuneration paid to Executive Director for the financial year 2014-15

17. MEANS OF COMMUNICATION

Quarterly, Half-Yearly and Annual results of the Company are published in newspapers, Business Standard and Andhra Prabha. These results are promptly submitted to the Stock Exchanges facilitating them to display the same on their website.

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.

The Company's results and other quarterly reports are available on the Company's website www.tajgvk.in

a) Quarterly results:

The quarterly results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

b) Newspapers wherein results normally published:

The results of the Company are published in widely circulated newspapers namely Business Standard (English daily) and Andhra Prabha (Telugu daily).

c) Any website, where displayed

The Financial results of the Company are displayed on the Company's website: www.tajgvk.in

d) Whether it also displays official news releases

Official news releases along with quarterly results are displayed on the Company's website: www.tajgvk.in

e) Presentations made to institutional investors or to the analysts

No presentations were made to the investors / analysts during the year the review.

18. SHAREHOLDERS INFORMATION :

1. Annual General Meeting

Date, time & Venue : 3rd August, 2018, 11.30 A.M.
Sri Sathya Sai Nigamagamam
8-3-987/2, Srinagar Colony, Hyderabad – 500 073

2. Share transfer book closure dates : 28th July, 2018 to 3rd August, 2018
(Both days inclusive)

3. Financial Year Calendar 2018-19

Financial Results Reporting

For the quarter ending June 30, 2018 : 3rd August, 2018
For the quarter ending September 30, 2018 : 1st November, 2018
For the quarter ending December 31, 2018 : 1st February, 2019
For the quarter ending March 31, 2019 : April / May, 2019

4. Listing of Stock Exchanges : Company's equity shares are listed at:

Name and Address of the Stock Exchange	Scrip Code
National Stock Exchange of India Ltd Exchange Plaza, 5th Floor, Plot No.C/1,G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051	**TAJGVK**
Bombay Stock Exchange Ltd 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 013	**532390**

Listing fees for and up to the year 2018-19 have been paid to the above Stock Exchanges.

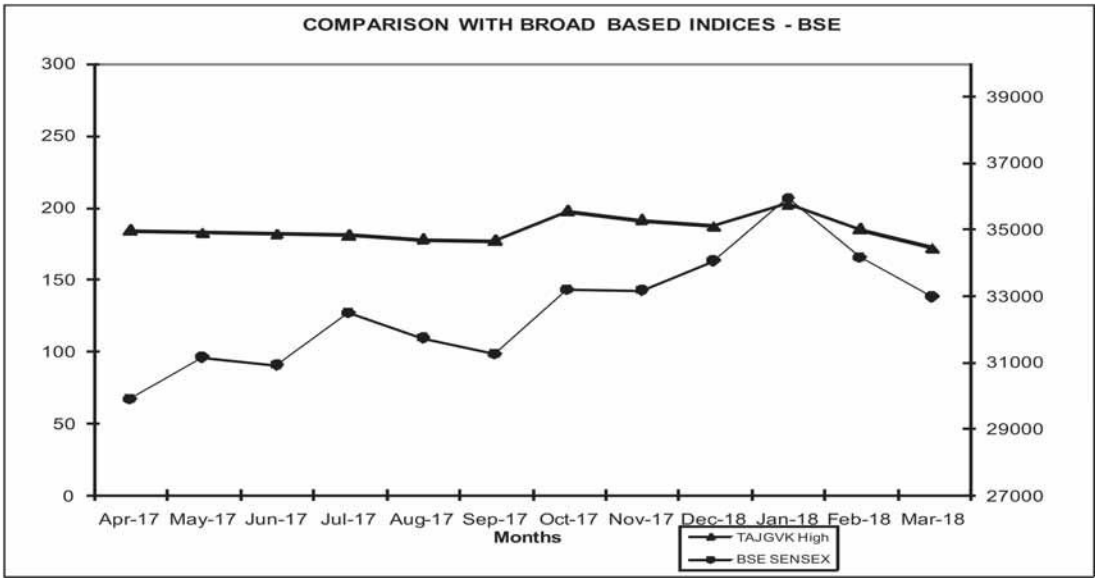
5. Demat ISIN Numbers in NSDL & CDSL Equity shares : INE586B01026

19. STATEMENT OF CHANGES IN SHARE CAPITAL

Date of Allotment	Number of Shares	Issue Price (Rs.)	Consideration	Reasons for Allotment	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
2nd February, 1995	700	10	Cash	Subscribers to Memorandum	7,000	-
28th June, 2000	10,164,599	10	Other than cash	As per Scheme of Arrangement	101,652,990	73,075,000
28th June, 2000	2,375,000	10	Other than cash	As per Scheme of Arrangement	125,402,990	346,200,000
18th October, 2005	62,701,495	2	Other than cash	Stock Split of Rs.10/- FV to Rs.2/- FV	125,402,990	346,200,000

20. STOCK MARKET DATA

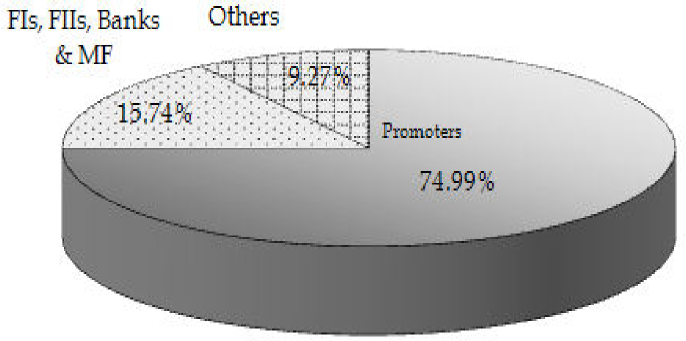
Month & Year	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Month's High Price (Rs.)	Month's Low Price (Rs.)
April, 2017	184.00	147.15	184.00	145.50
May, 2017	182.75	148.10	181.85	145.55
June, 2017	179.95	149.25	181.05	149.05
July, 2017	180.75	158.40	174.80	158.70
August, 2017	177.95	149.80	178.00	149.00
September, 2017	176.80	149.20	176.90	149.00
October, 2017	197.65	167.25	197.50	167.35
November, 2017	191.00	162.00	191.00	161.45
December, 2017	187.25	162.25	187.00	159.00
January, 2018	202.50	170.00	202.95	171.40
February, 2018	185.00	160.00	184.95	161.00
March, 2018	172.00	150.00	170.70	150.00



21. 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.

22. RECONCILIATION OF SHARE CAPITAL AUDIT : Share Capital Audit is being carried out every quarter by a Practicing 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.

23. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018



Shareholding as on 31st March, 2018

No. of shares held	No. of Share	% of Share capital	No. of Shareholders	% of total no. of shareholders
Up to 500	2732310	4.36	25949	95.05
501 to 1000	587400	0.94	732	2.68
1001 to 2000	451002	0.72	296	1.08
2001 to 3000	244955	0.39	96	0.36
3001 to 4000	181875	0.29	51	0.19
4001 to 5000	207463	0.32	44	0.16
5001 to 10000	437494	0.70	58	0.21
10001 and above	57858996	92.28	75	0.27
Total	**62701495**	**100.00**	**27301**	**100.00**

24. DEMATERIALIZATION OF SHARES & FACILITY OF SIMULTANEOUS TRANSFER :

97.73% of the shares issued by the Company have been dematerialized up to 31st March, 2018. Trading in equity shares of your Company on any Stock Exchange is permitted only in the dematerialized mode with effect from 2nd July, 2001.

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

25. UNIT LOCATIONS :

i. Taj Krishna, Road No.1, Banjara Hills,
Hyderabad – 500 034
Phone: 040-66662323, Fax:040-66661313
Email: krishna.hyderabad@tajhotels.com

ii. Taj Deccan, Road No.1, Banjara Hills,
Hyderabad – 500 034
Phone: 040-66663939, Fax:040-23392684
Email: deccan.hyderabad@tajhotels.com

iii. Taj Banjara, Road No.1, Banjara Hills,
Hyderabad – 500 034
Phone: 040-66669999, Fax:040-66661919
Email: banjara.hyderabad@tajhotels.com

iv. Taj Chandigarh, Block No.9, Sector 17A,
Chandigarh – 160 017
Phone:0172-6613000, Fax:01726614000
Email: 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. VivantaBy Taj Begumpet
1-10-147 & 148, Mayuri Marg, Begumpet
Hyderabad – 500 016
Phone : 040-67252626
Email: vivanta.begumpet@tajhotels.com

26. ADDRESS OF REGISTRAR & SHARE TRANSFER AGENTS : Venture Capital & Corporation Investments Pvt Ltd
Unit: TAJGVK Hotels & Resorts Limited
#12-10-167, Bharat Nagar,
Hyderabad – 500 018
Tel: 040-23818475, 23818476
Fax: 040-23868024
Email : info@vccipl.com; info@vccilindia.com
Website : www.vccipl.com

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

27. ANY QUERY ON ANNUAL REPORT : Mr. J Srinivasa Murthy
CFO & Company Secretary
TAJGVK Hotels & Resorts Limited
Taj Krishna, Road No.1, Banjara Hills,
Hyderabad – 500 034, Tel: 040-66293664
Email: tajgvkshares.hyd@tajhotels.com
website : www.tajgvk.in

28. OTHER DISCLOSURES

a) During the year ended 31st March, 2018 there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large

b) Details of non-compliance etc.,

A Statement on Compliance with all Laws and Regulations as certified by the Managing Director and Company Secretary is placed at periodic intervals for review of the Board. There were no instances of non-compliance, penalty or strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years no penalty has been imposed by any Stock Exchange, SEBI or any other regulatory authority nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital markets over the last three years.

c) SEBI Complaints Redressal System (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redressal system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

d) NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS

e) BSE Corporate Compliance & Listing Centre (the Listing Centre)

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

f) Ethics & Compliance Committee

The Ethics & Compliance Committee comprises of Mr. D R Kaarthikeyan, Mr. C D Arha being Non-Executive Independent Directors.

The Company has a Code of Conduct for Prevention of Insider Trading in place, as prescribed by the Securities and Exchange Board of India. The Committee monitors the implementation of the Code and takes on record the status reports detailing the dealings in securities by the Specified Persons. The Committee has not met during the financial year 2017-18.

29. The Company complied with the requirements of Schedule V Corporate Governance Report sub-paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

30. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF DISCRETIONARY REQUIREMENTS

The Company has complied with all the mandatory requirements of Corporate Governance as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

31. CODE OF CONDUCT AND BUSINESS ETHICS

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Board has laid down Code of Conduct policy covering the ethical requirements to be complied with covering all the Board members and all employees of the Company. An affirmation of compliance with the code is received from them on an annual basis. The Code has been displayed on the Company's website www.tajgvk.in.

DECLARATION BY MANAGING DIRECTOR / CEO

I, G Indira Krishna Reddy, Managing Director of TAJGVK Hotels & Resorts Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended 31st March, 2018 compliance with the code of conduct of the Company laid down for them.

G Indira Krishna Reddy
Managing Director
DIN 00005230

Place : Hyderabad
Date : 17.05.2018

AUDITORS' CERTIFICATE

on compliance of conditions of corporate governance as per Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

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 31st March, 2018, as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No: 000459S

M Bhaskara Rao
Partner
Membership No:005176

Place : Hyderabad
Date : 17.05.2018

CERTIFICATE BY CEO / CFO

Pursuant to the provisions under Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is hereby certified that for the period ended 31st March, 2018:

A. We have reviewed the financial statements and the cash flow statements for the period ended 31st March, 2018 and that to the best to our knowledge and belief, these statements:

   1. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

   2. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. 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.

C. 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.

D. We have indicated to the Auditors and the Audit Committee:

   1. significant changes in internal control over financial reporting during the period under review;

   2. significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and

   3. instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

G Indira Krishna Reddy
Managing Director
DIN 00005230

J Srinivasa Murthy
CFO & Company Secretary
M. No. FCS4460

Place : Hyderabad
Date : 17.05.2018

FORM A
(Audit Report with unmodified opinion)

(Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.	Name of the Company	:	TAJGVK HOTELS & RESORTS LIMITED
2.	Annual financial statements for the year ended	:	March 31, 2018 (Standalone and Consolidated)
3.	Type of Audit observations	:	Un-modified
4.	Frequency of observation	:	Not applicable
5.	To be signed by		

For TAJGVK Hotels & Resorts Limited

G. Indira. K. Reddy

G Indira Krishna Reddy
Managing Director

For TAJGVK Hotels & Resorts Limited

K Jayabharath Reddy
Chairman of Audit Committee

For TAJGVK Hotels & Resorts Limited

J Srinivasa Murthy
CFO & Company Secretary

For Bhaskara Rao & Co,
Chartered Accountants
(Registration No.000459S)

M Bhaskara Rao
Partner
Membership No:005176

Place : Hyderabad
Date : 17th May, 2018

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of TAJGVK Hotels & Resorts Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **TAJGVK Hotels & Resorts Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Standalone Ind AS Financial Statements").

Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the state of affairs (financial position), profit/ (loss) (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

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

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations furnished to us, the aforesaid Standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note No.24 to the Financial Statements about the excess remuneration paid to the Managing Director during the year and the application to the Central Government is in process, for waiver of recovery thereof.

Other Matters

The financial statements of the Company for the year ended March 31, 2017 were audited by another firm of Chartered Accountants, who were the immediate preceding statutory auditors, who expressed an unmodified opinion thereon.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with in this Report are in agreement with the books of account

   (d) In our opinion, the afore said Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations furnished to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements; Refer Note 23 to the Standalone Ind AS Financial Statements.

      ii. The Company did not, as at March 31, 2018, have any material foreseeable losses relating to long-term contracts.

      iii. There were no amounts, as at 31st March 2018, which are required to be transferred to the Investor Education and Protection Fund by the Company.

For **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No: 000459S

M Bhaskara Rao
Partner
Membership No:005176

Place : Hyderabad
Date : May 17, 2018

Annexure-A to Independent Auditors' Report

((Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of TAJGVK Hotels & Resorts Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **TAJGVK Hotels & Resorts Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statementsof the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion,based on our audit of the evidence obtained by us from it, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No: 000459S

M Bhaskara Rao
Partner
Membership No:005176

Place : Hyderabad
Date : May 17, 2018

Annexure-B to Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situationof its fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said program of verification, the company has not physically verified its fixed assets during the year under report.

(c) According to the information and explanations furnished to us, and based on the records examined by us, the title deeds of immovable properties included in the fixed assets register are held in the name of the Company.

(ii) According to the information and explanations furnished to us, the Company's Management has physically verified its inventories. In our opinion, having regard to the nature of its business and location of its stocks, the frequency of verification is reasonable. As per the information and explanations furnished, there were no material discrepancies and the other discrepancies, if any,noticed on such verification have been properly dealt with in the books of account.

(iii) According to the information and explanations furnished to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting pursuant to the provisions of Clause 3 (iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order does not arise.

(iv) In our opinion and according to the information and explanations furnished to us, the Company has not granted any loans, or made any investments or provided any guarantees or security during the year to any of the parties specified in Sections 185 and 186 of the Companies Act, 2013. Accordingly, reporting pursuant to the provisions of Clause 3 (iv) of the said Order does not arise.

(v) In our opinion and according to the information and explanations furnished to us, the Company has not accepted any deposits from public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Accordingly, reporting pursuant to theprovisions of paragraph 3(v) of the Order does not arise.

(vi) According to the information furnished to us, maintenance of Cost Records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013, for the business carried out by the company. Accordingly, reporting pursuant to Clause 3(vi) of the Order does not arise.

(vii) According to the information and explanations furnished to us,

(a) The Company has generally beenregular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Goods and Service Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, and there were no such dues on the date of the Balance Sheet.

(b) Details of disputed dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax which have not been deposited as on March 31, 2018 are as below:

Name of the statute	Nature of the dues	Amount Rs (in lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax,	7.60	2009-10	Assessing officer
		51.57	2006-07	CIT (Appeals)
		66.69	2009-10	ITAT, Hyderabad
		151.08	2012-13	ITAT, Hyderabad
		86.12	2013-14	CIT (Appeals)
AP VAT Act	VAT	210.21	2008-09 to	Hon'ble High Court of
			2010-11	Andhra Pradesh
		10.02	2008-09	Sales Tax Tribunal
		37.24	2012-13	Appellate DC
Service Tax	Service Tax	0.57	2005-06 to	Commissioner of Appeals,
			2008-09	Chandigarh
		2477.10	2006-2011	CESTAT, Hyderabad
		64.08	2009-10 to	CESTAT, Hyderabad
			2011-12	

(viii) According to the information and explanations furnished to us, and based on the records examined by us, the Company has not defaulted in repayment of borrowings to financial institutions and banks. The Company has not issued debentures.

(ix) According to the information furnished to us, during the year under report, the company did not have any moneys raised from Initial Public Offering or Further Public Offering, that remained to be applied for the purposes for which they were raised. Accordingly, reporting pursuant to Clause 3(ix) of the Order does not arise.

(x) To the best of our knowledge and according to the information and explanations furnished to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on the records examined by us, with regard to the Managerial Remuneration, we report that the requisite approvals from the Central Government mandated by the provisions of section 197 readwith Schedule V to the Companies Act, 2013 are yet to be obtained by the Company.

(xii) The Company is not a Nidhi Company.

(xiii) In our opinion and according to the information and explanations furnished to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion and according to the information and explanations furnished to us, during the year, the Company has not entered into any non-cash transactions, to which the provisions of Section 192 0f the Companies Act 2013 apply, with its directors or persons connected with them.

(xvi) In our opinion, based on the information and explanations furnished to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No: 000459S

M Bhaskara Rao
Partner
Membership No:005176

Place : Hyderabad
Date : May 17, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current Assets			
Property, Plant and Equipment	1	**42,442.27**	43,772.47
Capital work-in-progress		**8,144.53**	7,669.40
Intangible Assets	1	**216.23**	264.52
		50,803.03	51,706.39
Financial Assets			
Investments	2	**11,026.80**	11,026.80
Other financial assets	3	**409.83**	407.60
Tax Assets (Net)		**2,946.78**	3,140.27
Other non current assets	4	**3,720.80**	3,099.53
		18,104.21	17,674.20
Current Assets			
Inventories	5	**859.94**	902.70
Financial Assets			
Trade Receivables	6	**1,934.00**	1,140.76
Cash and Cash Equivalents	7	**1,461.18**	320.31
Bank balances other than cash and cash equivalents	7	**65.06**	85.63
Other financial assets	3	**948.60**	1,294.52
Other Current assets	4	**628.44**	685.35
		5,897.22	4,429.27
TOTAL ASSETS		**74,804.46**	73,809.86
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	8	**1,254.03**	1,254.03
Other Equity	9	**36,819.49**	34,994.49
Total Equity		**38,073.52**	36,248.52
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Borrowings	10	**19,666.13**	22,722.91
Other financial Liabilities	12	**169.83**	148.12
Provision for Employee benefits	13	**328.44**	303.89
Deferred Tax Liabilities (net)	15	**5,966.81**	5,596.36
		26,131.21	28,771.28
Current Liabilities			
Financial Liabilities			
Borrowings	10	**-**	-
Trade Payables	11	**6,243.54**	4,802.78
Other financial Liabilities	12	**3,583.69**	3,281.13
Other current liabilities	14	**772.50**	706.15
		10,599.73	8,790.06
TOTAL EQUITY AND LIABILITIES		**74,804.46**	73,809.86

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

Per our report of even date
For M. BHASKARA RAO & CO.,
Chartered Accountants
Firm Regn No.000459S

M. Bhaskara Rao
Partner
Membership No.005176

Place : Hyderabad
Date : May 17, 2018

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

J Srinivasa Murthy
CFO & Company Secretary
M.No. FCS4460

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

	Note	Current Year	Previous Year
Revenue from Operations	16	**28,825.04**	26,449.40
Other Income	17	**263.25**	528.10
TOTAL INCOME		**29,088.29**	26,977.50
EXPENSES			
Food and Beverages Consumed	18	**3,160.49**	3,101.72
Employee Benefit Expense and Payment to Contractors	19	**6,248.22**	6,057.77
Finance Costs	20	**2,496.95**	2,906.63
Depreciation and Amortisation	1	**1,726.84**	1,812.82
Other Operating and General Expenses	21	**12,254.43**	11,498.74
Total		**25,886.93**	25,377.68
Profit Before Exceptional Items		**3,201.36**	1,599.82
Exceptional Items	22	**-**	263.68
Profit Before Tax		**3,201.36**	1,863.50
TAX EXPENSES			
Current Tax		**740.00**	444.00
Deferred Tax		**360.65**	741.39
Minimum Alternative Tax Credit		**-**	(444.00)
Short Provision of Tax of Earlier Years (Net) including reversal of MAT credit		**-**	84.14
Total Tax Expense		**1,100.65**	825.53
Profit for the period		**2,100.71**	1,037.97
Other Comprehensive income, net of tax			
Items that will not be reclassified to profit and loss			
Actuarial gain/(loss) on employee gratuity (net of tax)		**18.51**	(15.43)
Total Comprehensive Income for the year		**2119.22**	1022.54
Earnings Per Share			
No.of equity shares of Rs.2/- each		**62,701,495**	62,701,495
1) Basic		**3.38**	1.63
2) Diluted		**3.38**	1.63

Per our report of even date
For M. BHASKARA RAO & CO.,
Chartered Accountants
Firm Regn No.000459S

M. Bhaskara Rao
Partner
Membership No.005176

Place : Hyderabad
Date : May 17, 2018

For and on behalf of the Board

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J Srinivasa Murthy
CFO & Company Secretary
M.No. FCS4460

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

	PARTICULARS	Current Year		Previous Year	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	NET PROFIT BEFORE TAX		**3,201.36**		1,863.50
	Adjustments for :				
	Depreciation	**1,726.84**		1,812.82	
	Miscellaneous Expenditure Written off	**15.00**		15.00	
	Loss on sale of assets	**1.67**		35.18	
	Profit on sale of assets	**(0.53)**		(0.57)	
	Provision for Bad & Doubtful Debts	**-**		25.05	
	Provision for bad & doubtful debts credited back	**(2.06)**		(1.82)	
	Interest expenses	**2,496.95**		2,906.63	
	Interest earned	**(10.60)**		(121.00)	
			4,227.27		4,671.29
	Operating Profit before working capital changes		**7,428.63**		6,534.79
	Adjustments for :				
	Trade Receivables	**(791.18)**		181.78	
	Inventories	**42.75**		(131.24)	
	Non-current and current financial assets	**343.95**		(651.63)	
	Other Non-current and current assets	**(579.36)**		(395.31)	
	Non-current and current financial liabilities	**(711.13)**		(408.26)	
	Other Current Liabilities	**66.35**		(104.10)	
	Employee benefit obligations	**24.55**		8.28	
	Trade payables	**1,440.76**	**(163.31)**	970.36	(530.12)
	Cash generated from operations		**7,265.32**		6,004.67
	Less: Taxes paid / (refund received)		**(193.49)**		(83.81)
	NET CASH IN FLOW FROM OPERATING ACTIVITIES		**7,458.81**		6,088.48
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets /addition to CWIP	**(830.26)**		(1,256.94)	
	Interest Received	**10.34**		122.15	
	Sale of Fixed Assets	**5.65**		1.57	
	NET CASH OUT FLOW FROM INVESTING ACTIVITIES		**(814.27)**		(1,133.22)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Long term loans (repaid)	**(2,775.00)**		(1,297.50)	
	Working capital borrowings	**-**		(251.21)	
	Long term deposits raised/(paid back)	**21.70**		14.09	
	Interest paid	**(2,476.73)**		(2,886.41)	
	Dividend paid	**(250.81)**		(250.81)	
	Taxes on dividend paid	**(43.40)**		(51.06)	
	NET CASH OUT FLOW FROM FINANCING ACTIVITIES		**(5,524.24)**		(4,722.90)
	Net increase in cash and cash equivalent		**1,120.30**		232.36
	Cash and Cash equivalents as at beginning of the year		**405.94**		173.59
	Cash and Cash equivalents as at end of the year		**1,526.24**		405.95

Note: The Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS - 7.

Per our report of even date
For M. BHASKARA RAO & CO.,
Chartered Accountants
Firm Regn No.000459S

M. Bhaskara Rao
Partner
Membership No.005176

Place : Hyderabad
Date : May 17, 2018

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

J Srinivasa Murthy
CFO & Company Secretary
M.No. FCS4460

1. General information

TAJGVK Hotels & Resorts Limited ("TAJGVK" / "the Company") was incorporated on 2nd February, 1995 in the erstwhile state of Andhra Pradesh, India. The Company is a joint venture between the GVK Group and Indian Hotels Company Limited. The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts with the brand name of "TAJ".

2. These financial statements were authorized for issue by a resolution of the Board of Directors passed on May 17, 2018.

3. Summary of Significant Accounting Policies

i. Statement of compliance:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

The Company made its transition to Ind AS in the year ended March 31, 2017. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

ii. Basis of preparation of financial statements:

These financial statements have been prepared under the historical cost convention on accrual basis except certain financial instruments measured at fair value other than those with carrying amounts that are reasonable approximations of fair values.

iii. 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 recognized in the period in which the estimate is revised.

iv. Classification of Assets and Liabilities into current and Non-current

The company presents its assets and liabilities in the Balance Sheet based on current/non-current classification;

An asset is treated as current when it is:

a) Expected to be realized or intended to be sold or consumed in the normal operating cycle;

b) Held primarily for the purpose of trading;

c) Expected to be realized within twelve months after the reporting period;

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is treated as current when:

a) It is expected to be settled in the normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is due to be settled within twelve months after the reporting period;

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. Based on the services rendered and their realizations in cash and cash equivalents, the company has ascertained its operating cycle is 12 months for the purpose of current non-current classification of assets and liabilities.

v. Exceptional Items

Items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as exceptional items.

vi. Revenue Recognition:

a. Income from guest accommodation is recognised on a day to day basis after the guest checks into the Hotels. Income from Food and Beverages are recognised at the point of serving these items to the guests. Income stated is exclusive of taxes collected. Rebates and discounts granted to customers are reduced from revenue.

b. Shop rentals are recognized on accrual basis.

c. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

d. Insurance claims are recognized as and when they are settled / admitted.

vii. Inventories:

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

viii. Property Plant and equipment:

a. Property Plant and equipment are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation. Cost comprises 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. 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.

c. In the transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ix. Intangible assets:

a. Intangible assets are carried at cost, net of credit availed in respect of any taxes and duties, less accumulated amortization. Computer software is classified under "Intangible Assets".

b. In the transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

x. Depreciation and Amortisation:

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

Depreciation on tangible fixed assets has been provided under the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and machinery	:	10 to 20 years
Electrical installations and equipment	:	20 years
Hotel Wooden Furniture	:	15 years
Non-wooden furniture & fittings	:	8 years
End User devices- Computers, Laptops, etc	:	6 years

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

Computer software	:	6 years

xi. Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of lease.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfer substantially all the risks and rewards incidental to ownership to the lessee is classified as finance lease.

Lessee:

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 Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Lessor:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

xii. Foreign Exchange Transactions:

The Company's financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency.

a. **Initial recognition:** Transactions in foreign currencies are initially recorded at the exchange rates (INR spot rate) prevailing on the date of the transaction.

b. **Conversion:** Foreign currency monetary items are reported at the exchange rates (INR spot rate) 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.

xiii. Unamortised Expenses:

Payment on assignment of Taj Banjara hotel lease is being written off over the remaining period of the lease.

xiv. Retirement Benefits:

a. **Defined Contribution Plan:**

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

b. **Defined Benefit Plan:**

Gratuity:

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. 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.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in its statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Remeasurement, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Compensated Absences

At the reporting date, Company's liability towards compensated absences 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.

xv. 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, is initially carried under expenditure incurred during the construction period and the borrowing cost till the assets are substantially ready for their intended use is added to the cost of those assets.

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

xvi. Taxes on income:

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

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

b. Deferred Tax: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognized for all taxable temporary differences. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

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

xvii. 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.

xviii. Impairment of non-financial assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

xix. Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xx. Contingent Liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

xxi. License fee payable to Hotel Banjara Limited and landlords of Vivanta by Taj Begumpet hotel and Operating & Management fee payable to Indian Hotels company Limited is recognized as expense as per the agreements entered with them.

xxii. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits and warrant account with banks for unclaimed dividend.

xxiii. Investment in subsidiaries, associates and joint ventures

A joint venture is a type of joint arrangement whereunder the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company has accounted for its investment in joint ventures at cost.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its Investment in joint ventures recognised as at 1 April 2015 measured as per previous GAAP.

xxiv. Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset,in the case of financial assets not recorded at fair value through profit or loss.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

xxv. **Significant accounting judgements, estimates and assumptions**

The preparation of the company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following Judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements:

Provisions and Contingency : The Company has assesses the probable unfavourable outcomes and creates provisions where necessary. Where these are assessed as not probable or where they are probable upon a contingency, they are disclosed as contingent liability.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Based on future projections of taxable profit and MAT, the Company has assessed that the entire MAT credit can be utilised.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

Statement of Changes in Equity as at March 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

Particulars	Equity Share Capital Subscribed	RESERVES AND SURPLUS				TOTAL
		Capital Reserve	Securities Premium Account	Retained Earnings		
				General Reserve	Profit & Loss B/Fd	
Balance at the beginning of the year (April 1, 2017)	**1,254.03**	**3,469.30**	**3,132.00**	**7,100.00**	**21,293.18**	**36,248.51**
Add:						
Profit for the year	-	-	-	-	2,100.71	**2,100.71**
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ (losses)	-	-	-	-	18.51	**18.51**
Less:	-					
Dividends paid for FY 2016-17	-	-	-	-	250.81	**250.81**
Tax on Dividend	-	-	-	-	43.40	**43.40**
Balance at the end of the year (March 31, 2018)	**1,254.03**	**3,469.30**	**3,132.00**	**7,100.00**	**23,118.19**	**38,073.52**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

Note 1 : Property, Plant and Equipment (Owned, unless otherwise stated)

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital work in progress	Intangibale Assets Software
Gross Block at Cost									
At April 1, 2017	4,244.11	30,994.25	10,255.65	1,448.20	269.13	104.53	47,315.86	7,669.40	357.28
Additions			280.94	29.01	23.35		333.31	475.13	21.82
Disposals			10.05			4.79	14.85		
As At March 31, 2018	**4,244.11**	**30,994.25**	**10,526.54**	**1,477.21**	**292.48**	**99.74**	**47,634.32**	**8,144.53**	**379.10**
Depreciation									
At April 1, 2017	1.83	1,075.22	1,897.84	384.47	116.09	67.93	3,543.39	-	92.76
Charge for the period		543.34	919.22	127.10	49.77	17.30	1,656.73	-	70.11
Disposals			3.51			4.56	8.07	-	
As At March 31, 2018	**1.83**	**1,618.56**	**2,813.54**	**511.57**	**165.86**	**80.67**	**5,192.05**	**-**	**162.87**
Net Block									
As At March 31, 2018	**4,242.28**	**29,375.69**	**7,713.00**	**965.64**	**126.62**	**19.07**	**42,442.27**	**8,144.53**	**216.23**
As at Mar 31, 2017	**4,242.28**	**29,919.03**	**8,357.81**	**1,063.72**	**153.04**	**36.60**	**43,772.47**	**7,669.40**	**264.52**

Footnotes :

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

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

NOTE 2 : INVESTMENTS	Face Value Rs.	As at March 31, 2018		As at March 31, 2017	
		Holdings	Rs. In lakhs	Holdings	Rs. In lakhs
NON-CURRENT INVESTMENTS - UNQUOTED					
Green Woods Palaces and Resorts Private Limited (fully paid equity shares)	10 /-	**3,67,50,000**	**11,025.00**	**3,67,50,000**	11,025.00
OTHERS					
Green Infra Windfarms Limited (fully paid equity shares)	10 /-	**18,000**	1.80	**18,000**	1.80
Total Non-current Investments			**11,026.80**		11,026.80

Footnotes :

(i) Represents investment in equity shares of Rs.10/- each at a premium of Rs.20/- per share in the said company, which is a jointly controlled entity in terms of Ind AS 111 - Joint Arrangements

(ii) Investment in Green Infra Windfarms Ltd is for purchase of power of 3 million units or 5.65% of its actual generation whichever is less, to comply with regulatory requirement, to purchase renewable energy.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 3 : OTHER FINANCIAL ASSETS	As at March 31, 2018	As at March 31, 2017
A) Non Current		
Deposits with Public Bodies and Others	**383.58**	366.35
Unamortized Expenditure	**26.25**	41.25
	409.83	407.60
B) Current		
Deposit with public bodies and others	**2.97**	42.97
Other advances	**384.60**	214.91
Claims Receivable	**1.22**	44.12
Interest accrued	**8.02**	7.75
Other receivables	**551.79**	984.77
	948.60	1,294.52

NOTE 4 : OTHER ASSETS	As at March 31, 2018	As at March 31, 2017
A) Non current (Unsecured considered good)		
Capital Advances	**908.98**	411.17
Other advances recoverable	**1,989.98**	1,825.70
Prepaid Expenses	**160.05**	13.37
Advance lease payments	**605.07**	758.87
Advance to Employees	**-**	2.20
Deposits for tax and other statutory dues	**56.72**	88.22
	3,720.80	3,099.53
B) Current (Unsecured considered good)		
Prepaid Expenses	**295.71**	214.24
Indirect tax recoverable	**55.67**	333.19
Advance to Suppliers	**74.38**	49.72
Advance to Employees	**27.51**	15.75
Export benefit receivable	**175.17**	72.45
	628.44	685.35

NOTE 5. INVENTORIES	As at March 31, 2018	As at March 31, 2017
Food and Beverages	**540.19**	568.53
Stores and Operating Supplies	**319.75**	334.17
	859.94	902.70

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 6. TRADE RECEIVABLES	**As at March 31, 2018**	As at March 31, 2017
Considered good	**1,934.00**	1,140.76
Considered doubtful	**88.93**	90.99
	2,022.92	1,231.75
Less : Provision for Debts considered doubtful	**88.93**	90.99
	1,934.00	1,140.76

There are no receivables from Directors or other officers of the Company or debts due from firms or private companies in which any Director is a partner or a director or member as on the Balance Sheet date other than in the normal course of business within the established credit policies

NOTE 7. CASH AND BANK BALANCES	**As at March 31, 2018**	As at March 31, 2017
Cash and cash equivalents		
Cash on hand	**26.34**	13.33
Balances with banks in current account	**1,432.51**	306.98
Margin money deposits	**2.33**	-
	1,461.18	320.31
Bank balances other than cash and cash equivalents		
Earmarked balances with banks on account of unclaimed dividends	**65.06**	85.63
	65.06	85.63

NOTE 8. EQUITY SHARE CAPITAL	**As at March 31, 2018**	As at March 31, 2017
Authorised Share Capital		
Ordinary Shares		
17,05,00,000 (17,05,00,000) Equity Shares of Rs.2/- each	**3,410.00**	3,410.00
	3,410.00	3,410.00
Issued Share Capital		
6,27,01,495 (6,27,01,495) Equity Shares of Rs.2/- each fully paid-up	**1,254.03**	1,254.03
	1,254.03	1,254.03
Subscribed and Paid Up		
6,27,01,495 (6,27,01,495) Equity Shares of Rs.2/- each fully paid-up	**1,254.03**	1,254.03
	1,254.03	1,254.03

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

Footnotes :

i) Reconciliation of Equity Shares outstanding

Particulars	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
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

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dr. GVK Reddy	**3,805,981**	**6.07**	3,805,981	6.07
Mrs. G Indira Krishna Reddy	**3,762,966**	**6.00**	3,762,966	6.00
Mrs. Shalini Bhupal	**11,725,180**	**18.70**	23,135,359	36.90
Mr. Krishna R Bhupal	**11,723,679**	**18.70**	313,500	0.50
The Indian Hotels Company Limited	**16,000,000**	**25.52**	16,000,000	25.52

i) As per records of the Company including its register of shareholders / members, the above shareholding represents both legal and beneficial ownership of shares

ii) Rights, preferences and restrictions attached to Equity shares including declaration of dividend:

The company has one class of equity shares having par value of Rs.2 per share. Equity shares are attached with one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding, after discharging all preferential creditors. The equity shareholders are eligible to receive any dividend that is declared by the Company as per provisions of the Companies Act, 2013

NOTE 9. OTHER EQUITY	**As at March 31, 2018**	As at March 31, 2017
Reserves & Surplus		
Capital Reserve	**3,469.30**	3,469.30
Securities Premium Account	**3,132.00**	3,132.00
General Reserve	**7,100.00**	7,100.00
Retained Earnings		
Surplus in the Profit And Loss	**21,293.18**	20,572.51
Add: Current Year profits	**2,100.71**	1,037.97
Less: Dividends paid during the year	**250.81**	250.81
Less: Dividend tax	**43.40**	51.05
Total Retained Earnings	**23,099.68**	21,308.62
Reserves and Surplus	**36,800.98**	35,009.92
Other Comprehensive Income (loss) (net of taxes)	**18.51**	(15.43)
TOTAL OTHER EQUITY	**36,819.49**	34,994.49

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 10 : BORROWINGS	As at March 31, 2018	As at March 31, 2017
	Amortised Cost	Amortised Cost
A) Long Term Borrowings		
Term Loan from Banks		
Secured	**22,862.48**	25,637.48
Less: Unamortized Borrowing Cost	**121.35**	141.57
Total Long Term Borrowings	**22,741.13**	25,495.91
Less: Current maturities of Long term borrowings (shown under Other current financial liabilities)	**3,075.00**	2,773.00
	19,666.13	22,722.91
B) Short Term Borrowings		
Loans repayable on demand from Banks		
Secured	**-**	-
Total Short Term Borrowings	**-**	-
Total Borrowings	**19,666.13**	22,722.91

i) Term Loans from Banks:

a) Rs.121.88 crores from HDFC Bank Ltd at an interest rate of 10.40% p.a is secured by first charge on all assets of Taj Chandigarh, Chandigarh repayable in 32 equal instalments starting from November 1, 2016. The loan is sanctioned with a moratorium of 2 years from the date of first disbursement. ie. August, 2014.

b) Rs.106.75 crores from AXIS Bank Ltd at an interest rate of 9.50% p.a is secured by first charge on all assets of Taj Club House, Chennai repayable in 26 structured instalments starting from March 31, 2017. The loan is sanctioned with a moratorium of 2.5 years from the date of first disbursement. ie. July, 2014.

i) Loans repayable on demand from Banks

Bank Overdraft from AXIS Bank Ltd Rs.Nil (2017 : Rs.Nil) at an interest rate of 9.50% per annum is secured by first charge on current assets of the Company, ranking pari passu with IDBI Bank Ltd, further secured by second charge on fixed assets of Taj Club House.

Bank Overdraft from IDBI Bank Ltd Rs.Nil (2017 : Rs.Nil) at an interest rate of 9.65% per annum is secured by first charge on current assets of the Company, ranking pari passu with AXIS Bank Ltd.

NOTE 11: TRADE PAYABLES	As at March 31, 2018	As at March 31, 2017
Trade Payables		
Dues to Micro and Small Enterprises (Refer Note (i))	**-**	2.19
Others	**5,093.32**	4,358.94
Accrued expenses and others Refer Note (ii))	**1,150.22**	441.65
	6,243.54	4,802.78

Note :

(i) The amount due if any to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" is determined to the extent such parties have been identified on the basis of information received from them by the Company.

(ii) Accrued Expenses include an amount of Rs.490 lakhs being management fee payable to Indian Hotels Company Limited for the period from 01/07/2015 to 31/03/2018, consequent to renewal of the Taj Chandigarh Hotel Operating Agreement with Indian Hotels Company Limited (IHCL) for a further period of 10 years effective from 1st July 2015.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 12 : OTHER FINANCIAL LIABILITIES	As at March 31, 2018	As at March 31, 2017
A) Non Current financial liabilities		
Deposits refundable	**168.34**	146.36
Creditors for Capital goods and services	**1.49**	1.76
	169.83	148.12
B) Current financial liabilities		
Current maturities of long term borrowings	**3,075.00**	2,773.00
Deposits from others	**13.16**	14.40
Creditors for capital expenditure	**181.53**	200.60
Unclaimed dividend	**65.06**	85.63
Employee Related Liabilities	**212.01**	207.50
Others	**36.93**	-
Total	**3,583.69**	3,281.13

NOTE 13 : PROVISION FOR EMPLOYEE BENEFITS	As at March 31, 2018	As at March 31, 2017
A) Non Current financial liabilities		
Non Current		
Post-retirement compensated absences	**151.04**	100.98
Gratuity	**177.40**	202.91
Total	**328.44**	303.89

NOTE 14 : OTHER NON FINANCIAL LIABILITIES	As at March 31, 2018	As at March 31, 2017
Current		
Advance towards revenues	**381.50**	345.66
Statutory dues	**391.00**	360.49
Total	**772.50**	706.15

NOTE 15 : DEFERRED TAX LIABILITIES (NET)	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities:		
Depreciation on Fixed Assets	**6,114.26**	5,698.15
Amortization of Finance cost	**42.00**	54.87
Total (A)	**6,156.26**	5,753.02
Deferred Tax Assets:		
Provision for Doubtful Debts	**30.78**	31.49
Employee Benefits	**113.67**	88.87
Amortization of prepaid lease payments	**45.00**	36.30
Total (B)	**189.45**	156.66
Net Deferred Tax Liabilities (A-B)	**5,966.81**	5,596.36

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 16 : REVENUE FROM OPERATIONS	Current Year	Previous Year
Room Revenue, Food, Restaurants and Banquet Revenue	**27,449.08**	25,262.37
Shop rentals	**661.72**	502.49
Membership fees	**65.02**	57.07
Export benefits	**102.71**	72.45
Others	**546.51**	555.02
Total	**28,825.04**	26,449.40

NOTE 17: OTHER INCOME	Current Year	Previous Year
Interest Income at amortised cost		
Others	**10.60**	11.92
Interest on Income Tax Refunds	**-**	109.08
Total	**10.60**	121.00
Profit on sale of assets	**0.53**	0.57
Exchange Gain (Net)	**10.48**	8.88
Others	**241.64**	397.65
Total	**263.25**	528.10

NOTE 18 : FOOD AND BEVERAGES CONSUMED	Current Year	Previous Year
Food and Beverages Consumed	**3,160.49**	3,101.72

NOTE 19 : EMPLOYEE BENEFIT EXPENSE	Current Year	Previous Year
Salaries, Wages, Bonus etc.	**3,794.68**	3,627.09
Company's Contribution to Provident and Other Funds	**234.42**	275.58
Reimbursement of Expenses on Personnel Deputed to the Company	**965.72**	814.99
Contractor employee expenses	**571.85**	595.11
Staff Welfare Expenses	**681.55**	745.00
Total	**6,248.22**	6,057.77

NOTE 20 : FINANCE COSTS	Current Year	Previous Year
Interest Expense	**2,476.73**	2,930.99
Other borrowing costs	**20.22**	20.22
	2,496.95	2,951.21
Less : Interest Capitalised	**-**	44.58
Total	**2,496.95**	2,906.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE : 21 OTHER OPERATING AND GENERAL EXPENSES	Current Year	Previous Year
(i) Operating expenses consist of the following :		
Linen and Room Supplies	**566.23**	475.63
Catering Supplies	**268.48**	239.23
Other Supplies	**19.95**	24.61
Fuel, Power and Light	**2,775.93**	2,883.63
Repairs to Buildings	**420.91**	765.79
Repairs to Machinery	**678.22**	697.48
Repairs to Others	**165.45**	158.28
Linen and Uniform Washing and Laundry Expenses	**418.07**	383.26
Payment to Orchestra Staff, Artistes and Others	**355.37**	378.41
Guest Transportation	**180.25**	202.07
Travel Agents' Commission	**587.47**	284.85
Credit card Commission	**206.75**	225.22
Other Operating Expenses	**691.10**	554.44
Total	**7,334.18**	7,272.90
(ii) General expenses consist of the following :		
Rent	**228.86**	270.51
Licence Fees	**814.30**	760.65
Rates and Taxes	**891.37**	856.62
Insurance	**91.78**	93.26
Advertising and Publicity	**434.39**	397.98
Printing and Stationery	**121.83**	133.44
Passage and Travelling	**51.91**	42.03
Communication expenses	**281.71**	293.77
Provision for Doubtful Debts	**-**	25.05
Expenditure on Corporate Social Responsibility	**22.42**	15.44
Donations	**62.20**	37.50
Operating & Management Fees	**1,259.76**	668.98
Professional Fees	**244.38**	167.63
Outsourced Support Services	**134.52**	112.70
Loss on Sale of Fixed Assets	**1.67**	35.18
Payment made to Statutory Auditors		
i. As Auditors	**22.00**	22.00
ii. For Tax Audit	**3.00**	3.00
Directors' Sitting Fees	**11.25**	9.80
Amortized expenses	**15.00**	15.00
Other Expenses	**227.90**	265.30
Total	**4,920.25**	4,225.84
	12,254.43	11,498.74

NOTE 22 : EXCEPTIONAL ITEMS	Current Year	Previous Year
Reversal of operating fees of Vivanta by Taj - Begumpet for FY 2015/16	-	96.42
Reversal of operating fees of Taj Chandigarh from July, 2015 to March, 2016	-	167.26
Total	-	263.68

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

23. Commitments and Contingent liabilities not provided for in respect of Commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances Rs.Nil (2017: Rs. 30.14 Lakhs).

Contingent liabilities not provided for in respect of

Paticulars	As at March 31, 2018	As at March 31, 2017
Value added tax matters (Rs.101.99 lakhs paid under protest against the demands)	344.65	307.40
Income tax matters (Rs.260.72 lakhs paid under protest against the demands)	411.80	210.25
Service tax matters	2541.76	2871.58
Probable customs duty payable on the Equipment Imported under Export Promotion Capital Goods Scheme	118.04	42.24
Letters of Credit	67.93	12.60
Bank Guarantees – Others	65.33	60.37

24. Due to inadequacy of profits computed in accordance with the provisions of Section 198 of the Companies Act read with Schedule V thereto, the remuneration paid to the Managing Director for the financial year 2017-18 is in excess of the limits specified under Sections 197 of the Companies Act, 2013, aggregating to Rs.146.23 lakhs. The Company is in the process of submitting an application to the Central Government for approval of the excess remuneration paid to the Managing Director as per the terms of the appointment. The Nomination and Remuneration Committee of the Board and Board of Directors at their meeting held on May 17, 2018 approved the waiver of excess remuneration paid to Managing Director. The Company shall place the said resolution for approval of the shareholders at the ensuing Annual General Meeting and shall file necessary application to Central Government for approval.

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

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

Particulars	As at March 31, 2018	As at March 31, 2017
The principal amount due thereon remaining unpaid to any supplier as at the end of the accounting year	-	2.19
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of payments made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under MSMED Act, 2006	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

26. Disclosure per Ind AS 24 on Related Party transactions

a. Key Managerial personnel:

Whole Time Directors:	
Name of the Related Party	**Relationship**
Mrs. G. Indira Krishna Reddy	Managing Director
Mrs. Shalini Bhupal	Executive Director
Non-Whole Time Directors:	
Name of the Related Party	**Relationship**
Dr. G.V.K Reddy	Non-executive Chairman
Mr. G V Sanjay Reddy	Promoter Director
Mr. Krishna R Bhupal	Promoter Director
Mr. Puneet Chhatwal	Promoter Director
Mr. Giridhar Sanjeevi	Promoter Director
Mr. Rajendra Misra	Promoter Director
Mr. K Jayabharath Reddy	Independent Director
Mr. D R Kaarthikeyan	Independent Director
Mr. C D Arha	Independent Director
Mr. Ch G Krishna Murthy	Independent Director
Mr. M B N Rao	Independent Director
Mr. S Anwar	Independent Director
Mr. A Rajasekhar	Independent Director
Mrs. Santha John	Independent Director
Executive Officer:	
Mr. J. Srinivasa Murthy	Chief Financial Officer & Company Secretary

b.

Other related parties:	
Name of the Related Party	**Relationship**
Green Woods Palaces and Resorts Pvt Ltd	Jointly controlled entity
The Indian Hotels Company Limited	Joint Venturer

c.

Companies/Firms/Trust in which the key management and their relatives are interested:	
GVK Gautami Power Ltd	GVK Power (Goindwal Sahib) Ltd
GVK Airport Developers Ltd	GVK Projects & Technical Services Ltd.
GVK Biosciences (P) Ltd	GVK Technical Consultancy Services (P) Ltd
GVK Foundation	GVK Ratle Hydro Electric Project Pvt Ltd
GVK Energy Ltd	Inogent Laboratories (P) Ltd
GVK Industries Ltd	GVK EMRI
GVK Jaipur Expressway Private Ltd	Mumbai International Airport (P) Ltd
GVK Power & Infrastructure Ltd	Orbit Travel & Tours (P) Ltd

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

Transactions during the year

Name of the related party	Current Year	Previous Year
Key Management Personnel:		
Salaries and other employee benefits to Whole Time Directors and Executive Officers	604.52	553.57
Remuneration to other non executive / Independent Directors	11.25	9.80
Joint Venturer:		
Indian Hotels Company Limited		
Operating fee	1259.75	668.98
Reimbursement of advertisement expenses	331.44	315.27
Enterprises in which key management personnel and / or their relatives have significant influence:		
Orbit Tours and Travels (P) Ltd - Purchase of travel tickets and car hire charges	57.73	44.78
GVK Foundation - Donation	62.20	37.50
Income from sale of rooms and food & beverages:		
- GVK Gautami Power Ltd	1.64	-
- Mumbai International Airport Pvt Ltd	6.41	8.58
- GVK Biosciences Pvt Ltd	4.99	8.00
- GVK Industries Ltd	2.53	1.26
- GVK Jaipur Expressway Pvt Ltd	0.17	0.39
- GVK Power and Infrastructure Ltd	1.54	1.18
- GVK Power (Goindwal Sahib) Ltd	-	4.25
- Bengaluru International Airport Ltd	0.17	0.32
- GVK Energy Ltd	1.15	1.12
- Inogent Laboratories Pvt Ltd	-	0.23
- Mumbai Aviation Fuel Farm Facility Pvt Ltd	-	0.20
- GVK EMRI	2.30	2.36
- GVK Airport Developers Ltd	-	0.07

Balances Outstanding as of March 31, 2018:

Name of the related party	Current Year	Previous Year
Joint Venturer:		
Indian Hotels Company Limited		
Operating fee & reimbursements payable	3056.00	1578.41
Reimbursement of expenses payable / (receivable)	(930.00)	(921.16)
Jointly controlled entity:		
Green Woods Palaces & Resorts (P) Ltd		
Investment in Equity Shares	11025.00	11025.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	**620.63**	495.23
Later than one year but not later than five years	**42.88**	551.16
Later than 5 years	**-**	-

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

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one year	**398.61**	398.61
Later than one year but not later than five years	**1639.41**	2,038.01
Later than 5 years	**10,131.18**	10,131.18

28. Employee benefits:

Defined contribution plan:

Amount recognized as an expense in statement of profit and loss Rs.95.41 lakhs (2017: Rs. 93.87 lakhs) on account of provident fund and Rs.68.93 lakhs (2017: Rs. 45.78 lakhs) on account of Employee State Insurance.

Defined benefit plan:

Gratuity:

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act,1972 with total ceiling on gratuity of Rs.2,000,000/-

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

a. Statement of Profit and Loss and Statement of Other Comprehensive Income

Particulars	Current Year	Previous Year
Current Service Cost	39.01	34.60
Past Service Cost	(66.09)	-
Interest on Net Defined Benefit liability / (asset)	14.41	10.75
Changes in financial assumptions	(23.35)	31.19
Experience adjustments	(3.23)	9.03
Actuarial return on plan assets less interest on plan assets	(1.72)	(16.63)
Net charge to Profit & Loss and OCI	**(40.97)**	**68.94**

b. Reconciliation of Defined Benefit Obligation

Particulars	Current Year	Previous Year
Opening Defined benefit Obligation	590.72	504.77
Current Service Cost	39.01	34.60
Past Service Cost	(66.09)	-
Interest Cost	35.35	34.60
Actuarial Losses / (Gain)	(26.58)	40.23
Benefits Paid	(36.90)	(23.48)
Closing Defined Benefit Obligation	**535.51**	**590.72**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

c. Change in Fair Value of Plan Assets

Particulars	**As at March 31, 2018**	As at March 31, 2017
Opening Fair Value of Plan Assets	**372.33**	355.34
Interest on Plan Assets	**20.95**	23.84
Actuarial gain / (Losses)	**1.72**	16.63
Contributions by Employer	**-**	-
Benefits Paid	**(36.90)**	(23.48)
Closing Fair Value of Plan Assets	**358.10**	372.33

d. Amount recognized in Balance Sheet

Particulars	**As at March 31, 2018**	As at March 31, 2017
Opening net defined benefit liability / (asset)	**218.38**	149.43
Expense charged to profit and loss account	**(12.67)**	45.35
Amount recognized outside profit and loss account	**(28.31)**	23.60
Net Liability recognized in the Balance Sheet	**177.40**	218.38

e. Description of Plan Assets

Particulars	**As at March 31, 2018**	As at March 31, 2017
Insurer Managed Funds	100%	100%

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

Particulars	**Current Year**	Previous Year
Discount Rate	7.00%	7.85%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Salary Escalation rate	5.00%	5.00%

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

	Period Ended March 31, 2018	
	Discount Rate	**Salary Escalation Rate**
Impact of increase in 50 bps on DBO	2.88%	3.14%
Impact of decrease in 50 bps on DBO	3.07%	2.96%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Compensated Absences:

The Company's liability towards un-funded leave encashment 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.

The Defined Benefit Obligation of compensated absence in respect of the employees of the Company as at March 31, 2018 works out to Rs.231.73 lakhs.

The discount rate and salary escalation rate is the same as adopted for gratuity liability valuation.

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

29. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Gross amount required to be spent by the company during the year: Rs.22.42 lakhs

30. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarized below:

Particulars	Current Year	Previous Year
Profit before tax	**3,201.36**	**1,863.50**
Income tax rate as applicable	**34.61%**	**21.34%**
Calculated taxes based on above, without any adjustments for deductions	1,107.93	397.70
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(6.23)	-
Income considered as capital in nature under tax and tax provisions	(0.18)	-
Effect of expenses that are not deductible in determining taxable profit	(113.71)	5.35
Expense considered to be capital in nature under tax and tax provisions	0.58	-
Others	(249.58)	40.34
Income tax expense recognized in the Statement of Profit and Loss	**738.80**	**443.38**
Rounded off to	**740.00**	**444.00**

31. 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.

32. Segmental Reporting:

The Company's only business being hoteliering, disclosure of segment-wise information under Accounting Standard (AS) 108 "Segmental Information" notified by the Companies (Accounting Standards) Rules, 2006 (as amended) does not arise. There is no geographical segment to be reported since all the operations are undertaken in India.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

33. Risk Management, Objectives and Policies:

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.

34. Capital management

The Company's policy is to maintain strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business.

The Company manages its Capital structure through a balanced mix of debt and equity. The Company's capital structure is influenced by the changes in the regulatory frameworks, government policies, available options of financing and impact of the same on liquidity position.

The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The table below shows the Gearing ratio for FY 2017-18 and FY 2016-17.

Particulars	**March 31, 2018**	March 31, 2017
Borrowings	**22,862.48**	25,637.48
Trade Payables	**6,243.54**	4,802.78
Less: Cash & Cash Equivalents	**1,526.24**	405.94
Net Debt	**27,579.78**	30,034.32
Equity Capital	**38,073.52**	36,248.52
Equity Capital and Net Debt	**65,653.30**	66,282.84
Gearing Ratio	**42%**	45%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

35. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Financial Assets				
Investments	11,026.80	11,026.80	11,026.80	11,026.80
Other financial assets	409.83	407.60	409.83	407.60
Tax Assets (Net)	2,946.78	3,140.27	2,946.78	3,140.27
Trade Receivables	1,933.99	1,140.76	1,933.99	1,140.76
Cash and Cash Equivalents	1,461.18	320.31	1,461.18	320.31
Bank balances other than cash and cash equivalents	65.06	85.63	65.06	85.63
Other financial assets	948.60	1,294.52	948.60	1,294.52
Total	**18,792.24**	**17,415.89**	**18,792.24**	**17,415.89**
Financial Liabilities				
Non-current Borrowings	19,666.13	22,722.91	19,666.13	22,722.91
Other non-current financial Liabilities	169.82	148.13	169.82	148.13
Current Borrowings	-	-	-	-
Trade Payables	6,243.54	4,802.78	6,243.54	4,802.78
Other current financial Liabilities	3,583.69	3,281.13	3,583.69	3,281.13
Total	**29,663.18**	**30,954.95**	**29,663.18**	**30,954.95**

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

36. Fair values hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2018:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investments (Unquoted)	31-Mar-18	11,026.80		11,026.80	
Other financial assets	31-Mar-18	409.83		409.83	
Tax Assets (Net)	31-Mar-18	2,946.78		2,946.78	
Trade Receivables	31-Mar-18	1,933.99		1,933.99	
Cash and Cash Equivalents	31-Mar-18	1,461.18		1,461.18	
Bank balances other than cash and cash equivalents	31-Mar-18	65.06		65.06	
Other financial assets	31-Mar-18	948.60		948.60	
Total		**18,792.24**	-	**18,792.24**	-

There have been no transfers between Level 1 and Level 2 during the period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-18	19,666.13		19,666.13	
Other non-current financial Liabilities	31-Mar-18	169.82		169.82	
Current Borrowings	31-Mar-18	-		-	
Trade Payables	31-Mar-18	6,243.54		6,243.54	
Other current financial Liabilities	31-Mar-18	3,583.69		3,583.69	
Total		**29,663.18**	**-**	**29,663.18**	**-**

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investments	31-Mar-17	11,026.80		11,026.80	
Other financial assets	31-Mar-17	407.60		407.60	
Tax Assets (Net)	31-Mar-17	3,140.27		3,140.27	
Trade Receivables	31-Mar-17	1,140.76		1,140.76	
Cash and Cash Equivalents	31-Mar-17	320.31		320.31	
Bank balances other than cash and cash equivalents	31-Mar-17	85.63		85.63	
Other financial assets	31-Mar-17	1,294.52		1,294.52	
Total		**17,415.89**	**-**	**17,415.89**	

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2017:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-17	22,722.91		22,722.91	
Other non-current financial Liabilities	31-Mar-17	148.13		148.13	
Current Borrowings	31-Mar-17	-		-	
Trade Payables	31-Mar-17	4,802.78		4,802.78	
Other current financial Liabilities	31-Mar-17	3,281.13		3,281.13	
Total		**30,954.95**	**-**	**30,954.95**	**-**

There have been no transfers between Level 1 and Level 2 during the period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

37. Financial risk management objectives and policies

The Company is exposed to financial risk such as Market Risk (Interest Rate Risk, fluctuation in foreign exchange rates and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Company. The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, foreign currency risk and other price risk. Financial instruments of the Company affected by market risk include borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post- retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

The interest rate risk arise from long term borrowing of the company with variable interest rates (Bank one year MCLR plus spread). Although the spread is fixed, it is subject to change at fixed time interval or occurence of specified event(s). Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase / (decrease) in Interest Rate	Increase / (decrease)in profit before tax
March 31, 2018		
INR	0.5% p. a.	(128.18)
INR	(0.5%) p. a.	128.18
March 31, 2017		
INR	0.5% p. a.	(134.67)
INR	(0.5)% p. a.	134.67

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds advances as security from customers to mitigate credit risk.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments held by the Company are in the nature of investment in jointly controlled entity and also an investment in an alternate energy supply company as required under the respective State energy policy. Both the categories are unquoted non-trade equity.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty in raising the financial resources required to fulfil its commitments. Liquidity risk is held at low levels through effective cash flow management. Cash flow forecasting is performed internally by rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational requirements, to fund scheduled capex and debt repayments and to comply with the terms of financing documents.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 1 Year	1 to 5 years	5 years and above	Total
Year ended 31/3/2018					
Borrowings	-	3,075.00	18,850.48	937.00	22,862.48
Other financial liabilities	-	508.69	169.82	-	678.51
Trade and other payables	6,243.54	-	-	-	6,243.54
TOTAL	**6,243.54**	**3,583.69**	**19,020.30**	**937.00**	**29,784.53**
Year ended 31/3/2017					
Borrowings	-	2,773.00	19,395.00	3,469.48	25,637.48
Other financial liabilities	-	508.14	148.12	-	656.26
Trade and other payables	4,802.78	-	-	-	4,802.78
TOTAL	**4,802.78**	**3,281.14**	**19543.12**	**3,469.48**	**31,096.52**

38. Balances in the accounts of various parties are subject to confirmation and reconciliation.

39. Previous Year's figures have been regrouped / rearranged, wherever necessary. Figures in brackets indicate those for previous year.

Per our report of even date
For M. BHASKARA RAO & CO.,
Chartered Accountants
Firm Regn No.000459S

M. Bhaskara Rao
Partner
Membership No.005176

Place : Hyderabad
Date : May 17, 2018

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

J Srinivasa Murthy
CFO & Company Secretary
M.No. FCS4460

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Taj GVK Hotels & Resorts Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **TAJGVK Hotels & Resorts Limited** ("the Holding Company") and its Joint Venture (the Holding Company and its Joint Venture together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Group as at March 31, 2018, and its profit/(loss) (financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note No.24 to the Financial Statements about the excess remuneration paid to the Managing Director during the year and the application to the Central Government is in process, for waiver of recovery thereof.

Other Matter

i. The consolidated financial statements include the Group's share of loss of Rs.61.77 Lakhs for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of Joint Venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on the report of the other auditor.

   Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

ii. The Consolidated Ind AS Financial Statements of the Group for the year ended March 31, 2017 were audited by another firm of Chartered Accountants, who were the immediate preceding statutory auditors, who expressed an unmodified opinion thereon.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

   (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its joint venture company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our Report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 23 to the Consolidated Financial Statements.

      ii. The Group did not have any material foreseeable losses relating to long-term contracts.

      iii. The Group did not have any amounts which are required to be transferred to the Investor Education and Protection Fund as at March 31, 2018.

For **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No: 000459S

M Bhaskara Rao
Partner
Membership No:005176

Place : Hyderabad
Date : May 17, 2018

Annexure A to the Independent Auditors' report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of TAJGVK Hotels & Resorts Limited (TAJGVK) of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TAJGVK Hotels & Resorts Limited (TAJGVK) and its Joint Venture as of March 31, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the TAJGVK and its joint venture company which is incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the TAJGVK and its joint venture Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the TAJGVK and its joint venture Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk whether a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its Joint Venture which is incorporated in India, based on our audit of the evidence obtained by us from it in all material respects, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No: 000459S

M Bhaskara Rao
Partner
Membership No:005176

Place : Hyderabad
Date : May 17, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current Assets			
Property, Plant and Equipment	1	**42,442.27**	43,772.47
Capital work-in-progress		**8,144.53**	7,669.40
Intangible Assets	1	**216.23**	264.52
		50,803.03	51,706.39
Financial Assets			
Investments	2	**9,869.94**	9,931.70
Other financial assets	3	**409.83**	407.60
Tax Assets (Net)		**2,946.78**	3,140.27
Other non current assets	4	**3,720.80**	3,099.53
		16,947.35	16,579.10
Current Assets			
Inventories	5	**859.94**	902.70
Financial Assets			
Trade Receivables	6	**1,934.00**	1,140.76
Cash and Cash Equivalents	7	**1,461.18**	320.31
Bank balances other than cash and cash equivalents	7	**65.06**	85.63
Other financial assets	3	**948.60**	1,294.52
Other Current assets	4	**628.44**	685.35
		5,897.22	4,429.27
TOTAL ASSETS		**73,647.60**	72,714.76
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	8	**1,254.03**	1,254.03
Other Equity	9	**35,662.63**	33,899.39
Total Equity		**36,916.66**	35,153.42
Non-current Liabilities			
Financial Liabilities			
Borrowings	10	**19,666.13**	22,722.91
Other financial Liabilities	12	**169.83**	148.12
Provision for Employee benefits	13	**328.44**	303.89
Deferred Tax Liabilities (net)	15	**5,966.81**	5,596.36
		26,131.21	28,771.28
Current Liabilities			
Financial Liabilities			
Borrowings	10	**-**	-
Trade Payables	11	**6,243.54**	4,802.78
Other financial Liabilities	12	**3,583.69**	3,281.13
Other current liabilities	14	**772.50**	706.15
		10,599.73	8,790.06
TOTAL EQUITY AND LIABILITIES		**73,647.60**	72,714.76

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

Per our report of even date
For M. BHASKARA RAO & CO.,
Chartered Accountants
Firm Regn No.000459S

M. Bhaskara Rao
Partner
Membership No.005176

Place : Hyderabad
Date : May 17, 2018

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

J Srinivasa Murthy
CFO & Company Secretary
M.No. FCS4460

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

	Note	Current Year	Previous Year
Revenue from Operations	16	**28,825.04**	26,449.40
Other Income	17	**263.25**	528.10
TOTAL INCOME		**29,088.29**	26,977.50
EXPENSES			
Food and Beverages Consumed	18	**3,160.49**	3,101.72
Employee Benefit Expense and Payment to Contractors	19	**6,248.22**	6,057.77
Finance Costs	20	**2,496.95**	2,906.63
Depreciation and Amortisation	1	**1,726.84**	1,812.82
Other Operating and General Expenses	21	**12,254.43**	11,498.74
Total Expenses		**25,886.93**	25,377.68
Profit Before Exceptional Items and Tax		**3,201.36**	1,599.82
Exceptional Items	22	**-**	263.68
Profit Before Tax		**3,201.36**	1,863.50
Tax Expenses			
Current Tax		**740.00**	444.00
Deferred Tax		**360.65**	741.39
Minimum Alternative Tax Credit		**-**	(444.00)
Short Provision of Tax of Earlier Years (Net) including reversal of MAT credit		**-**	84.14
Total Tax Expenses		**1,100.65**	825.53
Profit for the period		**2,100.71**	1,037.97
Share of Loss from Joint Venture		**(61.77)**	(614.89)
Other Comprehensive income, net of tax			
Items that will not be reclassified to profit and loss			
Actuarial gain/(loss) on employee gratuity (net of tax)		**18.51**	(15.43)
Total Comprehensive Income for the year		**2,057.45**	407.65
Earnings Per Share			
No.of equity shares of Rs.2/- each		**62,701,495**	62,701,495
1) Basic		**3.28**	0.65
2) Diluted		**3.28**	0.65

Per our report of even date
For M. BHASKARA RAO & CO.,
Chartered Accountants
Firm Regn No.000459S

M. Bhaskara Rao
Partner
Membership No.005176

Place : Hyderabad
Date : May 17, 2018

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

J Srinivasa Murthy
CFO & Company Secretary
M.No. FCS4460

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

	Particulars	Current Year		Previous Year	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	NET PROFIT BEFORE TAX		**3,201.36**		1,863.50
	Less: Share of Loss before tax from Joint Venture		**(155.62)**		(884.54)
	Consolidated profit before tax		**3,045.74**		978.96
	Adjustments for :				
	Consolidation of proportionate share of joint venture	**61.77**		614.89	
	Depreciation	**1,726.84**		1,812.82	
	Miscellaneous Expenditure Written off	**15.00**		15.00	
	Loss on sale of assets	**1.67**		35.18	
	Profit on sale of assets	**(0.53)**		(0.57)	
	Provision for Bad & Doubtful Debts	**-**		25.05	
	Provision for bad & doubtful debts credited back	**(2.06)**		(1.82)	
	Interest expenses	**2,496.95**		2,906.63	
	Interest earned	**(10.60)**		(121.00)	
			4,289.03		5,286.18
	Operating Profit before working capital changes		**7,334.76**		6,265.14
	Adjustments for :				
	Trade Receivables	**(791.18)**		181.78	
	Inventories	**42.75**		(131.24)	
	Non-current and current financial assets	**343.95**		(651.63)	
	Other Non-current and current assets	**(579.36)**		(395.31)	
	Non-current and current financial liabilities	**(709.45)**		(408.37)	
	Other Current Liabilities	**66.35**		(104.10)	
	Employee benefit obligations	**24.55**		8.28	
	Trade payables	**1,440.76**	**(161.63)**	970.36	(530.24)
	Cash generated from operations		**7,173.13**		5,734.90
	Less: Taxes paid / (refund received)		**(193.49)**		(83.81)
	Less: Tax adjustment on account of share of Joint Venture		**(92.19)**		(269.77)
	NET CASH IN FLOW FROM OPERATING ACTIVITIES		**7,458.81**		6,088.48
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets /addition to CWIP	**(830.26)**		(1,256.94)	
	Interest Received	**10.34**		122.15	
	Sale of Fixed Assets	**5.65**		1.57	
	NET CASH OUT FLOW FROM INVESTING ACTIVITIES		**(814.27)**		(1,133.22)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Long term loans (repaid)	**(2,775.00)**		(1,297.50)	
	Working capital borrowings	**-**		(251.21)	
	Long term deposits raised/(paid back)	**21.70**		14.09	
	Interest paid	**(2,476.73)**		(2,886.41)	
	Dividend paid	**(250.81)**		(250.81)	
	Taxes on dividend paid	**(43.40)**		(51.06)	
	NET CASH OUT FLOW FROM FINANCING ACTIVITIES		**(5,524.24)**		(4,722.90)
	Net increase in cash and cash equivalent		**1,120.30**		232.36
	Cash and Cash equivalents as at beginning of the year		**405.94**		173.58
	Cash and Cash equivalents as at end of the year		**1,526.24**		405.94

Note: The Cash Flow Statement has been prepared under the indirect method as set out in the Ind As - 7.

Per our report of even date
For M. BHASKARA RAO & CO.,
Chartered Accountants
Firm Regn No.000459S

M. Bhaskara Rao
Partner
Membership No.005176

Place : Hyderabad
Date : May 17, 2018

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

J Srinivasa Murthy
CFO & Company Secretary
M.No. FCS4460

1. General information

TAJGVK Hotels & Resorts Limited ("TAJGVK" / "the Company") was incorporated on 2nd February, 1995 in the erstwhile state of Andhra Pradesh, India. The Company is a joint venture between the GVK Group and Indian Hotels Company Limited. The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts with the brand name of "TAJ".

2. These financial statements were authorized for issue by a resolution of the Board of Directors passed on May 17, 2018.

3. Principles of Consolidation

i) The Consolidated financial statements have been prepared on the following basis:

The Consolidated financial statements comprise of the financial statement of TAJGVK Hotels & Resorts Ltd (herein after referred to as "the Company" and a Joint Venture Company (herein after referred to as "the JV").

Names of the Joint Venture	Country of incorporation	As at 31 March 2018	As at 31 March 2017
Green Woods Palaces and Resorts Pvt Ltd	India	48.99%	48.99%

ii) A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control.

The investment in the jointly controlled entity is accounted for using the equity method from the date on which the investee became a joint venture. Under the equity method, a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Share of losses incurred in the joint venture are reduced, to the extent, from the carrying amount of the investment.

The statement of profit and loss reflects the Company's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

4. Summary of Significant Accounting Policies

i. Statement of compliance:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

The Company made its transition to Ind AS in the year ended March 31, 2017. For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

ii. Basis of preparation of financial statements:

These financial statements have been prepared under the historical cost convention on accrual basis except certain financial instruments measured at fair value other than those with carrying amounts that are reasonable approximations of fair values.

iii. 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 recognized in the period in which the estimate is revised.

iv. Classification of Assets and Liabilities into current and Non-current

The company presents its assets and liabilities in the Balance Sheet based on current/non-current classification;

An asset is treated as current when it is:

a) Expected to be realized or intended to be sold or consumed in the normal operating cycle; or

b) Held primarily for the purpose of trading; or

c) Expected to be realized within twelve months after the reporting period; or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is treated as current when:

a) It is expected to be settled in the normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is due to be settled within twelve months after the reporting period; or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. Based on the services rendered and their realizations in cash and cash equivalents, the company has ascertained its operating cycle is 12 months for the purpose of current-non-current classification of assets and liabilities.

v. Exceptional Items

Items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as exceptional items.

vi. Revenue Recognition:

a. Income from guest accommodation is recognised on a day to day basis after the guest checks into the Hotels. Income from Food and Beverages are recognised at the point of serving these items to the guests. Income stated is exclusive of taxes collected. Rebates and discounts granted to customers are reduced from revenue.

b. Shop rentals are recognized on accrual basis.

c. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

d. Insurance claims are recognized as and when they are settled / admitted.

vii. Inventories:

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

viii. Property Plant and equipment:

a. Property Plant and equipment are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation. Cost comprises 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. 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.

c. In the transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ix. Intangible assets:

a. Intangible assets are carried at cost, net of credit availed in respect of any taxes and duties, less accumulated amortization. Computer software is classified under “Intangible Assets”.

b. In the transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

x. Depreciation and Amortisation:

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

Depreciation on tangible fixed assets has been provided under the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been re-assessed as under based on technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Plant and machinery	:	10 to 20 years
Electrical installations and equipment	:	20 years
Hotel Wooden Furniture	:	15 years
Non-wooden furniture & fittings	:	8 years
End User devices- Computers, Laptops, etc	:	6 years

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

Computer software : 6 years

xi. Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of lease.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfer substantially all the risks and rewards incidental to ownership to the lessee is classified as finance lease.

Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of assets over the lease term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Lessor:

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

xii. Foreign Exchange Transactions:

The Company's financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency.

a. **Initial recognition:** Transactions in foreign currencies are initially recorded at the exchange rates (INR spot rate) prevailing on the date of the transaction.

b. **Conversion:** Foreign currency monetary items are reported at the exchange rates (INR spot rate) 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.

xiii. Unamortised Expenses:

Payment on assignment of Taj Banjara hotel lease is being written off over the remaining period of the lease.

xiv. Retirement Benefits:

a. **Defined Contribution Plan:**

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

b. **Defined Benefit Plan:**

Gratuity:

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. 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.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

  The Company recognises the following changes in the net defined benefit obligation as an expense in its statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

  Remeasurement, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

  Compensated Absences

  At the reporting date, Company's liability towards compensated absences 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.

xv. 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, is initially carried under expenditure incurred during the construction period and the borrowing cost till the assets are substantially ready for their intended use is added to the cost of those assets.

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

xvi. Taxes on income:

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

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

b. Deferred Tax: Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognized for all taxable temporary differences. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

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

xvii. 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.

xviii. Impairment of non-financial assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

xix. Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xx. Contingent Liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable.

xxi. License fee payable to Hotel Banjara Limited and land lords of Vivanta by Taj Begumpet hotel and Operating & Management fee payable to Indian Hotels company Limited is recognized as expense as per the agreements entered with them.

xxii. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits and warrant account with banks for unclaimed dividend.

xxiii. Investment in subsidiaries, associates and joint ventures

A joint venture is a type of joint arrangement whereunder the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company has accounted for its investment in joint ventures at cost.

Transition to Ind AS: On transition to Ind AS, the Company has elected to continue with the carrying value of all its Investment in joint ventures recognised as at April 1, 2015 measured as per previous GAAP.

xxiv. Financial assets

Initial recognition and measurement:

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, in the case of financial assets not recorded at fair value through profit or loss.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition :

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

xxv. Significant accounting judgements, estimates and assumptions

The preparation of the company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following Judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements:

Provisions and Contingency : The Company has assesses the probable unfavourable outcomes and creates provisions where necessary. Where these are assessed as not probable or where they are probable upon a contingency, they are disclosed as contingent liability.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Based on future projections of taxable profit and MAT, the Company has assessed that the entire MAT credit can be utilised.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

Consolidated Statement of Changes in Equity as at March 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

Particulars	Equity Share Capital Subscribed	RESERVES AND SURPLUS				TOTAL
		Capital Reserve	Securities Premium Account	Retained Earnings		
				General Reserve	Profit & Loss B/Fd	
Balance at the beginning of the year (April 1, 2017)	**1,254.03**	**3,469.30**	**3,132.00**	**7,100.00**	**20,198.09**	**35,153.42**
Add:						
Profit for the year	-	-	-	-	2,038.94	**2,038.94**
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ (losses)	-	-	-	-	18.51	**18.51**
Less:	-					
Dividends paid for FY 2016-17	-	-	-	-	250.81	**250.81**
Tax on Dividend	-	-	-	-	43.40	**43.40**
Balance at the end of the year (March 31, 2018)	**1,254.03**	**3,469.30**	**3,132.00**	**7,100.00**	**21,961.33**	**36,916.66**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

Note 1 : Property, Plant and Equipment (Owned, unless otherwise stated)

	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital work in progress	Intangibale Assets Software
Gross Block at Cost									
At April 1, 2017	4,244.11	30,994.25	10,255.65	1,448.20	269.13	104.53	47,315.86	7,669.40	357.28
Additions			280.94	29.01	23.35		333.31	475.13	21.82
Disposals			10.05			4.79	14.85		
As At March 31, 2018	**4,244.11**	**30,994.25**	**10,526.54**	**1,477.21**	**292.48**	**99.74**	**47,634.32**	**8,144.53**	**379.10**
Depreciation									
At April 1, 2017	1.83	1,075.22	1,897.84	384.47	116.09	67.93	3,543.39	-	92.76
Charge for the period		543.34	919.22	127.10	49.77	17.30	1,656.73	-	70.11
Disposals			3.51			4.56	8.07	-	
As At March 31, 2018	**1.83**	**1,618.56**	**2,813.55**	**511.57**	**165.86**	**80.67**	**5,192.05**	**-**	**162.87**
Net Block									
As At March 31, 2018	**4,242.28**	**29,375.69**	**7,712.99**	**965.64**	**126.62**	**19.07**	**42,442.27**	**8,144.53**	**216.23**
As at March 31, 2017	**4,242.28**	**29,919.03**	**8,357.81**	**1,063.72**	**153.04**	**36.60**	**43,772.47**	**7,669.40**	**264.52**

Footnotes :

Note:
1) Hotel at Chandigarh is constructed on land taken on lease for 99 years.
2) Vivanta by Taj - Begumpet is on land and superstructure taken on lese for 60 years, extended by further period of 30 years.

NOTE 2 : INVESTMENTS	Face Value Rs.	As at March 31, 2018 Holdings	As at March 31, 2018 Rs. In lakhs	As at March 31, 2017 Holdings	As at March 31, 2017 Rs. In lakhs
NON-CURRENT INVESTMENTS - UNQUOTED					
Green Woods Palaces and Resorts Private Limited (fully paid equity shares)	10 /-	**3,67,50,000**	**11,025.00**	3,67,50,000	11,025.00
OTHERS					
Green Infra Windfarms Limited (fully paid equity shares)	10 /-	**18,000**	1.80	18,000	1.80
Total Non-current Investments			**11,026.80**		11,026.80

Footnotes :

(i) Represents investment in equity shares of Rs.10/- each at a premium of Rs.20/- per share in the said company, which is a jointly controlled entity in terms of Ind AS 111 - Joint Arrangements

(ii) Investment in Green Infra Windfarms Ltd is for purchase of power of 3 million units or 5.65% of its actual generation whichever is less, to comply with regulatory requirement, to purchase renewable energy.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 3 : OTHER FINANCIAL ASSETS	As at March 31, 2018	As at March 31, 2017
A) Non Current		
Deposits with Public Bodies and Others	**383.58**	366.35
Unamortized Expenditure	**26.25**	41.25
	409.83	407.60
B) Current		
Deposit with public bodies and others	**2.97**	42.97
Other advances	**384.60**	214.91
Claims Receivable	**1.22**	44.12
Interest accrued	**8.02**	7.75
Other receivables	**551.79**	984.77
	948.60	1,294.52

NOTE 4 : OTHER ASSETS	As at March 31, 2018	As at March 31, 2017
A) Non current (Unsecured considered good)		
Capital Advances	**908.98**	411.17
Other advances recoverable	**1,989.98**	1,825.70
Prepaid Expenses	**160.05**	13.37
Advance lease payments	**605.07**	758.87
Advance to Employees	**-**	2.20
Deposits for tax and other statutory dues	**56.72**	88.22
	3,720.80	3,099.53
B) Current (Unsecured considered good)		
Prepaid Expenses	**295.71**	214.24
Indirect tax recoverable	**55.67**	333.19
Advance to Suppliers	**74.38**	49.72
Advance to Employees	**27.51**	15.75
Export benefit receivable	**175.17**	72.45
	628.44	685.35

NOTE 5. INVENTORIES	As at March 31, 2018	As at March 31, 2017
Food and Beverages	**540.19**	568.53
Stores and Operating Supplies	**319.75**	334.17
	859.94	902.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 6. TRADE RECEIVABLES	As at March 31, 2018	As at March 31, 2017
Considered good	**1,934.00**	1,140.76
Considered doubtful	**88.93**	90.99
	2,022.93	1,231.75
Less : Provision for Debts considered doubtful	**88.93**	90.99
	1,934.00	1,140.76

There are no receivables from Directors or other officers of the Company or debts due from firms or private companies in which any Director is a partner or a director or member as on the Balance Sheet date other than in the normal course of business within the established credit policies

NOTE 7. CASH AND BANK BALANCES	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Cash on hand	**26.34**	13.33
Balances with banks in current account	**1,432.51**	306.98
Margin money deposits	**2.33**	
	1,461.18	320.31
Bank balances other than cash and cash equivalents		
Earmarked balances with banks on account of unclaimed dividends	**65.06**	85.63
	65.06	85.63

NOTE 8. EQUITY SHARE CAPITAL	As at March 31, 2018	As at March 31, 2017
Authorised Share Capital		
Ordinary Shares		
17,05,00,000 (17,05,00,000) Equity Shares of Rs.2/- each	**3,410.00**	3,410.00
	3,410.00	3,410.00
Issued Share Capital		
6,27,01,495 (6,27,01,495) Equity Shares of Rs.2/- each fully paid-up	**1,254.03**	1,254.03
	1,254.03	1,254.03
Subscribed and Paid Up		
6,27,01,495 (6,27,01,495) Equity Shares of Rs.2/- each fully paid-up	**1,254.03**	1,254.03
	1,254.03	1,254.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

i) Reconciliation of Ordinary shares :

Particulars	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
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

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

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dr. GVK Reddy	**3,805,981**	**6.07**	3,805,981	6.07
Mrs. G Indira Krishna Reddy	**3,762,966**	**6.00**	3,762,966	6.00
Mrs. Shalini Bhupal	**11,725,180**	**18.70**	23,135,359	36.90
Mr. Krishna R Bhupal	**11,723,679**	**18.70**	313,500	0.50
The Indian Hotels Company Limited	**16,000,000**	**25.52**	16,000,000	25.52

As per records of the Company including its register of shareholders / members, the above shareholding represents both legal and beneficial ownership of shares

iii) Rights, preferences and restrictions attached to Equity shares including declaration of dividend:

The company has one class of equity shares having par value of Rs.2 per share. Equity shares are attached with one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding, after discharging all preferential creditors. The equity shareholders are eligible to receive any dividend that is declared by the Company as per provisions of the Companies Act, 2013

NOTE 9. OTHER EQUITY	As at March 31, 2018	As at March 31, 2017
Reserves & Surplus		
Capital Reserve	**3,469.30**	3,469.30
Securities Premium Account	**3,132.00**	3,132.00
General Reserve	**7,100.00**	7,100.00
Retained Earnings		
Surplus in the Profit And Loss	**20,198.09**	20,092.31
Add: Current Year profits	**2,038.94**	423.08
Less: Dividends paid during the year	**250.81**	250.81
Less: Dividend tax	**43.40**	51.06
Total Retained Earnings	**21,942.82**	20,213.52
Reserves & Surplus	**35,644.12**	33,914.82
Other Comprehensive Income (loss) (net of taxes)	**18.51**	(15.43)
TOTAL OTHER EQUITY	**35,662.63**	33,899.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 10 : BORROWINGS	As at March 31, 2018	As at March 31, 2017
	Amortised Cost	Amortised Cost
A) Long Term Borrowings		
Term Loan from Banks		
Secured	**22,862.48**	25,637.48
Less: Unamortized Borrowing Cost	**121.35**	141.57
	22,741.13	25,495.91
Less: Current maturities of Long term borrowings (shown under Other current financial liabilities)	**3,075.00**	2,773.00
Total Long Term Borrowings	**19,666.13**	22,722.91
B) Short Term Borrowings		
Loans repayable on demand from Banks		
Secured	**-**	-
Total Short Term Borrowings	**-**	-
Total Borrowings	**19,666.13**	22,722.91

i) Term Loans from Banks:

a) Rs.121.88 crores from HDFC Bank Ltd at an interest rate of 10.40% p.a is secured by first charge on all assets of Taj Chandigarh, Chandigarh repayable in 32 equal instalments starting from November 1, 2016. The loan is sanctioned with a moratorium of 2 years from the date of first disbursement. ie. August, 2014.

b) Rs.106.75 crores from AXIS Bank Ltd at an interest rate of 9.50% p.a is secured by first charge on all assets of Taj Club House, Chennai repayable in 26 structured instalments starting from March 31, 2017. The loan is sanctioned with a moratorium of 2.5 years from the date of first disbursement. ie. July, 2014.

i) Loans repayable on demand from Banks

Bank Overdraft from AXIS Bank Ltd Rs.Nil (2017 : Rs.Nil) at an interest rate of 9.50% per annum is secured by first charge on current assets of the Company, ranking pari passu with IDBI Bank Ltd, further secured by second charge on fixed assets of Taj Club House.

Bank Overdraft from IDBI Bank Ltd Rs.Nil (2017 : Rs.Nil) at an interest rate of 9.65% per annum is secured by first charge on current assets of the Company, ranking pari passu with AXIS Bank Ltd.

NOTE 11: TRADE PAYABLES	As at March 31, 2018	As at March 31, 2017
Trade Payables		
Dues to Micro and Small Enterprises (Refer Note (i))	**-**	2.19
Others	**5,093.32**	4,358.94
Accrued expenses and others Refer Note (ii))	**1,150.22**	441.65
	6,243.54	4,802.78

Note :

(i) The amount due if any to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” is determined to the extent such parties have been identified on the basis of information received from them by the Company.

(ii) Accrued Expenses include an amount of Rs.490 lakhs being management fee payable to Indian Hotels Company Limited for the period from 01/07/2015 to 31/03/2018, consequent to renewal of the Taj Chandigarh Hotel Operating Agreement with Indian Hotels Company Limited (IHCL) for a further period of 10 years effective from 1st July 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 12 : OTHER FINANCIAL LIABILITIES	As at March 31, 2018	As at March 31, 2017
A) Non Current financial liabilities		
Deposits refundable	**168.34**	146.36
Creditors for Capital goods and services	**1.49**	1.76
	169.83	148.12
B) Current financial liabilities		
Current maturities of long term borrowings	**3,075.00**	2,773.00
Deposits from others	**13.16**	14.40
Creditors for capital expenditure	**181.53**	200.60
Unclaimed dividend	**65.06**	85.63
Employee Related Liabilities	**212.01**	207.50
Others	**36.93**	-
Total	**3,583.69**	3,281.13

NOTE 13 : PROVISION FOR EMPLOYEE BENEFITS	As at March 31, 2018	As at March 31, 2017
Non Current		
Post-retirement compensated absences	**151.04**	100.98
Gratuity	**177.40**	202.91
Total	**328.44**	303.89

NOTE 14 : OTHER NON FINANCIAL LIABILITIES	As at March 31, 2018	As at March 31, 2017
Current		
Advance towards revenues	**381.50**	345.66
Statutory dues	**391.00**	360.49
Total	**772.50**	706.15

NOTE 15 : DEFERRED TAX LIABILITIES (NET)	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities:		
Depreciation on Fixed Assets	**6,114.26**	5,698.15
Amortization of finance cost	**42.00**	54.87
Total (A)	**6,156.26**	5,753.02
Deferred Tax Assets:		
Provision for Doubtful Debts	**30.78**	31.49
Employee Benefits	**113.67**	88.87
Amortization of prepaid lease payments	**45.00**	36.30
Total (B)	**189.45**	156.66
Net Deferred Tax Liabilities (A-B)	**5,966.81**	5,596.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE 16 : REVENUE FROM OPERATIONS	Current Year	Previous Year
Room Revenue, Food, Restaurants and Banquet Revenue	**27,449.08**	25,262.37
Shop rentals	**661.72**	502.49
Membership fees	**65.02**	57.07
Export benefits	**102.71**	72.45
Others	**546.51**	555.02
TOTAL	**28,825.04**	26,449.40

NOTE 17: OTHER INCOME	Current Year	Previous Year
Interest Income at amortised cost		
Others	**10.60**	11.92
Interest on Income Tax Refunds	**-**	109.08
Total	**10.60**	121.00
Profit on sale of assets	**0.53**	0.57
Exchange Gain (Net)	**10.48**	8.88
Others	**241.64**	397.65
TOTAL	**263.25**	528.10

NOTE 18 : FOOD AND BEVERAGES CONSUMED	Current Year	Previous Year
Food and Beverages Consumed	**3,160.49**	**3,101.72**

NOTE 19 : EMPLOYEE BENEFIT EXPENSE	Current Year	Previous Year
Salaries, Wages, Bonus etc.	**3,794.69**	3,627.09
Company's Contribution to Provident and Other Funds	**234.42**	275.58
Reimbursement of Expenses on Personnel Deputed to the Company	**965.72**	814.99
Contractor employee expenses	**571.85**	595.11
Staff Welfare Expenses	**681.55**	745.00
TOTAL	**6,248.23**	6,057.77

NOTE 20 : FINANCE COSTS	Current Year	Previous Year
Interest Expense	**2,476.73**	2,930.99
Other borrowing costs	**20.22**	20.22
	2,496.95	2,951.21
Less : Interest Capitalised	**-**	44.58
TOTAL	**2,496.95**	2,906.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

NOTE : 21 OTHER OPERATING AND GENERAL EXPENSES	Current Year	Previous Year
(i) Operating expenses consist of the following :		
Linen and Room Supplies	**566.23**	475.63
Catering Supplies	**268.48**	239.23
Other Supplies	**19.95**	24.61
Fuel, Power and Light	**2,775.93**	2,883.63
Repairs to Buildings	**420.91**	765.79
Repairs to Machinery	**678.22**	697.48
Repairs to Others	**165.45**	158.28
Linen and Uniform Washing and Laundry Expenses	**418.07**	383.26
Payment to Orchestra Staff, Artistes and Others	**355.37**	378.41
Guest Transportation	**180.25**	202.07
Travel Agents' Commission	**587.47**	284.85
Credit card Commission	**206.75**	225.22
Other Operating Expenses	**691.10**	554.44
Total	**7,334.18**	7,272.90
(ii) General expenses consist of the following :		
Rent	**228.86**	270.51
Licence Fees	**814.30**	760.65
Rates and Taxes	**891.37**	856.62
Insurance	**91.78**	93.26
Advertising and Publicity	**434.39**	397.98
Printing and Stationery	**121.83**	133.44
Passage and Travelling	**51.91**	42.03
Communication expenses	**281.71**	293.77
Provision for Doubtful Debts	**-**	25.05
Expenditure on Corporate Social Responsibility	**22.42**	15.44
Donations	**62.20**	37.50
Operating & Management Fees	**1,259.76**	668.98
Professional Fees	**244.38**	167.63
Outsourced Support Services	**134.52**	112.70
Loss on Sale of Fixed Assets	**1.67**	35.18
Payment made to Statutory Auditors		
i. As Auditors	**22.00**	22.00
ii. For Tax Audit	**3.00**	3.00
Directors' Sitting Fees	**11.25**	9.80
Amortized expenses	**15.00**	15.00
Other Expenses	**227.90**	265.30
Total	**4,920.25**	4,225.84
	12,254.43	11,498.74

NOTE 22 : EXCEPTIONAL ITEMS	Current Year	Previous Year
Reversal of operating fees of Vivanta by Taj - Begumpet for FY 2015/16	-	96.42
Reversal of operating fees of Taj Chandigarh from July, 2015 to March, 2016	-	167.26
Total	-	263.68

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

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

Estimated amount of contracts remaining to be executed on capital account, net of advances Rs.Nil (2017: Rs. 30.14 Lakhs).

Contingent liabilities not provided for in respect of

Particulars	**As At March 31, 2018**	As At March 31, 2017
Value added tax matters (Rs.101.99 lakhs paid under protest against the demands)	344.65	307.40
Income tax matters (Rs.260.72 lakhs paid under protest against the demands)	411.80	210.25
Service tax matters	2541.76	2871.58
Probable customs duty payable on the Equipment Imported under Export Promotion Capital Goods Scheme	118.04	42.24
Letters of Credit	67.93	12.60
Bank Guarantees – Others	65.33	60.37

24. Due to inadequacy of profits computed in accordance with the provisions of Section 198 of the Companies Act read with Schedule V thereto, the remuneration paid to the Managing Director for the financial year 2017-18 is in excess of the limits specified under Sections 197 of the Companies Act, 2013, aggregating to Rs.146.23 lakhs. The Company is in the process of submitting an application to the Central Government for approval of the excess remuneration paid to the Managing Director as per the terms of the appointment. The Nomination and Remuneration Committee of the Board and Board of Directors at their meeting held on May 17, 2018 approved the waiver of excess remuneration paid to Managing Director. The Company shall place the said resolution for approval of the shareholders at the ensuing Annual General Meeting and file necessary application to Central Government for approval.

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

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

Particulars	**As At March 31, 2018**	As At March 31, 2017
The principal amount due thereon remaining unpaid to any supplier as at the end of the accounting year	-	2.19
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of payments made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under MSMED Act, 2006	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

26. Disclosure per Ind AS 24 on Related Party transactions

a. **Key Managerial personnel:**

Whole Time Directors:	
Name of the Related Party	**Relationship**
Mrs. G. Indira Krishna Reddy	Managing Director
Mrs. Shalini Bhupal	Executive Director
Non-Whole Time Directors:	
Name of the Related Party	**Relationship**
Dr. GVK Reddy	Non-executive Chairman
Mr. G V Sanjay Reddy	Promoter Director
Mr. Krishna R Bhupal	Promoter Director
Mr. Puneet Chhatwal	Promoter Director
Mr. Giridhar Sanjeevi	Promoter Director
Mr. Rajendra Misra	Promoter Director
Mr. K Jayabharath Reddy	Independent Director
Mr. D R Kaarthikeyan	Independent Director
Mr. C D Arha	Independent Director
Mr. Ch G Krishna Murthy	Independent Director
Mr. M B N Rao	Independent Director
Mr. S Anwar	Independent Director
Mr. A Rajasekhar	Independent Director
Mrs. Santha John	Independent Director
Executive Officer:	
Mr. J. Srinivasa Murthy	Chief Financial Officer & Company Secretary

b.

Other related parties:	
Name of the Related Party	**Relationship**
Green Woods Palaces and Resorts Pvt Ltd	Jointly controlled entity
The Indian Hotels Company Limited	Joint Venturer

c.

Companies/Firms/Trust in which the key management and their relatives are interested:	
GVK Gautami Power Ltd	GVK Power (Goindwal Sahib) Ltd
GVK Airport Developers Ltd	GVK Projects & Technical Services Ltd.
GVK Biosciences (P) Ltd	GVK Technical Consultancy Services (P) Ltd
GVK Foundation	GVK Ratle Hydro Electric Project Pvt Ltd
GVK Energy Ltd	Inogent Laboratories (P) Ltd
GVK Industries Ltd	GVK EMRI
GVK Jaipur Expressway Private Ltd	Mumbai International Airport (P) Ltd
GVK Power & Infrastructure Ltd	Orbit Travel & Tours (P) Ltd

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

Transactions during the year

Name of the related party	Current Year	Previous Year
Key Management Personnel:		
Salaries and other employee benefits to Whole Time Directors and Executive Officers	604.52	553.57
Remuneration to other non executive / Independent Directors	11.25	9.80
Joint Venturer:		
Indian Hotels Company Limited		
Operating fee	1259.75	668.98
Reimbursement of advertisement expenses	331.44	315.27
Enterprises in which key management personnel and / or their relatives have significant influence:		
Orbit Tours and Travels (P) Ltd - Purchase of travel tickets and car hire charges	57.73	44.78
GVK Foundation - Donation	62.20	37.50
Income from sale of rooms and food & beverages:		
- GVK Gautami Power Ltd	1.64	-
- Mumbai International Airport Pvt Ltd	6.41	8.58
- GVK Biosciences Pvt Ltd	4.99	8.00
- GVK Industries Ltd	2.53	1.26
- GVK Jaipur Expressway Pvt Ltd	0.17	0.39
- GVK Power and Infrastructure Ltd	1.54	1.18
- GVK Power (Goindwal Sahib) Ltd	-	4.25
- Bengaluru International Airport Ltd	0.17	0.32
- GVK Energy Ltd	1.15	1.12
- Inogent Laboratories Pvt Ltd	-	0.23
- Mumbai Aviation Fuel Farm Facility Pvt Ltd	-	0.20
- GVK EMRI	2.30	2.36
- GVK Airport Developers Ltd	-	0.07

Balances Outstanding as of March 31, 2018:

Name of the related party	Current Year	Previous Year
Joint Venturer:		
Indian Hotels Company Limited		
Operating fee & reimbursements payable	3056.00	1578.41
Reimbursement of expenses payable / (receivable)	(930.00)	(921.16)
Jointly controlled entity:		
Green Woods Palaces & Resorts (P) Ltd		
Investment in Equity Shares	11025.00	11025.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

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

Particulars	**As at March 31, 2018**	As at March 31, 2017
Not later than one year	**620.63**	495.23
Later than one year but not later than five years	**42.88**	551.16
Later than 5 years	**-**	-

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

Particulars	**As at March 31, 2018**	As at March 31, 2017
Not later than one year	**398.61**	398.61
Later than one year but not later than five years	**1639.41**	2,038.01
Later than 5 years	**10,131.18**	10,131.18

28. Employee benefits:

Defined contribution plan:

Amount recognized as an expense in statement of profit and loss Rs.95.41 lakhs (2017: Rs. 93.87 lakhs) on account of provident fund and Rs.68.93 lakhs (2017: Rs. 45.78 lakhs) on account of Employee State Insurance.

Defined benefit plan:

Gratuity:

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on separation at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.2,000,000/-

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

a. Statement of Profit and Loss and Statement of Other Comprehensive Income

Particulars	**Current Year**	Previous Year
Current Service Cost	39.01	34.60
Past Service Cost	(66.09)	-
Interest on Net Defined Benefit liability / (asset)	14.41	10.75
Changes in financial assumptions	(23.35)	31.19
Experience adjustments	(3.23)	9.03
Actuarial return on plan assets less interest on plan assets	(1.72)	(16.63)
Net charge to Profit & Loss and OCI	**(40.97)**	**68.94**

b. Reconciliation of Defined Benefit Obligation

Particulars	**Current Year**	Previous Year
Opening Defined benefit Obligation	590.72	504.77
Current Service Cost	39.01	34.60
Past Service Cost	(66.09)	-
Interest Cost	35.35	34.60
Actuarial Losses / (Gain)	(26.58)	40.23
Benefits Paid	(36.90)	(23.48)
Closing Defined Benefit Obligation	**535.51**	**590.72**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are Rs. in Lakhs, unless otherwise stated)

c. Change in Fair Value of Plan Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Fair Value of Plan Assets	**372.33**	355.34
Interest on Plan Assets	**20.95**	23.84
Actuarial gain / (Losses)	**1.72**	16.63
Contributions by Employer	**-**	-
Benefits Paid	**(36.90)**	(23.48)
Closing Fair Value of Plan Assets	**358.10**	**372.33**

d. Amount recognized in Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017
Opening net defined benefit liability / (asset)	218.38	149.43
Expense charged to profit and loss account	(12.67)	45.35
Amount recognized outside profit and loss account	(28.31)	23.60
Net Liability recognized in the Balance Sheet	**177.40**	**218.38**

e. Description of Plan Assets

Particulars	As at March 31, 2018	As at March 31, 2017
Insurer Managed Funds	100%	100%

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

Particulars	Current Year	Previous Year
Discount Rate	7.00%	7.85%
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Salary Escalation rate	5.00%	5.00%

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

	Period Ended March 31, 2018	
	Discount Rate	**Salary Escalation Rate**
Impact of increase in 50 bps on DBO	2.88%	3.14%
Impact of decrease in 50 bps on DBO	3.07%	2.96%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Compensated Absences:

The Company's liability towards un-funded leave encashment 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.

The Defined Benefit Obligation of compensated absence in respect of the employees of the Company as at March 31, 2018 works out to Rs.231.73 lakhs.

The discount rate and salary escalation rate is the same as adopted for gratuity liability valuation.

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

29. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Gross amount required to be spent by the company during the year: Rs.22.42 lakhs

30. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarized below:

Particulars	**Current Year**	**Previous Year**
Profit before tax	3,201.36	1,863.50
Income tax rate as applicable	34.61%	21.34%
Calculated taxes based on above, without any adjustments for deductions	**1,107.99**	**397.67**
Permanent tax differences due to:		
Effect of income that is exempt from taxation	(6.23)	-
Income considered as capital in nature under tax and tax provisions	(0.18)	-
Effect of expenses that are not deductible in determining taxable profit	(113.71)	5.35
Expense considered to be capital in nature under tax and tax provisions	0.58	-
Others	(249.58)	40.34
Income tax expense recognized in the Statement of Profit and Loss	**738.87**	**443.36**
Rounded off to	**740.00**	**444.00**

31. 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.

32. Segmental Reporting:

The Company's only business being hoteliering, disclosure of segment-wise information under Accounting Standard (AS) 108 "Segmental Information" notified by the Companies (Accounting Standards) Rules, 2006 (as amended) does not arise. There is no geographical segment to be reported since all the operations are undertaken in India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

33. Risk Management, Objectives and Policies:

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.

34. Capital management

The Company's policy is to maintain strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business.

The Company manages its Capital structure through a balanced mix of debt and equity. The Company's capital structure is influenced by the changes in the regulatory frameworks, government policies, available options of financing and impact of the same on liquidity position.

The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The table below shows the Gearing ratio for FY 2017-18 and FY 2016-17.

Particulars	March 31, 2018	March 31, 2017
Borrowings	22,862.48	25,637.48
Trade Payables	6,243.54	4,802.78
Less: Cash & Cash Equivalents	1,526.24	405.94
Net Debt	27,579.78	30,034.32
Equity Capital	38,073.52	36,248.52
Equity Capital and Net Debt	65,653.30	66,282.84
Gearing Ratio	42%	45%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

35. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Value		Fair Value	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Financial Assets				
Investments	11,026.80	11,026.80	11,026.80	11,026.80
Other financial assets	409.83	407.60	409.83	407.60
Tax Assets (Net)	2,946.78	3,140.27	2,946.78	3,140.27
Trade Receivables	1,933.99	1,140.76	1,933.99	1,140.76
Cash and Cash Equivalents	1,461.18	320.31	1,461.18	320.31
Bank balances other than cash and cash equivalents	65.06	85.63	65.06	85.63
Other financial assets	948.60	1,294.52	948.60	1,294.52
Total	**18,792.24**	**17,415.89**	**18,792.24**	**17,415.89**
Financial Liabilities				
Non-current Borrowings	19,666.13	22,722.91	19,666.13	22,722.91
Other non-current financial Liabilities	169.82	148.13	169.82	148.13
Current Borrowings	-	-	-	-
Trade Payables	6,243.54	4,802.78	6,243.54	4,802.78
Other current financial Liabilities	3,583.69	3,281.13	3,583.69	3,281.13
Total	**29,663.18**	**30,954.95**	**29,663.18**	**30,954.95**

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

36. Fair values hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2018:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investments (Unquoted)	31-Mar-18	11,026.80		11,026.80	
Other financial assets	31-Mar-18	409.83		409.83	
Tax Assets (Net)	31-Mar-18	2,946.78		2,946.78	
Trade Receivables	31-Mar-18	1,933.99		1,933.99	
Cash and Cash Equivalents	31-Mar-18	1,461.18		1,461.18	
Bank balances other than cash and cash equivalents	31-Mar-18	65.06		65.06	
Other financial assets	31-Mar-18	948.60		948.60	
Total		18,792.24	-	18,792.24	-

There have been no transfers between Level 1 and Level 2 during the period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are Rs. in Lakhs, unless otherwise stated)

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2018:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-18	19,666.13		19,666.13	
Other non-current financial Liabilities	31-Mar-18	169.82		169.82	
Current Borrowings	31-Mar-18	-		-	
Trade Payables	31-Mar-18	6,243.54		6,243.54	
Other current financial Liabilities	31-Mar-18	3,583.69		3,583.69	
Total		29,663.18	-	29,663.18	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investments	31-Mar-17	11,026.80		11,026.80	
Other financial assets	31-Mar-17	407.60		407.60	
Tax Assets (Net)	31-Mar-17	3,140.27		3,140.27	
Trade Receivables	31-Mar-17	1,140.76		1,140.76	
Cash and Cash Equivalents	31-Mar-17	320.31		320.31	
Bank balances other than cash and cash equivalents	31-Mar-17	85.63		85.63	
Other financial assets	31-Mar-17	1,294.52		1,294.52	
Total		**17,415.89**	-	**17,415.89**	

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2017:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-17	22,722.91		22,722.91	
Other non-current financial Liabilities	31-Mar-17	148.13		148.13	
Current Borrowings	31-Mar-17	-		-	
Trade Payables	31-Mar-17	4,802.78		4,802.78	
Other current financial Liabilities	31-Mar-17	3,281.13		3,281.13	
Total		**30,954.95**	-	**30,954.95**	-

There have been no transfers between Level 1 and Level 2 during the period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

37. Financial risk management objectives and policies

The Company is exposed to financial risk such as Market Risk (Interest Rate Risk, fluctuation in foreign exchange rates and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Company. The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, foreign currency risk and other price risk. Financial instruments of the Company affected by market risk include borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

The interest rate risk arise from long term borrowing of the company with variable interest rates (Bank one year MCLR plus spread). Although the spread is fixed, it is subject to change at fixed time interval or occurence of specified event(s). Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase / (decrease) in Interest Rate	Increase / (decrease)in profit before tax
March 31, 2017		
INR	0.5% p. a.	(134.67)
INR	(0.5%) p. a.	134.67
March 31, 2016		
INR	0.5% p. a.	(134.67)
INR	(0.5)% p. a.	134.67

Price risk

Price risk is the risk of fluctuations in the change in prices of of equity Investments. The Company's investment in JV company is of strategic in nature rather than for trading purpose.

Credit risk

Credit risk is the risk arising from credit exposure to customers and the couterparty will default on its contractual obligations.

The Company has adopted a policy of only dealing with creditworthy customers/ corporatres to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevent factors. Advance payments are obtained from customers in banquets, as a means of mitigating the risk of financial loss from defaults.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(All amounts are Rs. in Lakhs, unless otherwise stated)

The carrying amount of trade and other receivables, advances to suppliers, cash and short-term deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Deposits and cash balances are placed with Schedule Commerical banks.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds advances as security from customers to mitigate credit risk.

Particulars	Increase / (decrease) in Interest Rate	Increase / (decrease) in profit before tax
March 31, 2018		
INR	0.5% p. a.	(128.18)
INR	(0.5%) p. a.	128.18
March 31, 2017		
INR	0.5% p. a.	(134.67)
INR	(0.5)% p. a.	134.67

Price risk

Price risk is the risk of fluctuations in the change in prices of equity Investments. The Company's investment in JV company is of strategic in nature rather than for trading purpose.

Credit risk

Credit risk is the risk arising from credit exposure to customers and the counterparty will default on its contractual obligations.

The Company has adopted a policy of only dealing with creditworthy customers/ corporates to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Advance payments are obtained from customers in banquets, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of trade and other receivables, advances to suppliers, cash and short-term deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial assets carry a significant exposure with respect to the credit risk. Deposits and cash balances are placed with Schedule Commercial banks.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds advances as security from customers to mitigate credit risk.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments held by the Company are in the nature of investment in jointly controlled entity and also an investment in an alternate energy supply company as required under the respective State energy policy. Both the categories are unquoted non-trade equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(All amounts are Rs. in Lakhs, unless otherwise stated)

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty in raising the financial resources required to fulfil its commitments. Liquidity risk is held at low levels through effective cash flow management. Cash flow forecasting is performed internally by rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational requirements, to fund scheduled capex and debt repayments and to comply with the terms of financing documents.

The Company primarily uses short-term bank facilities in the nature of bank overdraft facility to fund its ongoing working capital requirements.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 1 Year	1 to 5 years	5 years and above	Total
Year ended 31/3/2018					
Borrowings	-	3,075.00	18,850.48	937.00	22,862.48
Other financial liabilities	-	508.69	169.82	-	678.51
Trade and other payables	6,243.54	-	-	-	6,243.54
TOTAL	**6,243.54**	**3,583.69**	**19,020.30**	**937.00**	**29,784.53**
Year ended 31/3/2017					
Borrowings	-	2,773.00	19,395.00	3,469.48	25,637.48
Other financial liabilities	-	508.14	148.12	-	656.26
Trade and other payables	4,802.78	-	-	-	4,802.78
TOTAL	**4,802.78**	**3,281.14**	**19543.12**	**3,469.48**	**31,096.52**

38. Balances in the accounts of various parties are subject to confirmation and reconciliation.

39. Previous Year's figures have been regrouped / rearranged, wherever necessary. Figures in brackets indicate those for previous year.

Per our report of even date
For M. BHASKARA RAO & CO.,
Chartered Accountants
Firm Regn No.000459S

M. Bhaskara Rao
Partner
Membership No.005176

Place : Hyderabad
Date : May 17, 2018

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

J Srinivasa Murthy
CFO & Company Secretary
M.No. FCS4460

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.040-66293664

ATTENDANCE SLIP

Annual General Meeting at Sri Sathya Sai Nigamagamam, on Friday, the 3rd August, 2018, at 11.30 a.m.

Please fill Attendance Slip and hand it over at the entrance of the Meeting Hall

DPID* :	
Client ID* :	

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

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

I/We hereby record my / our presence at the **23RD ANNUAL GENERAL MEETING** of the Company held on **Friday, the 3rd August, 2018 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.

AGM VENUE : Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad – 500 073.

ROUTE MAP

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.040-66293664

FORM No.MGT-11

PROXY FORM

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

DPID* :	
Client ID* :	

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

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

1. Name Address:
Email Id: Signature or failing him / her

2. Name Address:
Email Id: Signature or failing him / her

3. Name Address:
Email Id: Signature or failing him / her

As my / our proxy to attend and vote for me / us on my / our behalf at the **23RD ANNUAL GENERAL MEETING** of the Company held on **Friday, the 3rd August, 2018 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 as are indicated below :

	Ordinary Business	**For**	**Against**
1.	Adoption of Standalone and Consolidated Audited Accounts for the year ended March 31, 2018		
2.	To consider and declare dividend on the Equity Shares for the financial year ended March 31, 2018		
3.	Re-appointment of Mr. G V Sanjay Reddy as a Director liable to retire by rotation		
4.	Re-appointment of Mr. Rajendra Misra as a Director liable to retire by rotation		
	Special Business		
5.	Appointment of Mr. Puneet Chhatwal as a Non- Executive Non-Independent Director as a Ordinary Resolution		
6.	Appointment of Mr. Giridhar Sanjeevi as a Non- Executive Non-Independent Director as a Ordinary Resolution		
7.	Approval of the excess remuneration paid to Managing Director for the year 2017-18 as a Special Resolution		

As witness my / our hand(s) this _______ day of ________ 2018

AffixRe.1/-Revenue Stamp

Signed by the said ________________ Signature of Proxy ___________________

Affix
₹ 1/-
Revenue
Stamp

Note : 1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

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

* Applicable for investors holding shares in Electronic Form

NOTES

Thai Pavilion, Vivanta By Taj, Begumpet, Hyderabad

TAJGVK

TAJGVK Hotels & Resorts Limited

CIN: L40109AP1995PLC019349

Registered Office:
Taj Krishna, Road No.1, Banjara Hills,
Hyderabad 500 034, India
www.tajgvk.in

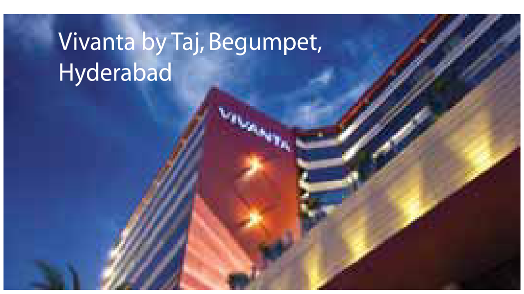

Taj Krishna, Hyderabad


Taj Deccan, Hyderabad


Taj Banjara, Hyderabad


Taj Chandigarh, Chandigarh


Taj Clubhouse, Chennai


Vivanta by Taj, Begumpet, Hyderabad


Meeting Room, Taj Santacruz, Mumbai

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.040-66293664

NOTICE

Registered Folio No. / DP ID No. / Client ID * :

Sr.No. :

Name & Address :

Name(s) of the Joint Holder(s) if any :

No. of shares held :

Dear Member,

Sub: Voting through electronic means on resolutions proposed to be passed at the 23rd Annual General Meeting of the Company.

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, **TAJGVK Hotels & Resorts Limited** ("the Company") is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed at the 23rd Annual General Meeting of the members of the Company, scheduled to be held on **Friday, the 3rd August, 2018**, at 11.30 a.m. at Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad–500073 by electronic means ("**e-voting**"). The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("**remote e-voting**''). Further, the facility for voting through Ballot voting will also be made available at the Meeting and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through ballot paper.

The Company has engaged the services of **Karvy Computershare Private Limited** ("**Karvy**'') as the Agency to provide e-voting facility.

The remote e-voting particulars are set out below:

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Event Number)	User ID	Password /PIN

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	:	**31st July, 2018 at 9:00 a.m. IST**
End of remote e-voting	:	**2nd August, 2018 at 5:00 p.m. (IST)**

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by Karvy upon expiry of the aforesaid period.

Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Wednesday, the 25th July, 2018.

The Board of Directors of the Company has appointed Mr. Narender Gandhari, Practicing Company Secretary, (Membership No. FCS4898), Proprietor of M/s. Narender & Associates as Scrutinizer to scrutinize the remote e-voting and Ballot voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

This communication forms an integral part of the Notice dated May 17, 2018 convening the Meeting. Integrated Annual Report 2017-18 of the Company inter alia comprising the said Notice and this communication are provided herewith and also made available on the website of the Company: www.tajgvk.in.

Please read the instructions and information relating to e-voting printed overleaf carefully before exercising the vote.

By Order of the Board
For TAJGVK Hotels & Resorts Limited

Place : Hyderabad
Date : 17.05.2018

J SRINIVASA MURTHY
CFO & Company Secretary
M. No. : FCS4460

Instructions and information relating to e-voting are as under:

1. **The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting**.
2. A member can opt for only single mode of voting, i.e., through remote e-voting or Ballot voting at the Meeting. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
3. **A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cutoff date, i.e., Wednesday, the 25th July, 2018 only shall be entitled to avail the facility of remote e-voting/Ballot voting. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only**.
4. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date may obtain the User ID and password from Karvy in the manner as mentioned below:

   a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to **9212993399**

   Example for NSDL: MYEPWD <SPACE> IN12345612345678

   Example for CDSL: MYEPWD <SPACE> 1402345612345678

   Example for Physical: MYEPWD <SPACE> XXXX1234567890

   b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

   c) Member may call on Karvy's toll-free number: 1800-3454-001 (from 9:00 a.m. to 6:00 p.m.) (IST).

   d) Member may send an e-mail request to evoting.tajgvk@karvy.com.

If the member is already registered with Karvy's e-voting platform, then he can use his/her existing User ID and password for casting the vote(s) through remote e-voting.

5. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.
6. **Information and instructions for remote e-voting:**

I. (A) In case a member receives an e-mail from Karvy [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

a) Launch internet browser by typing the URL: https://evoting.karvy.com

b) Enter the login credentials (i.e., **User ID and password** as given in this communication). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit https://evoting.karvy.com or contact toll-free number 1800-3454-001 (from 9:00 a.m. to 6:00 p.m.) (IST) for your existing password.

c) After entering these details appropriately, click on "LOGIN".

d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

e) You need to login again with the new credentials.

f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for TAJGVK Hotels & Resorts Limited.

g) On the voting page, enter the number of shares (which represent the number of votes) as on the cut-off date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / ''AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose to "ABSTAIN" and vote will not be counted under either head.

h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".

j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".

k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.

l) Once you confirm, you will not be allowed to modify your vote.

m) Corporate / Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id:narenderg99@gmail.com with a copy marked to evoting@karvy.com. They are also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name_EVENT NO."

(B) **In case a member receives physical copy of the Notice by Courier** [for members whose e-mail addresses are not registered with the Company / Depository Participant(s)]:

a) **User ID and password** as given in this communication.

b) Please follow all steps from Sr. No. (a) to (m) as mentioned in (A) above, to cast your vote.

II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending further communication(s).

III. **During the voting period, members can login to Karvy's e-voting platform any number of times till they have voted on all the Resolutions.**

IV. **Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again**.

V. In case of any query pertaining to e-voting, members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of Karvy's website for e-voting: http://evoting.karvy.com or contact Karvy as per the details given under sub-point no. VI below.

VI. **Members are requested to note the following contact details for addressing e-voting grievances**:

Mr. S. V. Raju / Mr. D. S. Nagaraja, Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032
Phone No.: +91 40 6716 1582; Toll-free No.: 1800-3454-001; E-mail:nagaraja.ds@karvy.com

7. The Scrutinizer will, after the conclusion of votes cast through remote e-voting and votes cast at the Meeting (Ballot voting) make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result declared along with the consolidated Scrutinizer's Report will be placed on the website of the Company: www.tajgvk.in and on the website of Karvy at: https://evoting.karvy.com. The result will simultaneously be communicated to the stock exchanges.

8. **Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Friday, the 3rd August, 2018.**