

- 4) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 5) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

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

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. As required under Regulations 17 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 read with the Listing Agreement entered with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' certificate on the compliance of Corporate Governance are annexed and form part of the Annual Report.

RISK MANAGEMENT COMMITTEE

Pursuant to Regulations 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 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.

EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 is enclosed as Annexure - 2 to this Report.

CORPORATE SOCIAL RESPONSIBILITY

Report on CSR as per Rule 8 of Companies (CSR Policy) Rules, 2014 is prepared, and average net profits of the Company for last three Financial Years is Rs.659.05 lakhs and prescribed 2% expenditure for the Financial Year 2015-16 was Rs.13.90 lakhs. The policy is uploaded on the Company's website

www.tajgvk.in under the corporate policies section. CSR Committee certificate of the responsibility statement is annexed to this report.

During the previous financial year 14-15, as against the prescribed limit of Rs. 43.39 lakhs, the company has not spent any amount earmarked for the CSR activities, due to delay in execution and handing over of the Lake by Bangalore Development Authority (BDA).

During the financial year under review the company has spent the entire amount pertaining to FY14-15 and FY 15-16 aggregating Rs.57.29 lakhs towards the excavation and rejuvenation of the Yelahanka Lake, Bengaluru, as per the suggestions and advise of BDA.

VIGIL MECHANISM

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

ECONOMY AND MARKETS

The trend of slowdown in global growth continued during the year. The below par performance of global economy was reflected in a continued growth deceleration in most emerging and developing economies, driven by low commodity prices, weaker capital inflows and subdued global trade against this global backdrop, the growth in India stayed fairly resilient. India was the fastest growing large economy with a stable currency that performed better than most other emerging market currencies. The domestic macro-economic conditions also remained stable. A significant drop in commodity costs led by crude oil and other interventions resulted in lower consumer inflation which allowed easing of interest rates in the economy.

Given the backdrop of a slowing market, a volatile input cost environment and heightened competitive intensity, the operating environment for your Company during the year continued to be challenging.

Your Company's performance for the year 2015-16 has to be viewed in the context of aforesaid economic and market environment.

RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy

Annexure to Director's Report

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

Your Company is committed to operate and grow its business in a socially responsible way and has a simple but clear purpose - to make sustainable living common place. Your Company believes this is the best long- term way for our business to grow. Your Company has embraced the CSR policy (Link- <http://www.tajgvk.in>) which contributes to activities listed in the Schedule VII of Section 135 of the Companies Act, 2013.

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 under corporate policies.

CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company is in compliance with the CSR objectives and CSR Policy of the Company.

on behalf of the CSR Committee

Place: Hyderabad
Date: 13th May, 2016

Ch. G. Krishna Murthy
Chairman, CSR Committee
DIN 01667614

G. Indira Krishna Reddy
Managing Director
DIN 00005230