FINANCIAL HIGHLIGHTS

(₹in crores)

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Gross revenue	**254.24**	255.94	260.66	229.25	238.21	258.36
Profit before tax	**13.60**	42.78	65.73	54.96	81.69	108.29
Profit after tax (after extraordinary / prior period items)	**8.78**	29.33	43.34	36.27	52.76	70.42
Dividend (incl. Dividend tax and surcharge, if any)	**3.67**	10.92	14.57	14.62	14.67	23.47
Net Worth	**343.93**	338.66	320.10	291.17	269.36	231.12
Borrowings	**228.31**	189.32	141.13	125.33	138.99	74.46
Debt Equity ratio	**0.65:1**	0.55:1	0.42:1	0.43:1	0.52:1	0.32:1
Book value per share (Rs.)	**55.01**	54.20	51.27	46.68	43.22	37.15
Earnings per share (Rs.)	**1.40**	4.68	6.91	5.78	8.42	11.23
Dividend %	**25%**	75%	100%	100%	100%	160%

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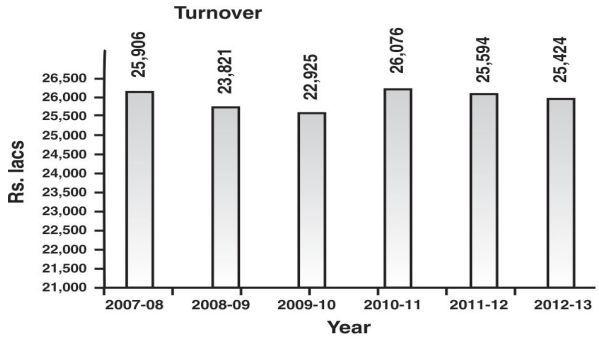
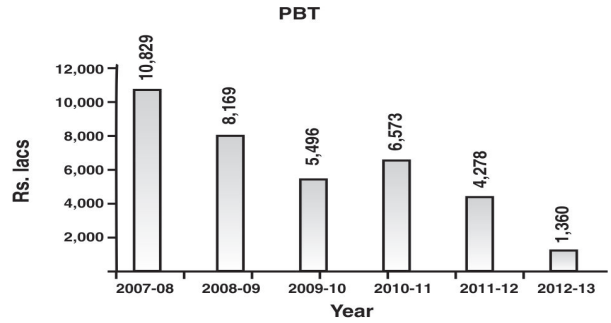
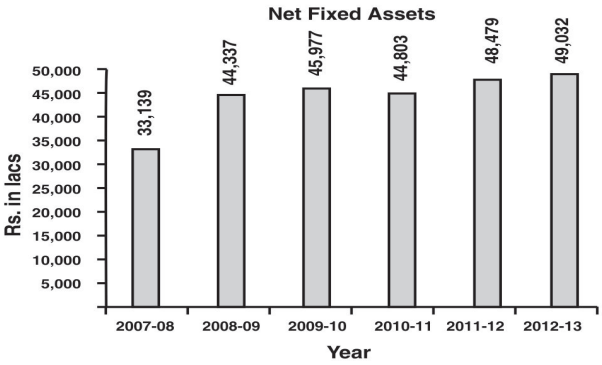
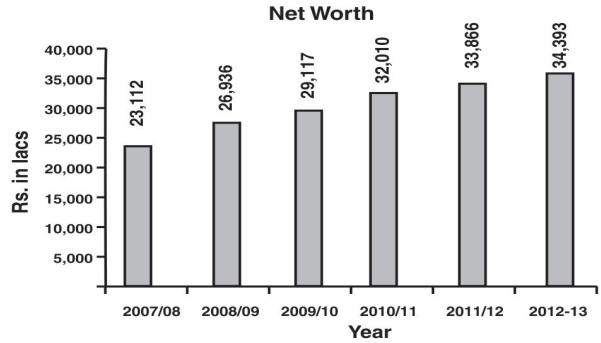
TAJGVK

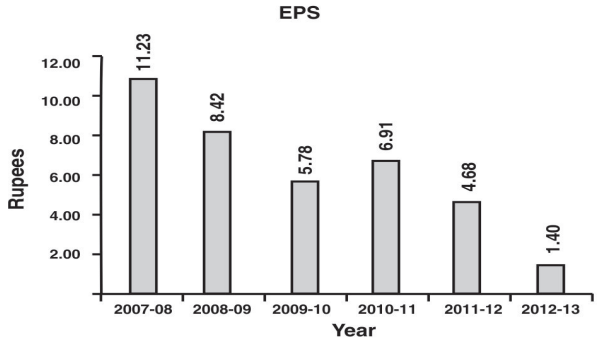
SELECT HISTORICAL DATA

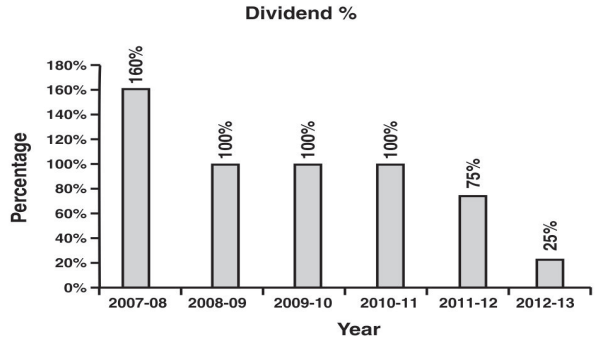


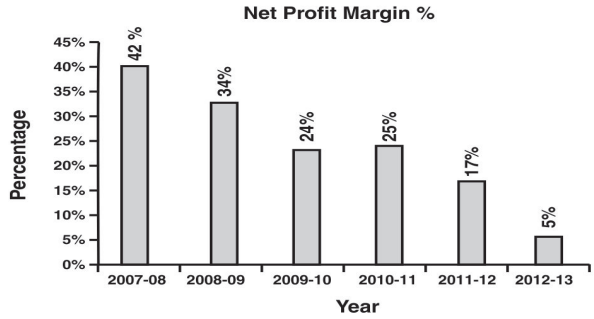












NOTICE OF THE 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING (AGM) of TAJGVK HOTELS & RESORTS LIMITED** will be held at Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad 500 073, on Tuesday, the 30th July 2013, at 11.30 a.m. to transact the following business:

1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2013, and the Balance Sheet as at that date, together with the Directors' Report and the Auditors' Report thereon.
2) To declare a dividend
3) To appoint a Director in place of Mr. D R Kaarthikeyan, who retires by rotation and is eligible for reappointment.
4) To appoint a Director in place of Mr. P Abraham, who retires by rotation and is eligible for reappointment.
5) To appoint a Director in place of Mr. K Jayabharath Reddy, who retires by rotation and is eligible for reappointment.
6) To appoint a Director in place of Mr. Krishnaram Bhupal, who retires by rotation and is eligible for reappointment.
7) To appoint M/s Brahmayya & Company, Chartered Accountants, to hold the office as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to authorise the Board to fix their remuneration.

Special Business

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

   "RESOLVED THAT Mr. S Anwar who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th February 2013 pursuant to Article 99 of the Articles of Association of the Company and who holds office up to the date of the forthcoming Annual General Meeting under Section 260 of the Companies Act, 1956, being eligible for appointment and in respect of whom the Company has received a notice together with the required deposit under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

NOTES:

a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

b. The Proxy form duly completed must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

c. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 25th July 2013 to Tuesday the 30th July 2013 (both days inclusive) for the purpose of the Annual General Meeting of the Company and for payment of dividend.

d. During the year 2012-13 the Company has transferred unclaimed amount, out of dividend declared for the financial year 2004-05 for an amount of ₹10,59,250.50 to the General Revenue Account / Investor Education and Protection Fund (IEPF) of the Central Government as required under Sections 205A (5) and sub section (1) of section 205C of the Companies Act, 1956. Members may please note that if unpaid dividend is not claimed from the Company for seven years from the date when it became due, it shall be transferred to the IEPF as stated above and it cannot be claimed from that fund.

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

e. The dividend on Ordinary Shares, as recommended by the Directors, if declared at the Annual General Meeting, will be paid on or before 29th August 2013, to the Members whose names appear on the Company's Register of Members on 24.07.2013. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of shares as per details furnished by National Securities Depository Limited and Central Depository Services India Limited for the purpose.

f. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment and reappointment at the meeting are annexed.

g. Members are requested to update their email id with their respective depository participant and with the Company's Registrar and Transfer Agents (RTA) to

enable dispatch the communications in electronic form from time to time as your Company has taken a "Green Initiative" as per the directions of Ministry of Corporate Affairs, New Delhi allowing paperless compliances for Companies.

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

i. Members are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communications to their changed addresses.

j. Members desiring any information as regards the accounts are requested to write to the General Manager - Finance and Company Secretary at an early date so as to enable the Management to reply at the Meeting.

k. Members are requested to kindly bring their copies of the Annual Report to the Meeting. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.

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

Place: Hyderabad
Date: 30th April, 2013

S B KAMATH
General Manager
Finance and Company Secretary

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

EXPLANATORY STATEMENT

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

The following Explanatory Statement of the Company sets out the material facts relating to the business under Item No.8 mentioned in the accompanying Notice dated 30th April 2013.

ITEM NO.8

The Board of Directors of the Company had co-opted Mr. S. Anwar as an Additional Director of the Company w.e.f. 04.02.2013. In terms of the provisions of section 260 of the Companies Act, 1956, he will hold the office as an Additional Director till the date of the ensuing Annual General Meeting.

He is a Post Graduate from Delhi University and IAS 1969 batch was posted initially to West Bengal, where he worked as S.D.O. Siliguri, Darjeeling District, District Magistrate of Burdwan and Midnapore and Deputy Secretary, Health Department. During his career in A.P. Cadre, he had held various positions viz;

- Joint Secretary - Home Department;
- M.D. - A.P. Tourism Corporation;
- Principal Secretary - Panchayat Raj Department;
- Principal Secretary - Tourism and Youth Services;
- Principal Secretary - Minorities Welfare Department A.P. Minorities Finance Corporation and A.P. Haj Committee
- Principal Secretary - Medical and Health;
- Chief Commissioner of Land Administration, Andhra Pradesh;
- Vice Chancellor of Dr. B.R. Ambedkar Open University, Hyderabad;
- Special Chief Secretary to the Governor of Andhra Pradesh and served with three Governors.

He has been a member in IEMs (Independent External Monitor) of NMDC and also a Panel Member of Oil India Limited.

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

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

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

Place: Hyderabad
Date: 30th April, 2013

S B KAMATH
General Manager
Finance and Company Secretary

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

ANNEXURE

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

Name of the Director	Mr. D R Kaarthikeyan	Mr. P Abraham	Mr. K Jayabharath Reddy	Mr. Krishnaram Bhupal	Mr. S Anwar
Date of Birth	02.10.1939	01.07.1939	12.04.1937	16.03.1983	15.08.1945
Date of Appointment	27.04.2001	30.04.2009	30.04.2009	24.10.2009	04.02.2013
Qualifications	B.Sc., BL, IPS (Retd.)	I A S (Retd.)	M.A. (Economics) I A S (Retd)	Graduate from USA	I A S (Retd.)
Expertise in specific functional areas	Retired Officer from Indian Police Service and has held multifarious positions of the police department, Ministry of External Affairs etc.,	Administration & Power Sector	General & Public Administration, Financial and Industrial Management	Finance & Accounts	General & Public Administration
List of Companies in which outside Directorship held as on 31.03.2013	1) Roots Industries India Ltd. 2) Star Health and Allied Insurance Company Ltd. 3) Raj Television Network Ltd. 4) Syenergy Environics Ltd. 5) Oriental Hotels Ltd. 6) Lotus Eye Care Hospital Ltd. 7) Radcliffe Schools Education Ltd. 8) Texmaco Rail & Engineering Ltd. 9) Benares Hotels Ltd.	1) GVK Power & Infrastructure Ltd. 2) GVK energy Ltd. 3) JSW Energy Ltd. 4) NCC Ltd., 5) NCC Infrastructure Holdings Ltd. 6) Vijay Electricals Ltd. 7) Lanco Infratech Ltd. 8) Lanco Amarkantak Power Ltd. 9) Visaka Industries Ltd. 10) Raj Westpower Ltd. 11) Orient Green Power Company Ltd.	1) BPL Ltd. 2) BPL Power Projects Ltd. 3) JCT Electronics Ltd. 4) Facor Alloys Ltd. 5) Viceroy Hotels Ltd. 6) NCL Altech Seccolor Ltd. 7) Indus Medicare Ltd.	1) GVK Power (Goindwal Sahib) Ltd. 2) GVK Power & Infrastructure Ltd. 3) Alaknanda Hydro Power Company Ltd. 4) GVK Energy Ltd. 5) GVK Gautami Power Ltd. 6) GVK Industries Ltd. 7) Pinakini Share & Stock Brokers Ltd. 8) Seregarha Mines Ltd. 9) GVK Oil & Gas Ltd. 10) Vertex Projects Ltd. 11) Bengaluru International Airport Ltd.	NIL
Chairman / Member of the *Committees of other Companies on which he is a Director as on 31.03.2013	**Audit Committee Member** 1) Oriental Hotels Ltd. 2) Lotus Eye Care Hospital Ltd. 3) Star Health and Allied Insurance Company Ltd. **Remuneration Committee Member** 1) Oriental Hotels Ltd. 2) Lotus Eye Care Hospital Ltd.	**Audit Committee Member** 1) GVK Power & Infrastructure Ltd. 2) JSW Power Ltd 3) Vijay Electricals Ltd. **Remuneration Committee Member** 1) GVK Power & Infrastructure Ltd. 2) JSW Power Ltd.	**Audit Committee Chairman** 1) BPL Ltd. 2) NCL Altech Seccolor Ltd 3) Facor Alloys Ltd. **Member** 1) JCT Electronics Ltd. **Remuneration Committee Member** 1) BPL Ltd.	NIL	NIL

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eighteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2013 is summarized below:

(₹ in crores)

Particulars	2012-13	2011-12
Turnover	**254.23**	255.94
Profit before Depreciation, Interest & Tax (PBDIT)	**60.80**	80.02
Less: Depreciation	**24.85**	22.10
Profit Before Interest & Tax	**35.95**	57.92
Less: Interest	**22.35**	15.14
Profit Before Tax	**13.60**	42.78
Less: Provision for		
- Current Tax & Wealth Tax	**3.05**	8.70
- Deferred Tax	**4.82**	13.48
- MAT credit entitlement	**(3.05)**	(8.70)
- Short provision for earlier years	**-**	(0.03)
Profit After Tax	**8.78**	29.33
Balance brought forward from previous year	**191.28**	177.88
Profit available for appropriation	**200.06**	207.21
Less: Proposed Dividend	**3.13**	9.40
Dividend Tax on the above	**0.53**	1.53
Transfer to General Reserve	**1.00**	5.00
Balance carried over to balance sheet	**200.06**	207.21
Earnings per Share (₹)	**1.40**	4.68

OPERATIONS / PERFORMANCE

During the year 2012-13 your Company's turnover decreased by 1% from ₹255.94 crores to ₹254.23 crores. The gross operating profit (PBDIT) was lower by 24% at ₹60.80 crores from the previous year's ₹80.02 crores and the net profit was lower by 70% in the current year at ₹8.78 crores compared to ₹29.33 crores of the previous year.

DIVIDEND

Your Directors are pleased to recommend a dividend of 25% (₹0.50 per equity share) on the Equity Shares of the Company for the financial year 2012-13. The outflow on account of the dividend would be ₹3.67 crores including tax on Dividend.

EXPANSION PLANS

Taj Krishna

The construction of an additional car parking facility along-with connecting bridge at the existing premises of Taj Krishna has been completed.

Work has started on a 20,000 sq.ft. open banqueting facility over the car park which will attract larger functions, exhibitions, conferences and events and with the synergy already available between Taj Krishna and Taj Deccan with the interconnecting brigde, the additional facility will bring in more room and F & B business to both properties. Further, the landscaping at Taj Krishna is also planned to be improved along with a new swimming pool, fitness centre and Jiva Spa.

GINGER HOTEL PROJECTS

The Company is also planning to enter the value for money segment through the 'Ginger' brand in Andhra Pradesh. Various options are being worked out by the Ginger team based on the market survey.

INVESTMENT IN MUMBAI HOTEL PROJECT

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

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

OTHER PLANS

Company has been allotted around 6 acres land in Yellahanka, Bengaluru for hotel project. The Company is building a bridge across the land abutting Company land to connect the National Highway. The hotel building plans are under evaluation.

HUMAN RESOURCES

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

The total strength of employees of your Company for the year under review was about 1969, which included executives, bargainable staff, probationers, trainees, apprentices and contract employees.

Industrial Relations throughout the year continued to remain cordial.

QUALITY

The three properties at Hyderabad and the property at Chennai are ISO 22000:2005 compliant by maintaining the desired norms for Food Safety Management Systems in Food & Beverage operations.

LISTING

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

DIRECTORS

During the year Dr. Abid Hussain, Independent Director expired on 21st June, 2012. Dr. Abid Hussain was the Director since 2001. The Board acknowledged the immense contribution of Dr. Abid Hussain and deeply regretted his demise.

In accordance with the Companies Act, 1956 read with the Articles of Association of the Company, Mr. D R Kaarthikeyan, Mr. P Abraham, Mr. K Jayabharath Reddy and Mr. Krishnaram Bhupal Directors, retire by rotation and being eligible have offered themselves for re-appointment.

Mr. S Anwar has been co-opted as an Additional Director on 4th February 2013 and shall hold the office up to this Annual General Meeting. Your company is in receipt of individual notice under section 257 of the Companies Act, 1956 for his appointment as Director of the company.

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

INTERNAL AUDIT

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

AUDITORS

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

PUBLIC DEPOSITS

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.

ii. It has in the selection of the accounting policies, consulted the Statutory Auditors and has applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2013 and of the profit of the Company for that period.

iii. It has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, to the best of its knowledge and ability. There are however, inherent limitations, which should be recognised while relying on any system of internal control and records.

iv. It has prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

IMPACT ON HOSPITALITY BUSINESS

The year 2012-13 was a challenging and tough year due to influx of competition, slow down in the Indian economy along with global economic crisis. Though the storm had passed there were still signs of turbulent weather for the global hospitality industry in the year 2012-13. As whole, the industry looked pretty bright in many parts of the world. There were some geographies of the globe that did well, while other geographies struggled to achieve positive growth. An increase in the supply of new hotel rooms put pressure on hotel rates throughout the season, but efforts on achieving higher occupancy rates and garnering higher food and beverage business helped the hotel industry sail through this year.

OTHER INFORMATION

The Audit Committee of the Company reviewed the financial statements for the year under review at its meeting held on 30th April 2013 and recommended the same for the approval of the Board of Directors. Your Company's effort towards conservation of energy, which results in savings in consumption of electricity, a significant component of the energy cost, is an ongoing process.

The Company continues to absorb and upgrade modern technologies and advanced hotel management techniques

in various guest contact areas, which includes wireless internet connectivity in all the hotels.

FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956, read with rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is given in Note No.22 iii & iv.

ACKNOWLEDGEMENTS

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

By Order and on behalf of the Board
Dr. G V Krishna Reddy
Executive Chairman

Place: Hyderabad
Date: 30th April 2013

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

Management Discussion and Analysis

1. ECONOMIC OVERVIEW:

Indian economy slowed down to an eight year low in the year 2012-13 resulting from slow growth in the global economy, volatile economic scenario in the Euro-zone and high inflation scenario which kept the cost of funds high, thus slowing down the roll-out of big infrastructure projects. Gross domestic product probably increased 5 percent in 2012-13, the slowest pace since 2002-2003. However, economists are of the opinion that India's worst economic slowdown in a decade has bottomed out and growth is expected to pick up to 6.4 percent in the current fiscal year. The Prime Minister's Economic Advisory Council said that the government needs to do more in the coming months to facilitate new investments for speedy execution of projects. This coupled with normal rains will usher in a broad-based economic recovery. The Council said it expects the full-year current account deficit, seen as the main worry for the economy, to narrow to 4.7 percent in the current financial year from 5.1 percent in the last year, helped by higher exports and lower gold imports. It forecast headline inflation of 6 percent in the current financial year, allowing room for the RBI to persist with monetary easing. Wholesale price-based inflation, India's main inflation indicator, slowed to 5.96 percent in March, its lowest level since November 2009.

The large-scale fiscal stimulus actions and monetary easing that followed the Lehman shock were curtailed from around mid-2010 and tightening ensued with negative effects appearing in 2012-13 in the form of slowing domestic demand. Sporadic slowdowns in developed economies continued suppressing the BRICs economies due to the lower external demand. In terms of the world economy, with the problem of fiscal deficits in the developed countries stemming from enlarged government debt and instability in the financial markets still remaining, economic growth in the developed countries was moderate at around less than 2% and that in emerging economies at less than 6%. While there is currently little room for monetary easing, the prerequisite for a full economic recovery would be an upturn in the world economy as well as accelerated investment in the economy and a recovery in domestic production based on progress on economic reform.

2. HOSPITALITY & TOURISM INDUSTRY OVERVIEW:

Though the storm had passed there were still signs of turbulent weather for the global hospitality industry in the year 2012-13. As a whole, the industry looked pretty bright in many parts of the world. There were some areas of the globe that did well, while other geographies struggled to achieve positive growth. While it was quite clear that Europe whilst dealing with its deeply troubling economic issues saw a downturn in tourist arrivals, some countries did fare better than others. China emerged as a more important player in both domestic and international travel and tourism. The United States, the most important market for hotels, also bounced back from 2010 lows and experienced solid growth. The year 2012-13 also witnessed an evolution of strategies. While hotels still seek to stay current on revenue management, human resources and cost control, the trends surrounding electronic commerce and sustainability were among those that have become continuing and expanding issues for the hotel industry. The year also witnessed the customers' demand for sustainable hotel operations and couponing and daily deals for increasing brand loyalty as well as trend of blending hospitality with healthcare and well-being.

Not long ago, globalization meant that hotel brands from highly developed nations expanded into developing nations, whether through master franchises or by acquiring local firms. Globalization is now flowing in the reverse direction, as brands from developing nations are expanding to developed nations, as well as to other developing nations, like the Taj group and the Jumeirah group setting their footprints in the US and Europe.

After reeling under a downturn for almost two years,

2012 was a year that brought a ray of hope for the Indian hospitality industry following rise in foreign tourist arrivals and domestic travellers in large numbers also packing their bags to explore the country's attractive destinations. Meanwhile, a slew of leading global hospitality chains entered India during the year, with almost 12000 rooms added in the year 2012-13. An increase in the supply of new hotel rooms put pressure on hotel rates through the season, but efforts on keeping occupancy rates up and garnering higher food and beverage business helped the hotel industry sail through this year. India is one of the world's largest tourist destinations and will receive 25 million tourists by 2015. There will also be a shortage of 100,000 hotel rooms. This points to continuous growth in the Indian travel and tourism industry.

3. MARKET OVERVIEW:

Hyderabad

Hyderabad has grown to be a favourite hub for investors as the city has not only provided quality infrastructure for property investments but have also added attractions like special economic zones, industrial parks, IT campuses, and international airport to its credit. Hyderabad has shown tremendous potential owing to the demands of the IT and ITES industry anchoring in the city. The primary demands of the Hyderabad real estate are driven by IT/ITES, Biotech, Pharmaceutical and Engineering, Telecom, Retail Banking, Financial and Insurance Services. It is also a house to many entertainment industries, and financial services. The geographical compartmentalization of hospitality offerings as well as customer preferences between the Central Business District (CBD) and the Hitec City area along with up-coming IT business hub in Gachibowli continued into 2012-13.

A report by Cushman & Wakefield on the hospitality industry in Hyderabad says that Hyderabad has been a sluggish market for hotel performance in 2012 as it has been gripped by some internal disturbances that keep arising in the region. It goes on to add that the trend is likely to continue till the government stimulates a positive sentiment around for business and leisure visitors. With the influx of new room inventory already in 2011-12, the current year was a period of consolidation of the market position for the various players in the city. The industry saw a rise in business in the food and beverage and banquets segments especially on account of rise in social functions and events. The city hosted the 11th Conference of the Parties to the UN Convention on Biological Diversity in October 2012 and Hyderabad being voted Winner of the Best City for MICE in Asia for Annual Mice Report Awards 2012.

Further, with the Hyderabad Airport aiming to become India's first cargo hub and work on the Hyderabad metro rail project going full stream there is no let down on the pace of infrastructure activities in the metro. With its central location, world-class infrastructure, free trade and special economic zone, and huge presence of pharma sector, Hyderabad is ideally suited to be conference or MICE destination which would largely boost the hospitality industry in the city.

Chandigarh

Chandigarh is the first planned, modern city of India; the union territory includes the satellite cities of Mohali (Punjab), and Panchkula (Haryana). For long, the hotels in the city catered to the bureaucrats visiting the city for business purposes as well as transit tourists heading towards Himachal Pradesh or Shimla. For this reason, the city has had a dearth of branded hotels for all these years. This scene has changed with more international flights operating from the city and the growth of the IT industry in and around Chandigarh. Further, the city hotels have always got a boost from the business brought in by the cricket matches held at the Mohali Stadium.

The hospitality demand drivers here are the liberal government policies, economic reforms, and the interest from the IT sector, which have largely supported economic growth in the city.

The city has witnessed a spike in hotel room inventory with hotels like the JW Marriott, James Plaza from Sarovar Hotel and Resorts and the Lalit Chandigarh opening its doors to customers over the past two years. These new additions have added banqueting facilities also to supplement the already thriving restaurant business in town. Sheraton Chandigarh hotel from the Starwoods Hotels group is also proposed to be open by the end of calendar year 2013. The group already operates an Aloft brand hotel in the satellite town of Zirakpur.

Chennai

Chennai recorded the highest occupancy levels amongst the metros at 64%. The Average Room Rates were also hovering in the ₹5000 range. Being a manufacturing and industrial center, hotels in Chennai cater to many long stay guests. MICE is also a significant demand segment in the city as various automotive and pharmaceutical conferences are organized in the city. This is evident in the stable occupancy rates and room revenues. The Chennai five star hotel market would have nearly doubled in size. Various hospitality players like the Hilton, Hyatt, Leela, Radisson and ITC have opened their new properties over the year 2012-13. This has boosted the inventory by more than nearly 1500 rooms.

The growth in the IT/ITeS, automotive industry, as well as other manufacturing industries located in the city will sustain the growth in demand going forward. As a result of increased business activity, passenger traffic at the Chennai International Airport has witnessed a considerable increase too. The city's hotel market performance is expected to be strained in the near

term as a majority of the new supply have opened up in 2012-13, with a high proportion of new rooms in the 5-star segment. However, the adverse impact is expected to be short-lived, considering the significant commercial and industrial developments planned across the city.

4. FUTURE EXPANSION PLANS:

Taj Krishna

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

Investment in Mumbai Hotel

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

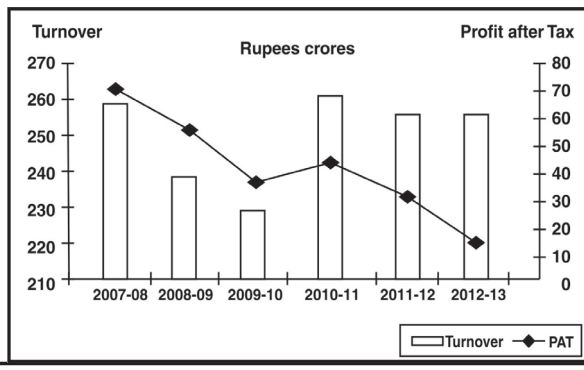
Necessary agreements to this effect have been entered into. TAJGVK in tranches would invest around ₹110.25 crs in the Hotel Project.

Other plans

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

5. FINANCIALS:

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



Revenues:

Income has decreased by 1% to ₹254.23 crores from ₹ 255.94 crores in the previous year.

The room revenues fell by 8% to ₹112.60 crores from ₹122.47 crores. The Food & Beverage income was ₹120.86 crores a rise of 8% compared to previous year's ₹112.11 crores.

Expenditure:

- The total expenditure increased by 12% to ₹238.94 crores from ₹213.16 crores in the previous year due to a combination of full-year operation of the new Vivanta property at Hyderabad as compared to only 4 months of operation in the previous year as well as the effect of inflation.
- Payroll cost was higher by 7% (₹3.57 crores) over previous year mainly on account of salary increments as well as addition of the new Vivanta property at Hyderabad.
- Other operating expenses were higher by 15% as compared to previous year mainly on account of rise in cost of raw material, tariff hike in the power and fuel.
- Other expenses were higher than previous year by 2%.
- There was an exceptional item of expenditure during the year amounting to ₹169.39 lacs being Fuel Surcharge Adjustment demanded by The Central Power Distribution Company Limited of Andhra Pradesh for the year 2010-11 to 2012-13.

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

EBIDTA registered a decline of 24% (₹19.22 crores) to ₹60.80 crores in 2012-13 as against ₹80.02 crores in the previous year.

Profit before Tax:

The PBT fell by 68% to ₹13.60 crores from ₹42.78 crores in the previous year.

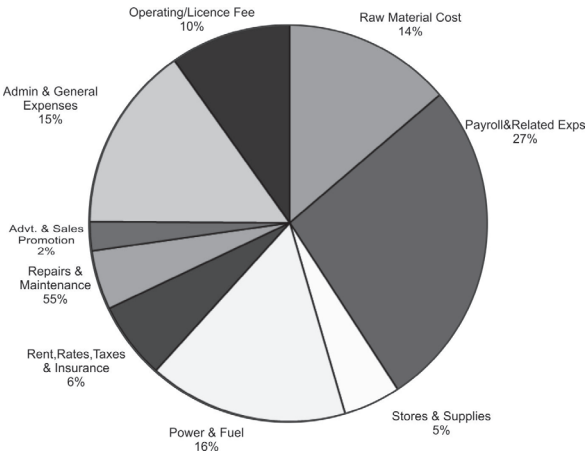
Profit after Tax:

The PAT decreased by 70% to ₹8.78 crores from ₹29.33 crores in the previous year.

6. RISK MANAGEMENT:

Risks and Concerns

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



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

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

Company-specific Risks

Heavy Dependence on India:

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

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

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

7. INTERNAL CONTROLS:

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

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

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

8. HUMAN RESOURCES:

Human Capital

The goal for any business is to invest capital and obtain enough return on it so that it maximises shareholder value. Successful strategy execution depends on access to intellectual and operational knowhow, customer and supplier relationships, a committed workforce, and other such intangibles. At the heart of making these intangibles come-alive is the firm's investment in human capital.

Companies need to measure the value that employees bring to the organisation, evaluate their impact on business performance and then align them with the business results. Companies have always measured their investments in more tangible assets such as

buildings, equipment and even new products. But the value addition done by human capital to the tangible investment also needs to be ascertained and recognised for successful achievement of the vision and mission of an organisation. Therefore, your Company endeavours to take a more strategic and supportive approach to recruiting and retention to find and retain the new breed of evolving talent.

Recognition & Communication

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

A continuous dialogue between the management and the associates is promoted through the monthly Town Hall meetings.

Social Activities

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

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

The following Year of Associate(YOA) initiatives have been rolled out for the associates:

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

The various initiatives and endeavours which have been talked about here are part of a greater strategy set in place by the Company. The aim is to bring the employees together in a cohesive structure that works efficiently towards the larger ideals and goals of the Company, without losing sight of the dynamics that exist at a more personal level. The professional satisfaction quotient of an employee dictates his/her productive output, which in turn enhances and contributes towards the larger goal of providing the best customer service possible.

9. CORPORATE SOCIAL RESPONSIBILITY(CSR):

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

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

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

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

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

The total beneficiaries from Corporate Social Responsibility are 1314 and there are 143 volunteers from the TAJGVK group and will continue to scale many a heights in future.

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

1. MESH
2. Hyderabad Goes Green
3. Don Bosco Navajeevan
4. Vocational Rehabilitation Center
5. Boys Town
6. Cancer Patients Aid Association
7. Dr. Reddy's Foundation

EARTH (Environment Awareness and Renewal at Taj Hotels):

"Earth provides enough to satisfy every man's needs, but not every man's greed." - Mahatma Gandhi.

The above view propagates the need to view climate change as the greatest challenge to face man and treated as a much bigger priority than it has been in the past. As you are aware, your Company believes and inculcate by spreading knowledge and through their practises in playing an important role in preservation of the natural elements. World Environment Day on 5th June is observed worldwide and at the Taj hotels it is the EARTH - Environment Awareness and Renewal at Taj Hotels.

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

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

Your Company has also attained The International Organisation for Standardization (ISO) 14001:2004 is a world wide federation of national standards bodies (ISO member bodies). International Standards covering environmental management are intended to provide organizations with the elements of an effective Environmental Management System (EMS) that can be integrated with other management requirements and help organizations achieve environmental and economic goals and objectives which take into account legal requirements and other requirements to which the organization subscribes, and information about significant environmental aspects.

10. OUTLOOK AND THE WAY FORWARD:

In its twice-yearly Economic Outlook, the Organisation for Economic Cooperation and Development forecast the world economy would grow 3.1 percent in 2013 before accelerating to 4 percent in 2014. The dynamics for a gradually accelerating US recovery are already in place. The balance of forces affecting US consumer spending have turned positive. Housing is finally showing signs of life and can be expected to keep improving over the next year. Recent policy actions by the European Central Bank and EU governments have reduced the financial risks related to the Eurozone sovereign-debt crisis and helped to reduce long-term interest rates in the hardest-hit economies. In the coming year, not only will some of the big-four threats another US recession, a Eurozone meltdown, a Chinese hard landing, and a war in the Persian Gulf become less menacing, but there could be some upside surprises as well. Chief among these is pent-up demand from consumers and businesses. The Economic Outlook for India also predicts a growth rate of more than 5% for the year 2013-14.

The Indian hotel industry witnessed a huge influx of room inventory in the form of new hotels of existing local brands as well as entry of foreign hospitality players. This put pressure on the Average Room Rates and thus the profitability margins. The market is expected to go through a stage of consolidation in the year 2013-14 with the demand catching up with this additional supply. Hospitality companies need to have an efficient multi-channel distribution strategy and focus on consumer loyalty to sustain their top-lines through a valued customer experience. Many companies have reduced their operational costs through a combination of shared services, off-shoring and outsourcing.

But to cut costs further, hotel companies should also consider simplifying the underlying organizational portfolio, process and infrastructure complexities.

In the current challenging economic environment, leading hospitality companies are leveraging social media and business analytic platforms to gain insight into customer preferences and drivers of customer loyalty. The hospitality landscape is evolving quickly as new technology demands that hotels become more social and engaging in their marketing efforts, travellers are looking for the best value propositions, and consumer demand is pushing for hotels to make concerted efforts on property upgrades and improvements. Another trend which is witnessed is that many hotel companies focus on increasing their presence in less saturated, faster growing emerging markets to expand customer reach. As broadband connections and credit card penetration grow in these developing markets, online travel bookings are likely to increase, driving the need to access consumers in these new markets through online branding and marketing.

Today the tourism and hospitality industry in India contributes around 6.23 per cent to the national GDP and 8.78 per cent of the total employment in the country. The constant transformation has made the Indian hotel industry more functional and practical and has gained a level of acceptance world over. With the continued growth in India's GDP, improvement in the per capita income and increased aspirational spending, the Indian hospitality sector is expected to grow faster than most countries around the world.

11. CAUTIONARY STATEMENT :

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

REPORT ON CORPORATE GOVERNANCE

Corporate Governance (CG) the system, by which corporations are directed and controlled. The governance structure specifies the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and specifies the rules and procedures for making decisions in corporate affairs. Governance is a mechanism for monitoring the actions, policies and decisions of corporations. Governance involves the alignment of interests among the stakeholders. CG has also been defined as "a system of law and sound approaches by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby mitigating agency risks which may stem from the misdeeds of corporate affairs.

CG 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.

CG deals with determining ways to take effective strategic decisions. It gives ultimate authority and complete responsibility to the Board of Directors. In today's market- oriented economy, the need for corporate governance arises. Also, efficiency as well as globalization is significant factors urging CG. CG is essential to develop added value to the stakeholders. It encourages a trustworthy, moral, as well as ethical environment. Your management believes the good CG will give benefit to the nation as well to the corporate world and the features of CG are defined:

- Good Corporate Governance ensures corporate success and economic growth.
- Strong Corporate Governance maintains investors' confidence, as a result of which, company can raise capital efficiently and effectively.
- It lowers the capital cost.
- There is a positive impact on the share price.
- It provides proper inducement to the owners as well as managers to achieve objectives that are in interests of the shareholders and the organization.
- Good Corporate Governance also minimize wastages, corruption, risks and mismanagement.
- It helps in brand formation and development.
- It ensures organization in managed in a manner that fits the best interests of all.

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.

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

accordance with the best practices of Corporate Governance.

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

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

1. **Board of Directors**

During the year 2012-13, Mr. S Anwar was co-opted as an Additional Director. The Board presently consists of 16 Directors (one Executive Chairman, one Managing Director, one Executive Director, eight non-executive independent directors, and five non-executive directors). 50% of the Board would comprise of non-executive independent directors, with the Chairman being an Executive Chairman.

During the year 2012-13, the Board met 4 times - on 30.04.2012, 27.07.2012, 30.10.2012 and 04.02.2013. The maximum time gap between any two meetings was not more than four calendar months.

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

Name	Category	Board Meeting Attendance	Sitting Fees Paid (₹)	AGM Attendence	No. of Other Director Ships +	No. of other Committee* positions held	
						Member	Chairman
Dr G V Krishna Reddy DIN 00005212	Promoter; Executive Chairman	4	Nil	Yes	12	Nil	Nil
Mr G V Sanjay Reddy DIN 00005282	Promoter; Non executive	2	40,000	No	9	Nil	Nil
Mrs G Indira Krishna Reddy DIN 00005230	Promoter; Managing Director	4	Nil	Yes	10	3	Nil
Dr Abid Hussain@ DIN 00612504	Independent Non executive	1	20,000	No	8	4	Nil
Mr D R Kaarthikeyan DIN 00327907	Independent Non executive	4	80,000	Yes	9	7	Nil
Dr. Raymond N Bickson DIN 00050664	Promoter; Non executive	4	80,000	Yes	11	5	5
Mrs. Shalini Bhupal DIN 00005431	Promoter; Executive Director	4	Nil	Yes	1	Nil	Nil
Mr. Anil P Goel DIN 00050690	Promoter; Non executive	2	40,000	No	7	3	Nil
Dr A Ramakrishna DIN 00027520	Independent Non executive	4	80,000	Yes	11	7	Nil
Mrs. Deepa Misra Harris DIN 00064912	Promoter; Non executive	4	80,000	Yes	3	Nil	Nil
Mr. C D Arha DIN 02226619	Independent Non executive	4	80,000	Yes	4	2	2
Mr. P Abraham DIN 00280426	Independent Non executive	Nil	Nil	No	11	5	Nil
Mr. K Jayabharath Reddy DIN 00038342	Independent Non executive	4	80,000	Yes	7	2	3
Mr. Krishnaram Bhupal DIN 00005442	Promoter; Non executive	3	60,000	No	11	Nil	Nil
Mr. M B N Rao DIN 00287260	Independent Non executive	2	40,000	Yes	11	6	3
Mr. CH G Krishna Murthy DIN 01667614	Independent Non executive	4	80,000	Yes	1	Nil	1
Mr. S Anwar# DIN 06454745	Independent Non executive	1	20,000	No	Nil	Nil	Nil

+ Directorships in other public limited companies

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

@ Dr. Abid Hussain expired on 21.06.2012

Mr. S Anwar appointed as an Additional Director w.e.f. 04.02.2013.

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

2. **Audit Committee**

The Audit Committee consists of seven non-executive directors, of whom five are independent directors.

The Audit Committee has met 4 times during the financial year 2012-13 – on 30.04.2012, 27.07.2012, 30.10.2012 and 04.02.2013. During these meetings, the Committee, inter alia, reviewed the financial statements including changes in accounting policies and practices before submission to the Board, recommended the appointment of statutory and internal auditors including fixation of audit fee, discussed the internal auditors' findings and reviewed the company's financial and risk management policies.

The attendance details for the Committee meetings are as follows:

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

3. **Remuneration Committee**

During the year, no appointment or re-appointment was considered for the Executive Directors. Hence, the Committee has not met during the financial year 2012-13.

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

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

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

The Company has received the following communications from the shareholders during the period April 2012 to March 2013, and all these were replied / resolved to the satisfaction of the shareholders.

Sl. No.	Nature of Request / Complaint	Received	Resolved
1	Non-receipt of share certificate sent for Transfer	Nil	Nil
2	Non-receipt of dividend warrant	89	89
3	Non-receipt of Demat credit / Remat certificate	Nil	Nil
4	Non-receipt of Annual Report	13	13
5	Change of Address	119	119
6	Bank Details / Mandate	32	32
7	Issuing new share certificate(s) in lieu of erstwhile Hotel Sere Krishna Limited share certificate(s) received for exchange	59	59
8	Stop Transfer / Procedure for duplicate share certificate	32	32
9	Indemnity / Affidavit – duplicate	8	8
10	Remat Request	Nil	Nil
11	Revalidation / Replacement of Dividend Warrant	303	303
12	Procedure for Transfer / Transmission / Name Deletion	43	43
13	Registration of Signature	22	22
	TOTAL	**720**	**720**
	Complaints received through SEBI	5	5

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

5. General Body Meetings

Year	Date	Time	Meeting	Venue
2009-10	26.07.2010	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad
2010-11	26.07.2011	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad
2011-12	27.07.2012	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad

Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2012-13.

Postal Ballot:

No Postal Ballot was conducted during the year 2012-13.

Special Resolutions:

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

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

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

6. Disclosures

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

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

Means of Communication

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

Non-Mandatory Requirements

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

(a) Ethics & Compliance Committee

The Ethics & Compliance Committee comprises of Mr D R 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 2012-13.

(b) Whistle Blower Policy

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

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting:

Date and Time	:	30th July 2013, 11.30 a.m.
Venue	:	Sri Sathya Sai Nigamagamam 8-3-987/2, Srinagar Colony Hyderabad – 500 073

2. Book Closure Dates : 25th July 2013 to 30th July 2013 (both days inclusive)

3. Dividend Payment Date : The dividend at 25% ('0.50 per equity share), if approved in the ensuing AGM will be paid to the eligible shareholders within thirty days from the date of declaration.

4. Financial Year Calendar 2013-14:

Financial Results Reporting

For the quarter ending June 30, 2013	30th July 2013	
For the quarter ending September 30, 2013	25th October 2013	Tentative
For the quarter ending December 31, 2013	03rd February 2014	
For the quarter ending March 31, 2014	30th April 2014	

5. Listing of Equity shares on Stock Exchanges

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

6. Stock Code

i) Trading Symbol at

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

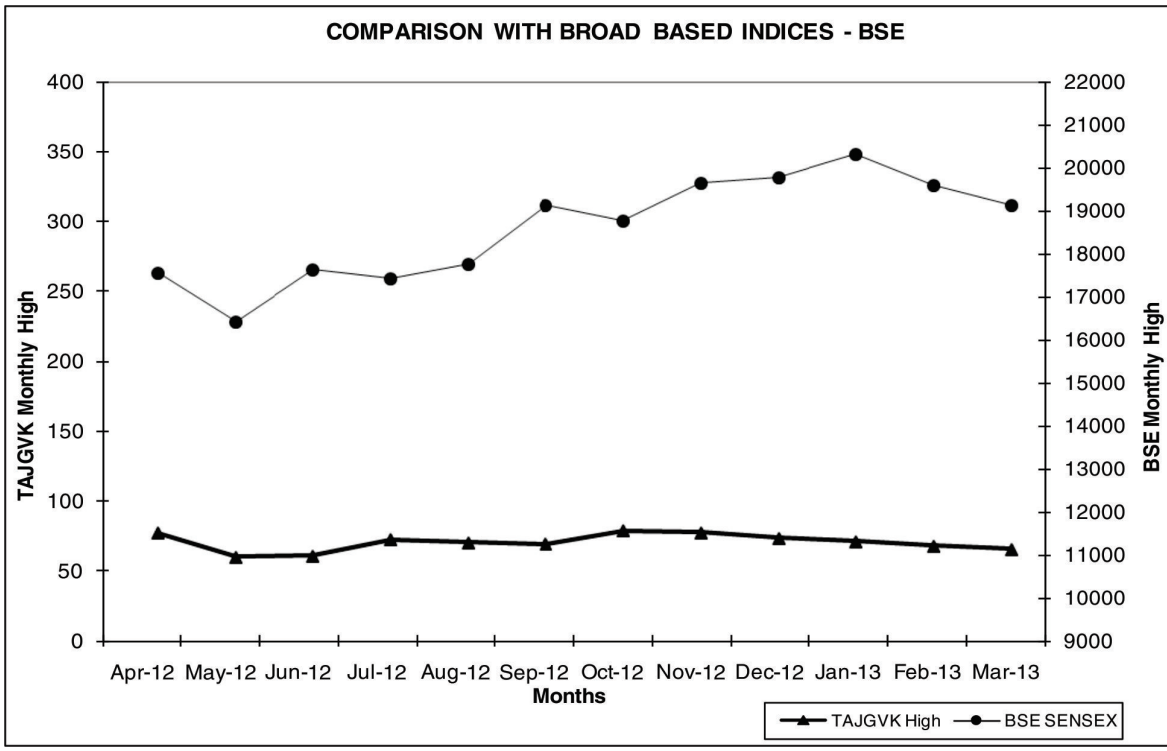
ii) Demat ISIN Numbers in NSDL & CDSL

Equity Shares : INE 586B01026

(Listing fees for and up to the year 2012-13 have been paid to all the above Stock Exchanges)

7. **Stock Market Data**

Month & Year	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price (₹)	Month's Low Price (₹)	Month's High Price (₹)	Month's Low Price (₹)
April 2012	77.90	67.50	78.75	60.00
May 2012	61.25	55.55	63.00	56.50
June 2012	63.00	58.50	63.10	58.50
July 2012	74.10	59.40	71.85	60.80
August 2012	72.10	60.50	71.85	61.00
September 2012	70.90	61.50	70.90	61.50
October 2012	80.00	69.15	79.90	69.10
November 2012	78.90	72.00	78.80	71.40
December 2012	75.00	70.00	83.00	68.00
January 2013	73.00	66.60	73.00	66.55
February 2013	69.75	65.10	70.90	64.70
March 2013	67.45	63.00	72.00	62.60



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

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

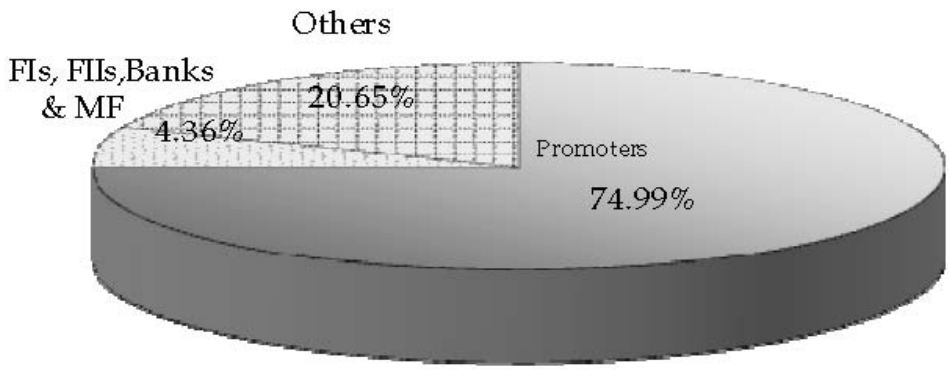
Financial year	Dividend declared %	Date of declaration of dividend	Last date for claiming unpaid dividend	Unclaimed dividend amount ((₹))	Due date for transfer to Investor Education and Protection Fund
2005-06	100%	28.07.2006	27.08.2013	19,73,748.00	26.09.2013
2006-07	150%	26.07.2007	25.08.2014	31,63,317.00	24.09.2014
2007-08	160%	30.07.2008	29.08.2015	34,47,324.80	28.09.2015
2008-09	100%	25.07.2009	24.08.2016	24,49,154.00	23.09.2016
2009-10	100%	26.07.2010	25.08.2017	23,66,282.00	24.09.2017
2010-11	100%	26.07.2011	25.08.2018	24,47,164.00	24.09.2018
2011-12	75%	27.07.2012	26.08.2019	21,04,362.50	25.09.2019

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

During the year 2012-13 the Company has transferred unclaimed amount out of dividend declared for the financial year 2004-05 for an amount of ₹10,59,250.50 to the General Revenue Account / Investor Education and Protection Fund (IEPF) pursuant to section 205C of the Companies Act, 1956.

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

11. **Distribution of Shareholding as on 31st March 2013**



Shareholding as on March 31st 2013

No. of shares held	No. of Shares	% of share capital	No. of Shareholders	% of total no. of Shareholders
Upto 500	5614189	8.95	48833	95.49
501 to 1000	1057011	1.69	1325	2.59
1001 to 2000	788429	1.26	516	1.01
2001 to 3000	416623	0.66	166	0.33
3001 to 4000	256828	0.41	72	0.14
4001 to 5000	253368	0.40	53	0.10
5001 to 10000	492448	0.79	70	0.14
10001 and above	53822599	85.84	102	0.20
TOTAL	**62701495**	**100.00**	**51137**	**100.00**

12. Dematerialisation of Shares & Facility of simultaneous transfer

Approximately 96.02% of the shares issued by the Company have been dematerialised up to 31st March 2013. Trading in equity shares of your Company on any Stock Exchange is permitted only in the dematerialised mode with effect from 2nd July 2001.

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

13. Unit Locations :

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

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

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

iv. Taj Chandigarh, Block No.9, Sector 17A,
Chandigarh 160 017.
Phone: 0172-6613000; Fax: 0172-6614000
E-mail: taj.chandigarh@tajhotels.com

v. Taj Club House, Chennai
No.2, Club House Road
Chennai – 600 002
Phone: 044-66313131; Fax: 044-66313030
Email: clubhouse.chennai@tajhotels.com

vi. Vivanta By Taj - Begumpet, Hyderabad
1-10-147 & 148, Mayuri Marg, Begumpet
Hyderabad – 500 016
Phone No.040-67252626
Email: vivanta.begumpet@tajhotels.com

14. Address of Registrar & Transfer Agents for Investor Correspondence:

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

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

15. Any query on Annual Report: General Manager - Finance and Company Secretary
TAJGVK Hotels & Resorts Limited
Taj Krishna, Road No. 1
Banjara Hills, Hyderabad 500 034.
E-mail: tajgvkshares.hyd@tajhotels.com
sai.sarma@tajhotels.com
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, 2013 compliance with the code of conduct of the Company laid down for them.

G Indira Krishna Reddy
Managing Director

Place: Hyderabad
Date: 30th April 2013

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

To the Members of
TAJGVK Hotels & Resorts Limited

We have reviewed the compliance of conditions of Corporate Governance by TAJGVK Hotels & Resorts Limited, for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

For **BRAHMAYYA & CO.**
Chartered Accountants
Registration No: 000513S
Koteswar Rao SSR
Partner
Membership no:18952

Place : Hyderabad
Date : 30th April 2013

CERTIFICATE BY CEO/CFO

Pursuant to the provisions as amended to the Clause 41 of the Listing Agreement with the Stock Exchanges, it is hereby certified that for the period ended March 31st, 2013:

1. We have reviewed the financial statements and the cash flow statements for the period ended March 31st, 2013 and that to the best to our knowledge and belief, these statements :
   (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading :
   (ii) together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review that are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.
4. we have indicated to the Auditors and the Audit Committee:
   (i) significant changes in internal control over financial reporting during the period under review;
   (ii) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

G Indira Krishna Reddy
Managing Director

S B Kamath
General Manager - Finance and Company Secretary

Place : Hyderabad
Date : 30th April, 2013

INDEPENDENT AUDITORS REPORT

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

Report on the Financial Statements

1. We have audited the accompanying financial statements of **TAJ GVK Hotels & Resorts Limited, Hyderabad (A.P.)** (the "Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
   b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
   c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
   (e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Koteswara Rao SSR
Partner
Membership No:18952

Place: Hyderabad
Date: 30-04-2013

Re: TAJGVK Hotels & Resorts Limited

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

1.1 The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

1.2 According to the information and explanations furnished to us, the company has physically verified all its fixed assets during the year. No material discrepancies were noticed during the year on such verification.

1.3 According to the information and explanations furnished to us, the company has not disposed of a substantial part of its fixed assets during the year.

2.1 According to the information and explanations furnished to us, the company has physically verified its inventories during the year. In our opinion, the frequency of verification is reasonable.

2.2 In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

2.3 According to the information furnished to us, the company is maintaining proper records of inventory and the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

3.1 According to the information and explanations furnished to us, the company has not granted secured or unsecured loans to Companies, firms, or other parties whose particulars are recorded in the register maintained under Section 301 of the Companies Act 1956.

3.2 According to the information and explanations furnished to us, the company has taken an unsecured loan of ₹5 crores from a company, whose particulars are recorded in the register maintained under Section 301 of the Companies Act 1956. The terms and conditions of the loan are not prima facie prejudicial to the interest of the Company and the company is regular in payment of interest. The principle is due in July 2013.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. Further during the course of our audit, we have not come across any instances of major weaknesses in internal control that in our opinion require correction, but have so continued without correction.

5.1 Based on the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

5.2 In our opinion and according to the information and explanations given to us, the transactions which have been entered into, pursuant to contracts that have been entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. The company has not accepted any deposits from public and consequently, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under are not applicable. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non compliance with the provisions of Sections 58A and 58 AA of the Companies Act, 1956.

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

8. The Central Government has not prescribed under section 209 (1) (d) of the Companies Act, 1956 the maintenance of cost records for the products of the Company.

9.1 According to the information furnished to us, the company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

9.2 According to the information and explanations furnished to us, no undisputed statutory dues mentioned in the preceding paragraph are in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.

9.3 According to the information furnished to us, the following amounts of Income Tax, Sales Tax, wealth Tax, Service Tax and Excise Duty have been disputed by the company, as at the date of the Balance Sheet under report.

Name of the statute	Nature of the dues	Amount ₹in lacs	Financial year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income- Tax	32.40 7.60	2004-05 2008-09	CIT(Appeals), Hyderabad - Do -
Wealth Tax Act, 1957	Wealth Tax	21.13	2004-05	CWT(Appeals), Hyderabad
A.P.Tax on Luxuries Act,1987	Luxary Tax	76.47	2008-09 to 2009-10	Dy. Commissioner (Appeals) Hyderabad
A.P.General Sales Tax Act	Sales Tax	294.05 2.61	2005-06 to 2011-12 2005-06 to 2009-10	High Court of Andhra Pradesh Appellate Tribunal
Finance Act,1994	Service tax	41.08	2005-06 to 2010-11	Commissioner Appeals (Chandigarh)
Central Excise Act,1944	Excise Duty	3.21	2011-12	Commissioner Central Excise, Chandigarh

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

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

Koteswara Rao SSR
Partner
Membership No:18952

Place : Hyderabad
Date : 30-04-2013

BALANCE SHEET AS AT 31.03.2013

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

	PARTICULARS	NOTE	As at March 31, 2013	As at March 31, 2012
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	**1,254.03**	1,254.03
	(b) Reserves and surplus	2	**33,241.44**	32,729.85
			34,495.47	33,983.88
2	Non-current liabilities			
	(a) Long-term borrowings	3	**17,450.00**	14,825.00
	(b) Deferred tax liability	15	**5,515.57**	5,462.25
	(c) Other Long term liabilities	3	**131.88**	292.24
	(d) Long-term provisions	3	**110.10**	124.29
			23,207.55	20,703.78
3	Current liabilities			
	(a) Short-term borrowings	4	**3,256.29**	2,231.98
	(b) Trade payables		**1,901.48**	2,066.83
	(c) Other current liabilities	4	**3,949.15**	3,992.91
	(d) Short-term provisions	4	**366.79**	1,093.10
			9,473.71	9,384.82
		TOTAL	**67,176.73**	64,072.48
II.	ASSETS			
1	Non-current assets			
	(a) Fixed assets	5		
	(i) Tangible assets		**44,717.35**	45,249.02
	(ii) Intangible assets		**102.05**	45.08
	(iii) Capital work-in-progress		**4,212.21**	3,185.40
	(b) Non-current investments	6	**4,495.43**	3,635.80
	(c) Deferred tax asset	15	**1,760.08**	2,188.49
	(d) Long-term loans and advances	7	**7,818.80**	6,616.02
	(e) Other non-current assets	8	**85.98**	102.04
			63,191.90	61,021.85
2	Current assets			
	(a) Inventories	9	**867.93**	697.34
	(b) Trade receivables	9	**791.82**	730.09
	(c) Cash and bank balances	9	**208.34**	195.29
	(d) Short-term loans and advances	9	**2,095.66**	1,407.64
	(e) Other current assets	9	**21.08**	20.27
			3,984.83	3,050.63
		TOTAL	**67,176.73**	64,072.48

The accompanying notes form an integral part of the Balance Sheet

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

For and on behalf of the Board

KOTESWARA RAO SSR
Partner
M.No.018952

Dr. G V Krishna Reddy
Executive Chairman

G Indira Krishna Reddy
Managing Director

Place : Hyderabad
Date : 30th April 2013

Anil P Goel
Director

S B Kamath
General Manager - Finance and Company Secretary

TAJGVK

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

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

	PARTICULARS	NOTE	Year Ended March 31, 2013	Year Ended March 31, 2012
	INCOME	10		
I.	Revenue from operations		**25,269.82**	25,396.88
II.	Other income		**153.74**	197.00
III.	**Total Revenue (I + II)**		**25,423.56**	25,593.88
IV.	**EXPENSES**			
	Employee Benefits Expense	11	**5,281.72**	4,924.92
	Food & Beverages Consumed	12	**2,666.17**	2,583.18
	Finance Costs	13	**2,235.22**	1,514.11
	Depreciation and amortization expense		**2,485.46**	2,210.29
	Other operating and general expenses	14	**11,225.49**	10,083.52
	Total Expenses		**23,894.06**	21,316.02
V.	**Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)**		**1,529.50**	4,277.86
VI.	**Exceptional items**	16	**169.39**	—
VII	**Profit / (Loss) before tax (V- VI)**		**1,360.11**	4,277.86
VIII	**Tax expense:**			
	i) Current tax	15	**305.00**	870.00
	ii) MAT Credit Entitlement		**(305.00)**	(870.00)
	iii) Deferred tax		**481.73**	1,347.51
	iv) Short Provision of Tax of earlier years (Net)		**—**	(2.87)
	Total Taxes		**481.73**	1,344.64
IX	**Profit/(Loss) after tax (VII-VIII)**		**878.38**	2,933.22
	The accompanying notes form an integral part of the Statement of Profit and Loss			
	Earnings Per Share:			
	Profit after tax		**878.38**	2,933.22
	No.of equity shares of ₹2/-each		**627.01**	627.01
	Earnings per share		**1.40**	4.68

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

For and on behalf of the Board

KOTESWARA RAO SSR
Partner
M.No.018952

Dr. G V Krishna Reddy
Executive Chairman

G Indira Krishna Reddy
Managing Director

Place : Hyderabad
Date : 30th April 2013

Anil P Goel
Director

S B Kamath
General Manager - Finance and Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

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

	PARTICULARS	Current Year		Previous Year	
A	**NET PROFIT BEFORE TAX**		**1,360.10**		4,277.86
	Adjustments for :				
	Depreciation	**2,485.44**		2,210.29	
	Miscellaneous Expenditure Written off	**16.05**		16.05	
	Loss on sale of assets	**15.97**		3.75	
	Profit on sale of assets	**(2.15)**		(9.84)	
	Provision for Bad & Doubtful Debts	**6.76**		6.86	
	Extra-ordinary / Prior period items written off	**169.39**		0.00	
	Provision for bad & doubtful debts credited back	**(8.97)**		(22.52)	
	Interest expenses	**2,235.22**		1,514.12	
	Interest earned	**(7.78)**		(14.34)	
			4,909.93		3,704.37
	Operating Profit before working capital changes		**6,270.03**		7,982.23
	Adjustments for :				
	Trade and other receivables	**(1,511.17)**		226.93	
	Inventories	**(170.58)**		(229.72)	
	Trade payables	**(562.19)**	**(2,243.94)**	866.70	863.91
	Cash generated from operations		**4,026.09**		**8,846.14**
	Taxes paid		**439.91**		1,449.35
	Cash flow before extraordinary/prior period items		**3,586.18**		**7,396.79**
	Extraordinary / Prior Period items		**169.39**		0.00
	NET CASH IN FLOW FROM OPERATING ACTIVITIES		**3,416.79**		**7,396.79**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets /addition to CWIP	**(3,057.81)**		(5,874.18)	
	Interest Received	**7.78**		14.34	
	Sale of Fixed Assets	**6.39**		12.27	
	Purchase of Investments	**(859.63)**		(3,634.00)	
	NET CASH OUT FLOW FROM INVESTING ACTIVITIES		**(3,903.27)**		(9,481.57)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Long term loans raised	**5,000.00**		3,250.00	
	Long term loans (repaid)	**(1,625.00)**		0.00	
	Short term loans raised / (repaid)	**200.00**		800.00	
	Working capital borrowings	**324.32**		768.25	
	Long term deposits paid back	**(99.30)**		(31.11)	
	Interest paid	**(2,203.72)**		(1,545.48)	
	Dividend paid	**(944.19)**		(1,253.37)	
	Taxes on dividend paid	**(152.58)**		(203.44)	
	NET CASH OUT FLOW FROM FINANCING ACTIVITIES		**499.53**		1,784.85
	Net increase in cash and cash equivalent		**13.05**		(299.93)
	Cash and Cash equivalents as at beginning of the year		**195.29**		495.22
	Cash and Cash equivalents as at end of the year		**208.34**		195.29

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

Per our report of even date

For and on behalf of the Board of Directors

Dr. G V Krishna Reddy
Chairman

G Indira Krishna Reddy
Managing Director

Anil P Goel
Director

S B Kamath
General Manager - Finance and Company Secretary

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

KOTESWARA RAO SSR
Partner
M.No.018952

Place : Hyderabad
Date : 30th April, 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. **Basis of preparation of financial statements:**

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

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

ii. **Use of estimates:**

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

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

iii. **Revenue Recognition:**

a. Income from guest accommodation is recognised on a day to day basis after the guest checks into the Hotels. Income from Food and Beverages are recognised at the point of serving these items to the guests. Income stated is exclusive of amount recovered towards Sales Tax, Luxury Tax, and Service Tax.

b. Shop rentals are recognized on accrual basis.

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

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

iv. **Inventories:**

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

v. **Fixed Assets:**

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

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

b. **Intangible Assets:** Computer software is classified under "Intangible Assets".

c. Subsequent expenditure incurred on existing fixed assets is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance.

vi. **Depreciation and Amortisation:**

a. Depreciation on tangible assets put to use is provided on straight line method at the rates prescribed and in the manner laid down under Schedule XIV to the Companies Act, 1956.

b. Intangible assets are amortised over the useful life of the asset.

c. Depreciation on additions made to assets in licensed property is provided at the rates worked out on the basis of balance license period or at rates as per Schedule XIV.

vii. **Leases:**

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

viii. **Foreign Exchange Transactions:**

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

b. **Translation:** Foreign currency monetary items as at the Balance Sheet date are reported using the year end closing rate. Any gain or loss on

such translation or settlement is recognised in the statement of profit and loss.

ix. Investments:

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

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

x. Unamortised Expenses:

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

xi. Retirement Benefits:

a. Defined Contribution Plan:

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

b. Defined Benefit Plan:

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

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

xii. Borrowing Costs:

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

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

xiii. Taxes on income:

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

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

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

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

xiv. Earnings per share:

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

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

xv. Impairment of assets:

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

xvi. Provisions and Contingencies:

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

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

xvii. Segmental Reporting:

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

NOTES FORMING PART OF THE ACCOUNTS

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

DESCRIPTION	As at March 31, 2013	As at March 31, 2012
Note - 1 : SHARE CAPITAL		
1 Authorised Share capital		
a) Equity Shares		
170500000 (170500000) Equity Shares of ₹2/- each	**3,410.00**	3,410.00
2 Issued, Subscribed and Paid up		
a) Equity Shares		
62701495 (62701495) Equity Shares of ₹2/- each fully paid-up	**1,254.03**	1,254.03
	1,254.03	1,254.03

Reconciliation of Ordinary shares :

Particulars	No. of Share	As at March 31, 2013	No. of Shares	As at March 31, 2012
Shares outstanding at the beginning of the year	**62,701,495**	**1,254.03**	62,701,495	1,254.03
Add : Shares Issued during the year	**-**	**-**	-	
Shares outstanding at the end of the year	**62,701,495**	**1,254.03**	62,701,495	1,254.03

Shareholders holding more than 5% Equity Shares in the Company

Name of Shareholder	As At March 31, 2013		As At March 31, 2012	
	No. of Shares held	% of Holding	No. of shares held	% of Holding
CASPIAN CAPITAL AND FINANCE LTD	**22,238,646**	**35.47**	22,238,646	35.47
THE INDIAN HOTELS COMPANY LIMITED	**16,000,000**	**25.52**	16,000,000	25.52
G INDIRA KRISHNA REDDY	**5,065,000**	**8.08**	5,065,000	8.08

Note - 2 : RESERVES AND SURPLUS

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

	As at March 31, 2013				As at March 31, 2012			
	Balance as at 31.03.2012	Additions	Deletions	Balance as at 31.03.2013	Balance as at 31.03.2011	Additions	Deletions	Balance as at 31.03.2012
1. Capital Reserve	3,469.30	-	-	**3,469.30**	3,469.30	-	-	3,469.30
2. Securities Premium Account	3,132.00	-	-	**3,132.00**	3,132.00	-	-	3,132.00
3. General Reserve	7,000.00	**100.00**	-	**7,100.00**	6,500.00	500.00	-	7,000.00
4. Surplus in Statement of Profit and Loss								
Opening balance								
As at April 1	19,128.55	-	-	**19,128.55**	17,788.43	-	-	17,788.43
Add : Net Profit/(Net Loss)								
For the current year	**-**	**878.38**	-	**878.38**	-	2,933.22	-	2,933.22
Less : Proposed Dividend	**-**	-	**313.51**	**(313.51)**	-		940.52	(940.52)
Less : Tax on Proposed Dividend	**-**	-	**53.28**	**(53.28)**	-		152.58	(152.58)
Less : Transfer to Reserves			100.00	(100.00)			500.00	(500.00)
	-	-	-	**-**	-	-	-	-
As at March 31, 2013	19,128.55	**878.38**	**466.79**	**19,540.14**	17,788.43	2,933.22	1,593.10	19,128.55
TOTAL	32,729.85	**978.38**	**466.79**	**33,241.44**	30,889.72	3,433.22	1,593.10	32,729.85

Note - 3 : Non-Current Liabilities

Long Term Borrowings	As at March 31, 2013	As at March 31, 2012
(a) Term loans secured		
From banks and financial institutuions	**17,450.00**	14,325.00
(b) Loans from related parties unsecured	**-**	500.00
TOTAL	**17,450.00**	14,825.00

Details of current and non current component of long term borrowings

Particulars	As at March 31, 2013			As at March 31, 2012		
	Non-Current	Current	Total	Non-Current	Current	Total
(a) Term loans secured	**17,450.00**	**2,125.00**	**19,575.00**	14,325.00	1,093.75	15,418.75
(b) Loans from related parties	**-**	**500.00**	**500.00**	500.00	-	500.00
TOTAL	**17,450.00**	**2,625.00**	**20,075.00**	14,825.00	1,093.75	15,918.75

i) Term Loans from:

a) Financial Institutions

₹103.75 crores from Housing Development Finance Corporation Limited secured by first charge on all assets of Taj Krishna & Taj Deccan repayable in 32 equal instalments after 2 years from dates of disbursement commencing from Jun 2012

b) Banks

₹75.00 crores from HDFC Bank Ltd secured by first charge on all assets of Taj Club House, Chennai repayable in 32 equal instalments after 2 years from date of each disbursement commencing from Oct 2012.

₹17.00 crores from HDFC Bank Ltd secured by first charge on all assets of Taj Club House, Chennai repayable in 12 equal instalments after 2 years from date of each disbursement commencing from Jan 2013.

ii) Loans from related parties unsecured

₹5 crores from The Indian Hotels Company Limited repayable in July 2013.

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

	As at March 31, 2013	As at March 31, 2012
Other Long Term Liabilities		
(a) Deposits	**129.41**	228.71
(b) Creditors for Capital Goods	**2.47**	63.53
TOTAL	**131.88**	292.24
Long Term Provisions		
(a) Provision for employee benefits		
Gratuity	**-**	16.86
Leave Encashment	**110.10**	107.43
TOTAL	**110.10**	124.29

	As at March 31, 2013	As at March 31, 2012
Note - 4 : Current Liabilities		
Short Term Borrowings		
(a) Loans repayable on demand		
From Bank		
Secured	**1,756.29**	931.98
Unsecured	**1,000.00**	1,300.00
(b) Loans from related parties unsecured	**500.00**	-
TOTAL	**3,256.29**	2,231.98

i) **Secured loans:**

Bank overdraft : ₹987.32 lacs from Hongkong and Shanghai Banking Corporation Ltd secured by first charge on all assets of Taj Chandigarh.

₹268.97 lacs from IDBI Bank Ltd secured by hypothecation of Operating Supplies, Stores, Food & Beverages and Receivables.

Short Term Loans
₹500 lacs from Hongkong and Shanghai Banking Corporation Ltd secured by first charge on all assets of Taj Chandigarh for a tenure of 180 days from the drawal date.

ii) **Unsecured loans:**
From Banks
From Bank of Nova Scotia for a tenure of 180 days from the drawal date.
From related parties
From The Indian Hotels Company Limited repayable in July 2013.

	As at March 31, 2013	As at March 31, 2012
Other Current Liabilities		
(a) Current maturities of long-term debt	**2,125.00**	1,875.00
(b) Dues for capital goods and services	**465.07**	666.51
(c) Interest accrued but not due on borrowings	**54.61**	23.11
(d) Income received in advance	**463.78**	538.15
(e) Unpaid dividends	**179.51**	169.76
(f) Other Liabilities	**661.18**	720.38
TOTAL	**3,949.15**	3,992.91

	As at March 31, 2013	As at March 31, 2012
Short Term Provisions		
(a) Proposed Dividend	**313.51**	940.52
(b) Tax on Dividend	**53.28**	152.58
TOTAL	**366.79**	1,093.10

Note - 5 : Fixed assets

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

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 31.03.2012	Additions	Deductions	As at 31.03.2013	Upto 31.03.2012	Charge for the year	Deductions	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
TANGIBLE ASSETS										
1. Freehold Land	4,244.11	-	-	4,244.11	-	-	-	-	4,244.11	4,244.11
	(4,244.11)	-	-	(4,244.11)	-	-	-	-	(4,244.11)	(4,244.11)
2. Leasehold Land	189.18	-	-	189.18	23.45	6.60	-	30.05	159.13	165.73
	(189.18)	-	-	(189.18)	(16.85)	(6.60)	-	(23.45)	(165.73)	(172.33)
3. Buildings										
a Hotel Building	25,468.79	324.59	5.75	25,787.63	5,397.87	787.25	2.16	6,182.96	19,604.67	20,070.94
	(25,419.49)	(49.30)	-	(25,468.79)	(4,611.71)	(786.15)	-	(5,397.86)	(20,070.94)	(20,807.78)
b Improvements to	6,380.29	796.70	-	7,176.99	52.78	112.30	-	165.08	7,011.91	6,327.53
leasehold buildings	(54.73)	(6,325.57)	-	(6,380.29)	(11.58)	(41.20)	-	(52.77)	(6,327.53)	(43.14)
4. Plant & Machinery										
a Plant and Machinery	16,416.05	632.26	47.66	17,000.65	4,947.74	990.75	33.11	5,905.38	11,095.27	11,468.30
	(13,010.84)	(3,465.56)	(60.35)	(16,416.04)	(4,140.21)	(861.19)	(53.66)	(4,947.74)	(11,468.30)	(8,870.63)
5. Furniture & Fixtures										
a Hotel Furniture and	5,839.76	143.56	18.87	5,964.45	3,470.27	434.41	17.16	3,887.52	2,076.93	2,369.49
Fixtures	(5,208.19)	(634.17)	(2.60)	(5,839.76)	(3,078.58)	(394.13)	(2.44)	(3,470.27)	(2,369.49)	(2,129.61)
6 Office Equipments	1,055.45	59.39	1.75	1,113.09	674.06	103.30	1.41	775.95	337.14	381.39
	(879.18)	(176.28)	-	(1,055.46)	(590.08)	(83.98)	-	(674.06)	(381.40)	(289.10)
7 Vehicles										
a Cars	351.42	-	-	351.42	129.89	33.34	-	163.23	188.19	221.53
	(349.40)	(2.02)	-	(351.42)	(96.53)	(33.36)	-	(129.89)	(221.53)	(252.87)
TANGIBLE ASSETS Total	59,945.05	1,956.50	74.03	61,827.52	14,696.06	2,467.95	53.84	17,110.17	44,717.35	45,249.02
	(49,355.12)	(10,652.89)	(62.96)	(59,945.06)	(12,545.55)	(2,206.60)	(56.10)	(14,696.05)	(45,249.02)	(36,809.57)
Total	59,945.05	1,956.50	74.03	61,827.52	14,696.06	2,467.95	53.84	17,110.17	44,717.35	45,249.02
Less: Internal Transfers										
INTANGIBLE ASSETS										
10 Customer Reservation	51.75	74.49	-	126.24	6.68	17.51	-	24.19	102.05	45.08
Systems	(11.05)	(40.70)	-	(51.75)	(3.00)	(3.68)	-	(6.68)	(45.08)	(8.05)
INTANGIBLE ASSETS	51.75	74.49	-	126.24	6.68	17.51	-	24.19	102.05	45.08
Total	(11.05)	(40.70)	-	(51.75)	(3.00)	(3.68)	-	(6.68)	(45.08)	(8.05)
	59,996.80	2,030.99	74.03	61,953.76	14,702.74	2,485.46	53.84	17,134.36	44,819.40	45,294.10
	(49,366.17)	(10,693.60)	(62.96)	(59,996.81)	(12,548.55)	(2,210.29)	(56.10)	(14,702.74)	(45,294.10)	(36,817.62)
16 Capital Work - In -				4,212.21					4,212.21	3,185.40
Progress				(3,185.40)					(3,185.40)	(7,985.39)
TOTAL				**66,165.97**	**14,702.74**	**2,485.46**	**53.84**	**17,134.36**	**49,031.61**	**48,479.50**
				(63,182.20)	(12,548.55)	(2,210.29)	(56.10)	(14,702.74)	(48,479.49)	(44,803.00)

Note: 1) Hotel at Chandigarh is constructed on land taken on lease for 99 years.
2) Vivanta by Taj - Begumpet is on land and superstructure taken on lease for 60 years, extendable by further period of 30 years.
3) Additions to assets and Capital work in progress include ₹2,87,57,026/- of borrowing cost capitalised during the period.
4) Figures in brackets are of previous period.

Note - 6 : NON- CURRENT INVESTMENTS

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

	As at March 31, 2013					As at March 31, 2012				
	Type of Investment	No. of shares	Gross Cost	Provision	Net Cost	Type of Investment	No. of shares	Gross Cost	Provision	Net Cost
1) LONG TERM INVESTMENT IN GROUP COMPANIES - TRADE - UNQUOTED										
Investment in Joint Ventures										
Greenwoods Palaces and Resorts Pvt Ltd (partly paid)	**Equity**	**19,537,500**	**4,493.63**	**-**	**4,493.63**	Equity	15,800,000	3,634.00		3,634.00
NON-TRADE INVESTMENT, UNQUOTED										
Green Infra Windfarms Limited (fully paid)	**Equity**	**18,000**	**1.80**	**-**	**1.80**	Equity	18,000	1.80		- 1.80
TOTAL			**4,495.43**	**-**	**4,495.43**		3,635.80	-		3,635.80

i) The Company has acquired 1,95,37,500 Equity Shares (26.02% of total shares issued) of ₹10/- each (₹3/- paid up) of Greenwoods Palaces & Resorts Pvt Ltd from M/s Greenridge Hotels and Resorts LLP at a premium of ₹20/- per share. M/s.Greenwoods Palaces & Resorts Pvt Ltd is setting up a 5 Star Deluxe (Luxury category) Hotel Project comprising of 275 rooms near Terminal 1C, at Mumbai International Airport Private Limited (MIAL), Santacruz, Mumbai under the 'TAJ' brand with M/s. Greenridge Hotels and Resorts LLP (a GVK Company). As per the MOU signed with M/s Greenridge, the Company is entitled to acquire upto 49% stake in the SPV. As per the conditions of the share holders' agreement, the same is treated as a jointly controlled entity as per the Accounting Standards in vogue.

ii) Non-Trade Unquoted Investment was made in a company with which the Company entered into a power purchase agreement for supply of 3 million units of power or 5.65% of its actual generation whichever is less in order to comply with regulatory requirement for supply of such power.

Note - 7 : Long Term Loans and Advances

Long Term Loans and Advances	As at March 31, 2013	As at March 31, 2012
(a) Capital Advances		
Unsecured, considered good	**5,043.38**	4,303.54
Less: Provision for doubtful advances	**-**	-
	5,043.38	4,303.54
(b) Deposits - Others		
Unsecured, considered good	**1,016.28**	989.04
Less: Provision for doubtful deposits	**-**	-
	1,016.28	989.04
(c) Advance Tax (net of provision)	**578.85**	443.94
(d) Minimum Alternate Tax Credit	**1,175.00**	870.00
(e) Other loans and advances		
Unsecured, considered good	**5.29**	9.50
Less: Provision for doubtful advances	**-**	-
	5.29	9.50
TOTAL	**7,818.80**	6,616.02

Note - 8 : OTHER NON CURRENT ASSETS

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

	As at March 31, 2013	As at March 31, 2012
Other Non Current Assets		
Unsecured, considered good	**85.98**	102.04
TOTAL	**85.98**	102.04

Note - 9 : CURRENT ASSETS

Inventories		
a) Stores and Operating Supplies	**468.31**	335.42
b) Food and Beverages	**399.62**	361.92
TOTAL	**867.93**	697.34
Trade receivables		
Outstanding over six months from the date they are due for payment:		
Unsecured, considered good	**76.16**	70.68
Unsecured, considered doubtful	**17.58**	19.79
Less: Provision for doubtful debts	**17.58**	19.79
	76.16	70.68
Others:		
Unsecured, considered good	**655.35**	562.38
Unbilled receivables	**60.31**	97.03
Less: Provision for doubtful debts	—	—
	715.66	659.41
TOTAL	**791.82**	730.09
Cash and Bank Balance		
Cash and Cash equivalents :		
Cash on Hand	**23.45**	17.39
Cheques on hands	**4.59**	-
Current Accounts with banks	**0.79**	8.14
	28.83	25.53
Balances with Banks Others :		
Earmarked balances with banks on account of unclaimed dividend	**179.51**	169.76
	179.51	169.76
TOTAL	**208.34**	195.29
Short-term loans and advances		
a. Deposits with Public Bodies and Others		
Unsecured, considered good	**105.41**	85.47
Less : Provision for considered doubtful	**-**	-
	105.41	85.47
b. Other advances recoverable in cash or in kind		
Unsecured, considered good	**1,990.25**	1,322.17
Less : Provision for considered doubtful	**-**	-
	1,990.25	1,322.17
TOTAL	**2,095.66**	1,407.64
Other Current Assets		
Unamortized expenses	**16.05**	16.05
Interest receivable	**5.03**	4.22
	21.08	20.27

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

	Year Ended March 31, 2013	Year Ended March 31, 2012
Note - 10 : INCOME		
Revenue from operations		
I) Rooms, Restaurants, Banquets and Other Services (net of duties)	**25,269.82**	25,396.88
II) Other Income		
(a) Surplus on sale of fixed assets	**2.15**	9.84
(b) Interest Income	**8.60**	17.73
(c) Miscellaneous Income	**126.58**	153.32
(d) Exchange gain / (loss) on foreign currency transaction & translation	**16.41**	16.11
Sub-total	**153.74**	197.00
TOTAL	**25,423.56**	25,593.88
Note 11 : Employee Benefits Expenses		
(i) Salaries, Wages, Bonus etc.	**3,449.43**	3,125.92
(ii) Company's Contribution to Retirement Funds & Other Funds	**156.38**	202.68
(iii) Reimbursement of Expenses on Personnel Deputed to the Company	**808.76**	887.36
(iv) Payment to Contractors / Outsourced Labour	**282.51**	223.73
(v) Workmen / Staff Welfare Expenses	**584.64**	485.23
	5,281.72	4,924.92
Note 12 : Food & Beverages Consumed		
Food & Beverages Consumed	**2,666.17**	2,583.18
Note 13 : FINANCE COST		
Finance cost		
Interest expenses	**2,522.79**	1,788.88
Less: Interest Capitalized	**287.57**	274.77
TOTAL	**2,235.22**	1,514.11

Note - 14 : OPERATING AND GENERAL EXPENSES

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

PARTICULARS	Year Ended March 31, 2013	Year Ended March 31, 2012
a) Operating Expenses		
Linen and Room Supplies	**727.91**	682.04
Catering Supplies	**213.76**	217.33
Other Supplies	**10.09**	16.32
Fuel, Power and Light	**3,135.84**	2,305.08
Repairs to Buildings	**329.88**	285.01
Repairs to Machinery	**499.82**	408.73
Repairs to Others	**278.36**	283.84
Payment to Orchestra Staff & Artistes	**73.08**	61.82
Guest Transportation	**95.84**	86.59
Travel Agent's Commission	**163.29**	120.42
Collecting Agent's Commission	**266.04**	264.33
Sub - Total	**5,793.91**	4,731.53
b) General Expenses		
Rent	**366.00**	342.84
License Fees	**647.57**	457.51
Rates & Taxes	**726.25**	651.08
Insurance	**123.78**	114.09
Advertisement and Publicity	**494.51**	508.59
Printing and Stationery	**135.52**	130.56
Passage and Traveling	**70.85**	64.83
Provision for Doubtful Debts	**6.76**	6.86
Bad debts and advances written off	-	26.25
Professional Fees	**134.89**	146.09
Loss on Sale of Fixed Assets	**15.97**	3.75
Donation	**27.32**	85.30
Operating and Management fees	**1,240.46**	1,531.03
Auditors' Remuneration		
i. As Auditors	**14.61**	14.34
ii. For Taxation matters	**3.07**	2.81
iii. For Other Services	**-**	0.10
Directors' Fees	**7.80**	7.40
Amortized expenses	**16.05**	16.05
Other Expenses	**1,400.17**	1,242.52
Sub -total	**5,431.58**	5,351.99
TOTAL	**11,225.49**	10,083.52

Note - 15 : DETAILS OF TAXATION

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

a) Summary of Taxes charged during the period in the statement of Profit & Loss

PARTICULARS	Year Ended March 31, 2013	Year Ended March 31, 2012
Current Tax	**305.00**	870.00
Minimum Alternate Tax Credit Entitlement	**(305.00)**	(870.00)
Tax for earlier Years	**-**	(2.87)
Deferred Tax Debit/(Credit)	**481.73**	1,347.51
Total Debit/(Credit) to Statement of Profit & Loss	**481.73**	1,344.64

b) Deferred Tax Asset/Liability as at Mar 31, 2013

Particulars	As At March 31, 2013	As At March 31, 2012
Deferred Tax Liability		
Depreciation on Fixed Assets	**2,220.46**	2,167.14
Effect of allowance u/s 35AD	**3,295.11**	3,295.11
TOTAL	**5,515.57**	5,462.25
Deferred Tax Assets		
Provision for Doubtful Debts	**6.77**	6.84
Employee Benefits	**42.60**	33.74
Effect of carry forward loss	**1,710.71**	2,147.91
TOTAL	**1,760.08**	2,188.49
Net Deferred Tax Liability/Asset	**3,755.49**	3,273.76

Note - 16 : EXCEPTIONAL ITEMS

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Fuel Surcharge Adjustment	**169.39**	**0.00**
TOTAL	**169.39**	**0.00**

17. **Contingent liabilities not provided for in respect of :**

₹in lacs

Sl. No.	PARTICULARS	As at 31-03-2013	As at 31-03-2012
i.	Sales Tax matters	296.66	169.45
ii.	Income Tax matters	40.00	7.60
iii.	Service Tax matters	41.08	41.08
iv.	Excise duty	3.21	3.21
v.	Wealth Tax matters	21.13	-
vi.	Luxury Tax matters	76.47	-
vii.	Probable customs duty payable on the Equipment Imported under Export Promotion Capital Goods Scheme	487.18	487.18
viii.	Letters of Credit	-	-
ix.	Bank Guarantees – Others	158.89	153.26
x.	Estimated amount of contracts remaining to be executed on capital account.	59.63	274.10
xi.	Telephone charges in dispute with BSNL	-	13.73

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

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

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

20. The Central Power Distribution Company Limited of Andhra Pradesh (CPDCL of AP) raised demands towards Fuel Surcharge Adjustment (FSA) of ₹107.15 lacs for the financial years 2008-09 and 2009-10. The Hon'ble High Court of Andhra Pradesh, on a batch petition filed by various consumers, granted stay from collection of the same. Hence, no provision is made for such amount in the books of account. However, an amount of ₹21.13 lacs has been paid under protest and shown under loans and advances.

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

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

₹in lacs

PARTICULARS	Current year	Previous year
The principal amount due thereon remaining unpaid to any supplier as at the end of the accounting year	3.56	2.75
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amounts of payments made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under MSMED Act, 2006	-	-

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

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

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

i) Income from Guest Accommodation, Restaurants etc.

PARTICULARS	Current Year	Previous year
Guest Accommodation	12445.75	13289.54
Food, Beverages and others	8498.59	8106.47
Liquor & Wines	2019.46	1870.63
Telephones	336.49	219.09
Other Income	2123.26	2108.15
TOTAL	**25423.55**	**25593.88**

ii) Consumption of Provisions, Stores and Wines (Rs. in lacs)

PARTICULARS	Opening Stock	Purchases	Consumption	Closing Stock
Provisions & Stores, Beverages other than Liquor, Beer & Wines	107.99 (76.06)	1792.57 (2152.79)	1810.33 (2120.86)	90.23 (107.99)
Liquor, Beer & Wines	248.82 (193.57)	547.56 (454.26)	485.80 (399.01)	310.58 (248.82)
TOTAL	356.81 (269.63)	2340.13 (2607.05)	2296.13 (2519.87)	400.81 (356.81)

iii) **Foreign Exchange Earnings** (Rs. in lacs)

PARTICULARS	Current Year	Previous year
Earnings in Foreign Exchange	6889.91	7276.70

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

iv) Expenditure in foreign currency: (₹in lacs)

PARTICULARS	Current Year	Previous year
Capital Goods	106.10	677.36
Consultancy	6.61	62.72
Others	116.75	106.08
TOTAL	**229.46**	**846.16**

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

PARTICULARS	Current Year		Previous year	
	Rs. in lacs	%	Rs. in lacs	%
Imported	222.11	9.67	195.57	7.76
Indigenous	2074.02	90.33	2324.29	92.24
TOTAL	**2296.13**	**100.00**	**2519.86**	**100.00**

23. **Related Parties Disclosure**

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

Key Management personnel:

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

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

Accura Constructions (P) Ltd
Accura Estates (P) Ltd
Alaknanda Hydro Power Co Ltd (*)
Allied Estates (P) Ltd
Amtran Constructions (P) Ltd
Anchor Estates (P) Ltd
Appease Estates Private Limited
Bengaluru Airport & Infrastructure Developers Pvt.Ltd
Bengaluru International Airport Ltd (*)
Blue Streak Land Holdings (P) Ltd
Bonanza Real Estates (P) Ltd
Caspian Capital & Finance (P) Ltd
Casuarina Capital & Finanace (P) Ltd
Classic Land Holdings (P) Ltd
Consolidated Real Estates (P) Ltd
Cygnus Real Estates (P) Ltd
Delta Land Holdings (P) Ltd
Dhaulasidh Power (P) Ltd
Eagle Land Holdings (P) Ltd
Fair Value Land Holdings (P) Ltd
Fortune Real Estates (P) Ltd
Fresenius Intraven (P) Ltd
GVK Gautami Power Ltd (*)
Genesis Realtors (P) Ltd
Goldgreen Land Holdings (P) Ltd
Goriganga Hydro Power Co.(P) Ltd
Greenwoods Land Holdings (P) Ltd
Greenwoods Palaces & Resorts (P) Ltd (*)
Greenridge Hotels and Resorts LLP
GVK Airport Developers (P) Ltd
GVK Airport Holdings (P) Ltd
GVK Biosciences (P) Ltd (*)
GVK City (P) Ltd
GVK Cements Pvt Ltd
GVK Coal (Tokisud) Co.(P) Ltd (*)
GVK Davix Research (P) Ltd
GVK Davix Technologies (P) Ltd
GVK Deoli Kota Expressway (P) Ltd
GVK Developmental Projects (P) Ltd
GVK Foundation (*)
GVK EMRI (UP) Pvt Ltd
GVK Energy Holdings (P) Ltd
GVK Energy Ltd (*)
GVK Energy Ventures (P) Ltd
GVK Estates Private Limited
GVK Hydel (P) Ltd
GVK Industries Ltd (*)
GVK Jaipur Expressway Private Ltd (*)
GVK Natural Resources (P) Ltd
GVK Oil & Gas Limited (*)
GVK Perambalur SEZ (P) Ltd
GVK Power & Infrastructure Ltd (*)
GVK Power (Goindwal Sahib) Ltd (*)
GVK Properties & Management Co.(P) Ltd
GVK Projects & Technical Services Ltd. (*)
GVK Technical & Consultancy Private Ltd (*)
GVK Ratle Hydro Electric Project Pvt Ltd (*)
GVK Transportation (P) Ltd (*)
GVK Virudhnagar SEZ (P) Ltd
Inc GVK Bio (P) Ltd
Innovative Land Holdings (P) Ltd
Inogent Laboratories (P) Ltd
GVK EMRI(*)
Mallikarjuna Estates (P) Ltd
Mallikarjuna Finance (P) Ltd
Marriot Land Holdings (P) Ltd
Metro Architects & Contractors (P) Ltd
Midas Estates (P) Ltd
Mumbai Airotropolis Pvt Ltd
Mumbai Airport Habitation Pvt Ltd
Navi Mumbai Airport Developers (P) Ltd
Mumbai Aviation Fuel Form Facility (P) Ltd
Mumbai International Airport (P) Ltd (*)
Novopan Industries Ltd (*)
Orbit Travel & Tours (P) Ltd (*)
Oxford Land Holdings (P) Ltd
Pace Constructions (P) Ltd
Pace Estates (P) Ltd
Paigah House Hotel (P)Ltd
Parthasarathy A/c Tourists (P) Ltd
Pinakini Share & Stock Brokers Ltd
Pinnacle Land Holdings (P) Ltd
Raghavendra Finance (P) Ltd
Raghavendra Land Holdings (P) Ltd
Regulus Estates (P) Ltd
Rocktown Estates Pvt Ltd(*)
Seregarha Mines Limited
SR Finance (P) Ltd
Starlet Land Holdings (P) Ltd
Suphala Real Estates (P) Ltd
Vertex Infratech (P) Ltd
Vertex Projects Ltd
Volantis Land Holdings (P) Ltd
Vulcon Constructions (P) Ltd
Zinger Investments (P) Ltd

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

TRANSACTIONS WITH THE RELATED PARTIES:

STATEMENT OF MATERIAL TRANSACTIONS:

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

Name of Company	Current Year	Previous Year
Key Management Personnel:		
Dr. G.V.Krishna Reddy – Salary	**457.12**	430.12
Mrs. Indira Krishna Reddy – Salary	**161.12**	148.90
Mrs. Shalini Bhupal – Salary	**108.31**	98.07
Joint Venture:		
Indian Hotels Company Limited		
- Interest on unsecured loan	**35.00**	35.10
- Operating fee	**1240.46**	1531.03
- Reimbursement of advertisement expenses	**361.78**	394.93
Jointly controlled entity:		
Greenwoods Palaces & Resorts (P) Ltd		
- Investment in Equity Shares	**4493.63**	3634.00
- Advance against calls	**1143.00**	-
Enterprises in which key management personnel and / or their relatives have significant influence:		
Sheraton Estates		
- Purchase of vegetables	**5.99**	5.91
Orbit Tours and Travels (P) Ltd		
- Purchase of travel tickets and car hire charges	**183.76**	206.66
GVK Foundation		
- Donation	**27.20**	85.13
GVK Industries Ltd		
- Salaries of deputed staff	**4.40**	4.40
Novopan Industries Ltd		
- Salaries of deputed staff	**0.54**	5.03
GVK Technical Consultancy Services (P) Ltd		
- Salaries of deputed staff	**21.68**	15.25
S.Bhupal & Others		
- Purchase of vegetables	**-**	0.15
Sri Venkateswara Enterprises		
- Rental charges received	**-**	0.05
Income from sale of rooms and food & beverages:		
- Alakananda Hydro Power Co. Ltd	**3.73**	2.40
- GVK Gautami Power Ltd	**0.49**	0.76
- Mumbai International Airport Pvt Ltd	**4.51**	27.68
- Novopan Industries Ltd	**0.54**	0.08
- GVK Biosciences Pvt Ltd	**9.46**	19.96
- GVK Coal (Tokisud) Co. Pvt. Ltd	**1.41**	2.49
- GVK Industries Ltd	**18.50**	42.49
- GVK Jaipur Expressway Pvt Ltd	**0.47**	0.58
- GVK Power and Infrastructure Ltd	**6.71**	42.49
- GVK Power (Goindwal Sahib) Ltd	**4.36**	0.58
- GVK Oil and Gas Ltd	**0.22**	17.82
- Bengaluru International Airport Ltd	**1.39**	6.74
- GVK Energy Ltd	**4.13**	0.16
- Inogent Laboratories Pvt Ltd	**0.60**	-
- Orbit Tours and Travels (P) Ltd	**-**	0.19
- GVK Natural Resources Pvt Ltd	**-**	0.31
- GVK Power (Ratlam) Pvt Ltd	**-**	7.58
- GVK Projects and Technical Services Ltd	**0.14**	0.60

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

- GVK Ratle Hydro Electric Project Pvt Ltd	**0.22**	0.21
- GVK Technical Consultancy Services (P) Ltd	**15.68**	11.86
- S.Bhupal & Others	**-**	0.03
- Sri Venkateswara Enterprises	**0.49**	2.69
- Sri Vishnu Enterprises	**-**	0.15
- Woodstar Industries	**-**	0.16

BALANCES OUTSTANDING AS OF 31.03.2013 : (All amounts are ₹in lacs, unless otherwise stated)

Name of Company	Current Year	Previous Year
Joint Venture:		
Indian Hotels Company Limited		
- Interest accrued on unsecured loan	**54.61**	23.11
- Unsecured Loan outstanding	**500.00**	500.00
- Operating fee & reimbursements payable	**496.27**	762.30
- Reimbursement of expenses receivable	**231.79**	101.98
Jointly controlled entity:		
Greenwoods Palaces & Resorts (P) Ltd		
- Investment in Equity Shares	**4493.63**	3634.00
- Advance against calls	**1143.00**	-
Enterprises in which key management personnel and / or their relatives have significant influence:		
GVK Industries Ltd		
- Salaries of deputed staff payable	**4.40**	1.52
GVK Technical Consultancy Services (P) Ltd		
- Salaries of deputed staff payable	**-**	1.51
Orbit Tours and Travels (P) Ltd		
- Purchase of travel tickets and car hire charges payable	**-**	14.43

24. **Deferred Tax:**

In accordance with the Accounting Standard 22 (AS-22) 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax liability up to 31.03.2013 comprising of the following components.

	Current Year	Previous Year
Deferred Tax Liability:		
Depreciation on Fixed Assets	**2220.46**	2167.14
Effect of allowance u/s 35AD	**3295.11**	3295.11
Deferred Tax Asset:		
Provision for bonus & leave encashment	**42.60**	33.73
Provision for doubtful debts	**6.77**	6.84
Effect of carry forward loss	**1710.71**	2147.90
Net Deferred Tax Liability	**3755.49**	3273.78

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

PARTICULARS	Current Year	Previous Year
Not later than one year	**597.37**	777.82
Later than one year but not later than five years	**1474.76**	1730.84
Later than 5 years	**158.06**	371.89

26. **The company operates a post retirement benefit plan for gratuity.**

Details of gratuity plan are as under:

Amount recognized in Balance Sheet (All amounts are ₹in lacs, unless otherwise stated)

PARTICULARS	Current Year	Previous Year
Present Value of Funded Obligations	**421.52**	432.27
Fair Value of Plan Assets	**(430.66)**	(401.66)
Net Liability recognized in the Balance Sheet	**(9.14)**	**30.61**

Expenses recognized in the Profit & Loss Account

PARTICULARS	Current Year	Previous Year
Current Service Cost	**27.24**	32.10
Interest on Defined Benefit Obligation	**33.95**	33.40
Expected Return on Plan Assets	**(27.88)**	(21.34)
Net Actuarial Losses	**(73.06)**	(64.20)
Net Expenses recognized in the Profit & Loss Account	**(39.75)**	**(20.04)**

Reconciliation of Defined Benefit Obligation

PARTICULARS	Current Year	Previous Year
Opening Defined benefit Obligation	**432.28**	442.14
Current Service Cost	**27.24**	32.10
Interest Cost	**33.95**	33.39
Actuarial Losses / (Gain)	**(58.04)**	(53.55)
Benefits Paid	**(13.91)**	(21.80)
Closing Defined Benefit Obligation	**421.52**	**432.28**

Reconciliation of Fair Value of Plan Assets

PARTICULARS	Current Year	Previous Year
Opening Fair Value of Plan Assets	**401.66**	316.47
Expected Return on Plan Assets	**27.88**	21.34
Actuarial gain / (Losses)	**15.02**	10.65
Contributions by Employer	**-**	75.00
Benefits Paid	**(13.90)**	(21.80)
Closing Fair Value of Plan Assets	**430.66**	**401.66**

Description of Plan Assets

PARTICULARS	Current Year	Previous Year
Insurer Managed Funds	**100%**	100%

Summary of Actuarial Assumptions

PARTICULARS	Current Year	Previous Year
Discount Rate	**7.95%**	8.55%
Expected rate of return on Assets	**7.50%**	7.50%
Salary Escalation Rate	**5.00%**	7.00%

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

i) The Company holds 26.05% (Previous year 21.06%) of the total share capital of M/s Greenwoods Palaces & Resorts Pvt Ltd (Greenwoods), which is incorporated in India.

ii) The share of contracts to be executed on capital account of the Company in Greenwoods is ₹1159.60 lacs (₹775.34 lacs).

iii) The interest of the Company in Greenwoods' assets and liabilities as required to be disclosed as per Accounting Standard 27, Reporting of interests in Joint Ventures, is given below:

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

PARTICULARS	Current Year	Previous Year
Profit/(Loss) for the period	**2.59**	(2.78)
Liabilities:		
Non-current liabilities	**20.68**	4.90
Current liabilities	**61.59**	9.60
Assets:		
Tangible assets	**577.35**	69.68
Intangible assets	**163.49**	-
Non-current loans and advances	**345.29**	67.68
Current assets	**30.14**	348.43

28. 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.

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

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

KOTESWARA RAO SSR
Partner
M.No.018952

For and on behalf of the Board

Dr. G V Krishna Reddy
Executive Chairman

G Indira Krishna Reddy
Managing Director

Place : Hyderabad
Date : 30th April 2013

Anil P Goel
Director

S B Kamath
General Manager - Finance and Company Secretary

NOTES

TAJGVK

TAJGVK Hotels & Resorts Limited

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

ATTENDANCE SLIP

18th Annual General Meeting on Tuesday, the 30th July 2013, at 11.30 a.m.

Please fill Attendance Slip and hand it over at the entrance of the Meeting Hall

Regd. Folio No.	
No. of Shares held	

*DPID :	
*Client ID :	

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

I / We hereby record my / our presence at the 18th **ANNUAL GENERAL MEETING** of the Company held on Tuesday, the 30th July 2013, at 11.30 a.m. at Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad - 500 073.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

If Member, Please sign here **If Proxy, Please sign here**

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

** Applicable for investors holding shares in Electronic Form.*

TAJGVK

TAJGVK Hotels & Resorts Limited

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

PROXY FORM

Regd. Folio No.	
No. of Shares held	

*DPID :	
*Client ID :	

I/We _____ of

_____, being a member/members of TAJGVK Hotels

& Resorts Limited hereby appoint _____ of

_____ or failing him/her _____ of

_____ as my / our proxy to attend and vote for me / us and on my / our behalf at the **18th ANNUAL GENERAL MEETING** at Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad – 500 073 to be held **on Tuesday, the 30th July 2013, at 11.30 a.m.** and at any adjournment thereof.

Affix ₹1/- Revenue Stamp

As witness my/our hand(s) this _____ day of _____2013.

Signed by the said .....

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

The Proxy need not be a member of the Company.

** Applicable for investors holding shares in Electronic Form.*

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