TAJGVK

3rd August, 2017

General Manager
Bombay Stock Exchange Limited
1st Floor, New Trading Ring, Rotunda Bldg,
P J Towers, Dalal Street, Fort
MUMBAI – 400 001.

Dear Sir,

Sub: 22nd Annual General Meeting (AGM) Voting Results.
Ref : BSE Scrip Code:532390.

In connection with the 22nd AGM of the Company was held on 1st August, 2017, please find attached the following :

1. Voting results as required under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed vide Annexure – 1.
2. Report of the Scrutinizer dated 2nd August, 2017, pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the Companies (Management and Administration) Rules, 2014 is annexed vide Annexure-2.
3. Annual Report of the Financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the Members / Shareholders of the Company as per the provisions of Companies Act, 2013.

Please take note that the above referred documents are also being uploaded on the website of the Company. We request you to kindly take the same on record.

Thanking you,

Yours faithfully
For TAJGVK Hotels & Resorts Limited

J SRINIVASA MURTHY
CFO & COMPANY SECRETARY

TAJGVK HOTELS & RESORTS LTD. HYDERABAD

Encl: a/a

TAJGVK

TAJGVK Hotels & Resorts Limited

22ND ANNUAL REPORT 2016-17

Taj Santacruz Grand Ball Room Prefunction

CORPORATE INFORMATION

Board of Directors
(As on 17.05.2017)

Dr. GVK Reddy	:	Chairman
Mrs. G Indira Krishna Reddy	:	Managing Director
Mrs. Shalini Bhupal	:	Executive Director
Mr. G V Sanjay Reddy	:	Director
Mr. Krishna R Bhupal	:	Director
Mr. Rakesh Sarna	:	Director
Mr. Rajendra Misra	:	Director
Mr. Anil P Goel	:	Director (upto 15.10.2016)
Mr. K Jayabharath Reddy	:	Independent Director
Mr. D R Kaarthikeyan	:	Independent Director
Mr. C D Arha	:	Independent Director
Mr. M B N Rao	:	Independent Director
Mr. Ch G Krishna Murthy	:	Independent Director
Mr. S Anwar	:	Independent Director
Mr. A Rajasekhar	:	Independent Director
Mrs. Santha John	:	Independent Director
Mr. J Srinivasa Murthy	:	CFO & Company Secretary

Committees of the Board

Audit Committee

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

Nomination and Remuneration Committee

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

Corporate Social Responsibility Committee

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

Stakeholders Relationship Committee

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

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

Stock Exchanges where Company's Securities are listed : BSE LTD
NSE LTD

Registered Office : TAJGVK Hotels & Resorts Limited
CIN: L40109AP1995PLC019349
Taj Krishna, Road No.1, Banjara Hills,
Hyderabad - 500 034.
E mail:tajgvkshares.hyd@tajhotels.com
www.tajgvk.in
Ph No.040-66293664.

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

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

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

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

FINANCIAL HIGHLIGHTS

(Rs. in crores)

	2016-17	2015-16	2014-15	2013-14	2012-13
Total Revenue	**269.77**	272.00	250.02	245.13	254.24
Profit before tax	**18.63**	15.24	(2.04)	8.73	13.60
Profit after tax(after extraordinary / prior period items)	**10.22**	8.21	(2.47)	4.98	8.78
Shareholders' Funds	**362.48**	355.28	347.07	348.46	344.95
Borrowings	**256.37**	269.35	269.35	216.86	200.75
Debt Equity ratio	**0.71:1**	0.76:1	0.78:1	0.62:1	0.58:1
Book value per share (Rs)	**57.81**	56.66	55.35	55.57	55.01
Earnings per share (Rs)	**1.63**	1.31	(0.39)	0.79	1.40
Dividend Declared (%)	**20%**	20%	NIL	10%	25%

CONTENTS

NOTICE OF 22ND ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING of TAJGVK HOTELS & RESORTS LIMITED** will be held at **Sri Sathya Sai Nigamagamam,** 8-3-987/2, Sri Nagar Colony, Hyderabad – 500073 on **Tuesday, the 1st August, 2017**, at **11.30 a.m**, to transact the following business:

ORDINARY BUSINESS:

1) To receive, consider and adopt the Standalone and Consolidated Audited Profit and Loss Account for the year ended March 31, 2017, and the Balance Sheet and Cash Flow Statement as on at that date, together with the Directors' Report and the Auditors' Report thereon.

2) To consider and declare dividend on the Equity Shares for the financial year ended March 31, 2017.

3) To appoint a Director in place of Mr. Rakesh Sarna (DIN:01875340) who retires by rotation and being eligible, offers himself for re-appointment as Director liable to retire by rotation.

4) To appoint a Director in place of Mr. Krishna R Bhupal (DIN:00005442) who retires by rotation and being eligible, offers himself for re-appointment as Director liable to retire by rotation.

5) To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and based on the recommendations of the Audit Committee and the Board of Directors, approval of Members be and is hereby accorded to the appointment of M/s.Bhaskara Rao & Co, Chartered Accountants (Firm Registration No.000459S) as Statutory Auditors of the Company, in place of retiring auditors M/s. Brahmayya & Company, Chartered Accountants (Firm Registration No.000513S), to hold office from the conclusion of this 22nd Annual General Meeting (AGM) until the conclusion of the 27th AGM, for a period of 5 years, and subject to ratification by members at every Annual General Meeting and at such remuneration and out of pocket expenses, as may be decided and approved by the Audit Committee and Board of Directors of the Company."

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of section 197 and other applicable provisions, if any and read together with Schedule V of the Companies Act, 2013 and the Rules framed thereunder including any statutory modification thereof, for the time being in force and in pursuance of the resolution passed by the members of the Company at the AGM held on 28th July, 2015 and subject to the approval of the Central Government and/or such other necessary approval(s), consent(s), or permission(s) as may be required and conditions / modifications if any, as may be prescribed or imposed by the Central Government, the consent and approval of the members of the company be and is hereby accorded to ratify and confirm the remuneration of Rs.1,53,36,812/- paid to Mrs. G. Indira Krishna Reddy, Managing Director in excess of the limits prescribed under the provisions of section 197, read with Schedule V of the Companies Act, 2013 for the financial year 2016-17 and also to waive the recovery of the excess amount from her as the payment being the minimum remuneration agreed to be paid to her as per the terms of approval of the members, and also approval to the extent it exceeds the statutory limit laid down under the Companies Act, 2013 and also approval of the consequential retention thereof by Managing Director of the Company."

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

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

"**RESOLVED THAT** pursuant to the provisions of section 197 and other applicable provisions, if any read together with Schedule V of the Companies Act, 2013 and the Rules framed thereunder including any statutory modification thereof, for the time being in force and in pursuance of the resolution passed by the members of the Company at the AGM held on 1st August, 2014 and subject to the approval of the Central Government and/or such other necessary approval(s), consent(s), or permission(s) as may be required and conditions/ modifications if any, as may be prescribed or imposed by the Central Government, the consent and approval of the members of the company be and is hereby accorded to ratify and confirm the remuneration of Rs.40,61,269/- paid to Mrs. Shalini Bhupal, Executive Director in excess of the limits prescribed under the provisions of section 197, read with Schedule V of the Companies Act, 2013, for the financial year 2016-17 and also to waive the recovery of the excess amount from her as the payment being the minimum remuneration agreed to be paid to her as per the terms of approval of the members and also approval to the extent it exceeds the statutory limit laid down under the Companies Act, 2013 and also approval of the consequential retention thereof by Executive Director of the Company."

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

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

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

Place : Hyderabad
Date : 17.05.2017

NOTES

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

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

3) The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, the 26th July, 2017 to Tuesday, the 1st August, 2017** (both days inclusive) for the purpose of the Annual General Meeting of the Company and for payment of dividend.

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

5) The Dividend for the financial year ended 31stMarch, 2017, as recommended by the Board, if approved at the AGM, will be paid on or after **6th August, 2017** to those members whose names appears in the Register of Members of the Company as on the book closure dates.

6) The Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service ("ECS") facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders account, elimination of loss of instruments in transit or fraudulent encashment, etc.

    a) Shareholders holding shares in Physical Form are requested to send the Bank account details along with the cancelled cheque leaf to the Company's Registrar and Share Transfer Agent M/s. Venture Capital & Corporate Investments Private Limited, (Unit:TAJGVK),12-10-167, Bharat Nagar, Hyderabad-500 018, Telangana State, India.

    b) Shareholders holding shares in Dematerialized Form are requested to provide the Bank details to theirDepository Participants for incorporation in their records.

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

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

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

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

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

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

13) **Unclaimed Dividend:**

During the year 2016-17, pursuant to the provisions of Section 124 of the Companies Act, 2013 and read with other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, unclaimed dividend amount of Rs.23,53,022/- for the financial year 2008-09 has been transferred on 24.08.2016 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

The dividend for the financial year 2009-10 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to section 125 of the Companies Act, 2013 and the Rules made thereunder. Further, the Members also kindly note that pursuant to section 124(6) of the Companies Act, 2013 as amended to date, Equity Shares of the company in respect of which dividend amounts remain unclaimed for a period of 7 years will also be transferred to IEPF.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on 4th August, 2016 (date of last Annual General Meeting) on the website of the Company (www.tajgvk.in) and also on the website of Ministry of Corporate Affairs.

The detailed dividend history and the due dates of transfer to IEPF are available on the website of the company www.tajgvk.in. Information in respect of such unclaimed dividend due for transfer to the Investor Education and Protection Fund (IEPF) are given below:

Financial year	Dividend declared %	Date of Declaration of dividend	Last Date for claiming unpaid dividend	Unclaimed dividend (in Rs.)	Due date for transfer to the IEPF A/c
2009-10	100%	25.07.2010	25.07.2017	23,45,902.00	25.08.2017
2010-11	100%	26.07.2011	25.07.2018	24,08,142.00	25.08.2018
2011-12	75%	27.07.2012	26.07.2019	20,59,565.00	26.08.2019
2012-13	25%	30.07.2013	29.07.2020	7,81,961.50	29.08.2020
2013-14	10%	01.08.2014	31.07.2021	3,44,256.00	30.08.2021
2014-15	-	-	-	-	-
2015-16	20%	04.08.2016	03.08.2023	6,22,916.80	02.09.2023

The Shareholders who have not encashed the aforesaid dividend warrants are requested to write to CFO & Company Secretary, TAJGVK Hotels & Resorts Limited, Taj Krishna, Road No.1, Banjara Hills, Hyderabad – 500 034, e-mail:tajgvkshares.hyd@tajhotels.com, for obtaining payment in lieu of such dividend warrants.

14) **Unclaimed Shares :**

As required under Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with unclaimed shares in physical form,members are requested to note that the company has sent numerous reminder notices dated 22.02.2016, 21.06.2016 and 05.10.2016 intimating to surrender old share certificates of transferor companies i.e. Hotel Sree Krishna Limited (HSKL) and Novopan Industries Limited (NPIL) to enable the company to issue new shares of TAJGVK. As per the Scheme of Arrangement and Amalgamation, TAJGVK allotted shares in the ratio of 5:1 (i.e. every 5 shares of HSKL held to be exchanged with 1 share of TAJGVK) and 3:1 (i.e. every 3 shares of NPIL held to be exchanged with 1 share of TAJGVK)

In this connection, we wish to inform that many shareholders are yet to surrender their old share certificates and the company proposes to transfer all those equity shares to “Unclaimed Suspense Account” as per the provisions of SEBI (LODR) Regulations, 2015 and IEPF Rules.

15) Pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the particulars of Directors seeking re-appointment at the meeting are annexed to this notice.

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

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

18) **Voting through electronic means**

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, members have been provided with the facility to cast their vote electronically through the e-voting services provided by KARVY Computershare Private Limited, on all resolutions set forth in this Notice.

Notice of the 22nd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent to all the members whose e-mail IDs are registered with the Company / Depository Participants(s) for communication purposes through electronic mode unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 22nd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting is being sent through the permitted mode.

The instructions for e-voting are as under:

i) Use the following URL for e-voting: https://evoting.karvy.com

ii) Enter the login credentials i.e., user id and password mentioned below:

User – ID For Members holding shares in DematForm:-

a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID

b) For CDSL :- 16 digits beneficiary ID

For Members holding shares in Physical Form:-

- Event no. followed by Folio Number registered with the Company

Password as e-mailed. In case of shareholders who have not registered their e-mail addresses, their Password has been communicated in the physical ballot form sent to them.

Captcha Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

iii) After entering the details appropriately, click on LOGIN.

iv) You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (az), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, e-mail etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

v) You need to login again with the new credentials.

vi) On successful login, the system will prompt you to select the EVENT i.e., **TAJGVK Hotels & Resorts Limited.**

vii) On the voting page, the number of shares as held by the shareholder as on the Cut-off date will appear. If you desire to cast all the votes assenting/ dissenting to the Resolution then enter all shares and click "FOR"/"AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii) Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.

ix) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.

x) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at narenderg99@gmail.com.

xii) In case of Shareholders receiving physical copy of Notice please follow all the steps from sl.no.(i) to sl.no.(xi) above to cast vote.

xiii) Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

xiv) The e-voting portal will be open for voting from **Saturday, the 29th July, 2017 (9.00 a.m. IST) to Monday, the 31st July, 2017 (5.00 p.m. IST).** During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on Cut-off date **(i.e. 25th July, 2017)**, may cast their vote electronically. The e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

xv) The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e., 25th July, 2017.

xvi) A person, whose name is recorded in the register of members as on the cut-off date, i.e. 25th July, 2017 only shall be entitled to avail the facility of e-voting/Poll.

xvii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 25th July, 2017, may obtain the User ID and password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No / DPID Client ID, the member may:

a) Send SMS: MYEPWD <space> E-Voting Event Number+Folio No / DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL :

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

b) On the home page of https://evoting.karvy.com, click "Forgot Password" and enter Folio No / DP ID Client ID and PAN to generate a password.

xviii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.karvy.com or contact Mr. S. V. Raju of Karvy Computershare Pvt. Ltd. at 040-67161500 or at 1800 345 4001 (toll free). It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

xix) The results of e-voting will be placed by the Company on its website: www.tajgvk.in within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.

xx) The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

xxi) Mr. Narender Gandhari, Practicing Company Secretary, (Membership No.FCS4898), Proprietor of M/s. Narender & Associates, Company has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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

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

21) 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.

22) **Voting through Physical Ballot**

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

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

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

Place : Hyderabad
Date : 17.05.2017

EXPLANATORY STATEMENT

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

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

ITEM NO.5

In terms of the provisions of Section 139(1) of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. The Act further prescribes as per section 139(2), that the Company shall comply with requirements within a period not later than the date of First AGM held after three years from the commence of this Act.

M/s.Brahmayya & Company, Chartered Accountants (Firm Registration No.000513S), have been appointed on 8th May, 2000 as the Statutory Auditors of the Company for auditing the annual financial statements of the company for FY1999-2000 and are further re-appointed every year and they completed the permissible period of two terms of five years each as on date. In terms of their appointment made at the 21st AGM held on 4th August, 2016, they are holding office of the auditors up to the conclusion of the 22nd AGM and hence, would retire at the conclusion of the forthcoming this AGM.

Accordingly, as per the provisions of section 139 of the Act, M/s.Bhaskar Rao & Co., Chartered Accountants are proposed to be appointed as Auditors for a period of 5 years, commencing from the conclusion of 22nd AGM till the conclusion of the 27th AGM, subject to ratification by members at every Annual General Meeting.

M/s.Bhaskar Rao & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No.5 of the notice.

The Board recommends the Ordinary Business set out in item No.5 of the notice for approval of the shareholders as Ordinary Resolution.

ITEM NO.6

The company appointed Mrs. G. Indira Krishna Reddy (DIN:00005230) as Managing Director for a period of 5 years with effect from 25.04.2015 at the Annual General Meeting held on 28th July, 2015, on a remuneration payable as per the terms of her appointment. The said remuneration shall also be the minimum remuneration payable to her in case of no profits/Inadequate profits in any financial year during the term of her appointment. During the financial year 2016-17, the company has paid remuneration as per the terms of her appointment and due to inadequate profits, the remuneration paid to her exceeded the limits prescribed under sections197, 198 and read with Schedule V of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Board and the Board of Directors at their meeting(s) held on 17th May, 2017 approved to waive of the recovery of the excess amount of Rs.1,53,36,812/- paid to Mrs. G. Indira Krishna Reddy, Managing Director and recommended the resolution for approval of the Shareholders at the ensuing Annual General Meeting.

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

Save and except Mrs. G. Indira Krishna Reddy (DIN:00005230) and her relatives to the extent of their shareholding interest, if any in the Company, none of the Directors/Key Managerial Personnel of the Company/ their Relatives or in any way concerned or interested financially or otherwise in the resolution set out at Item No.6 of the Notice of the 22nd Annual General Meeting.

The Board recommends the Special Business as set out in Item No.6 of the Notice for approval of the shareholders as Special Resolution.

ITEM NO.7

The company appointed Mrs. Shalini Bhupal (DIN:00005431) as Executive Director for a period of 5 years with effect from 16th June, 2014, at the Annual General Meeting held on 1st August, 2014, on a remuneration payable as per the terms of her appointment. The said remuneration shall also be the minimum remuneration payable to her in case of no profits / adequacy of profits in any financial year during the term of her appointment. During the financial year 2016-17, the company has paid remuneration as per the terms of her appointment and due to inadequate profits, the remuneration paid to her exceeded the limits prescribed under sections 197, 198 and read with Schedule V of the Companies Act, 2013.

The Nomination and Remuneration Committee of the Board and the Board of Directors at their meeting(s) held on 17th May,2017 approved to waive of the recovery of the excess amount of Rs.40,61,269/- paid to Mrs. Shalini Bhupal, Executive Director and recommended the resolution for approval of the Shareholders at the ensuing Annual General Meeting.

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

Save and except Mrs. Shalini Bhupal (DIN:00005431) and her relatives to the extent of their shareholding interest, if any in the Company, none of the Directors/ Key Managerial Personnel of the Company/their Relatives or in any way concerned or interested financially or otherwise in the resolution set out at Item No.7 of the Notice of the 22nd Annual General Meeting.

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

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

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

Place : Hyderabad
Date : 17.05.2017

PROFILE OF DIRECTORS

(Seeking Re-appointment)

Details of Directors Seeking Re-appointment at the 22nd Annual General Meeting of the Company (Pursuant to Regulation 27(2)(a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Mr. Rakesh Sarna : Appointed as Director on the Board of the Company in the year 2014. He is presently Managing Director & CEO, of Indian Hotels Company Limited (TAJ Hotels), prior to joining TAJ, Mr. Rakesh Sarna was with Hyatt Group.

Mr. Sarna brings over three decades of experiences across various leadership roles with Hyatt Hotels Corporation. He was the Group President-Americas with a portfolio of 146 Full Service hotels, 233 Select Service hotels and 15 Vacation Ownership facilities across North America, the Caribbean and Latin America with around 40,000 employees. In this role, Mr. Sarna was responsible for the development and management of all owned, managed and franchised hotels across all Hyatt brands. Previously, he served as Chief Operating Officer-Inaternational from June 2007 until his appointment as Group President-Americas in October 2012. During this time, he was responsible for the development and management of all owned, managed and franchised hotels across al Hyatt brands and for overseeing the Divisional Offices in Hong Kong for Asia Pacific; in Zurich for Europe, Africa & Middle East; in Dubai for South West Asia and in Mexico City for Latin America. In addition, during this time, Mr. Sarna was also responsible for co-authoring the brand attributes of Andaz (Hyatt's boutique brand) and leading the launch of this new brand.

Mr. Krishna R Bhupal : Appointed as Director on the Board of the Company in the year 2009 and he is also Director of the GVK group companies and has been instrumental in the refurbishment of the ChhatrapatiShivaji International Airport, Mumbai. Mr. Bhupal is a Member of a Global - Non-Profit Educational Organization for today's leading business owners, the Entrepreneurs' Organization (EO), and is the Learning Chair of the EO Hyderabad Chapter.

His commitment towards project development led him to become a member of Confederation of Indian Industry [CII] - Andhra Pradesh State Council and Convener of CII - AP State Energy Panel for Power Sector besides leading the Sub Committee as Co-Chairman for Power & Energy – Southern Region. Mr. Bhupal has graduated from Villanova University, USA with a double major in Finance and Accounting and was youngest to be conferred with the prestigious Fellowship by GITAM School of International Business, GITAM University, Visakhapatnam, India.

Name of the Director	Mr. Rakesh Sarna	Mr. Krishna R Bhupal
Date of Birth	29.03.1957	16.03.1983
Date of Appointment	30.10.2014	24.10.2009
Qualifications	Diploma in Hospitality Administration from Ottawa	Graduate in Finance & Accounting
Expertise in specific functional areas	Hotel Operations	Finance & Accounting and Project development
List of Companies in which outside Directorship held as on 31.03.2017	1) The Indian Hotels Company Ltd 2) PIEM Hotels Ltd 3) Oriental Hotels Ltd 4) Benares Hotels Ltd 5) Roots Corporation Ltd 6) TAJ Sats Air Catering Ltd 7) ELEL Hotels and Investments Ltd	1) GVK Power & Infrastructure Ltd 2) GVK Energy Ltd 3) GVK Airport Developers Ltd 4) GVK Projects & Technical Services Ltd
Chairman/Member of the *Committees of other Companies on which he is a Director as on 31.03.2017	Nil	Nil

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Second Annual Report of the Company together with the Consolidated and Standalone Audited Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS

The Standalone performance of the Company for the financial year ended 31st March, 2017 is as below:

(Rs. In Crores)

Particulars	2016-17	2015-16
Total Revenue	**269.77**	272.00
Operating expenses	**204.10**	206.96
Depreciation	**18.13**	18.47
Finance cost	**29.07**	31.33
Profit before tax	**18.47**	15.24
Tax expense:		
Current tax	**-**	-
Deferred tax	**7.41**	6.80
Short provision of tax of earlier years	**0.84**	0.23
Profit After Tax	**10.22**	8.21
Profit brought forward from previous year	**205.72**	197.51
Profit available for appropriation	**215.94**	205.72
Less: Dividend paid	**2.51**	-
Less: Dividend tax	**0.51**	-
Profit carried forward to Balance Sheet	**212.92**	205.72
Earnings per share (Rs.)	**1.63**	1.31

COMPANY'S PERFORMANCE

The total Income for the year ended 31st March, 2017 at Rs.269.77 Crores was lower than that of the previous year by 1%. While Room Income was higher by 1%, Food & Beverage income was lower by 6% over the previous year. The F&B income was lower during second half of FY 2017 which resulted in the overall drop in top line compared to previous year. The Company continued to face challenging environment in the markets, where the Company owns / operates hotels and / or markets that are a source of business for the company.

DEPRECIATION AND FINANCE COSTS

Depreciation for the year was lower at Rs.18.13 crores as compared to Rs.18.47 crores for the previous year.

Finance costs for the year ended 31st March, 2017 was Rs.29.07 crores, which is lower by Rs.2.26 crores than previous year, on account of commencement of repayment of term loans, lower rate of interest and also better working capital management.

TRANSFER OF AMOUNT TO RESERVES

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

DIVIDEND

During the financial year 2016-17, the Board of Directors are pleased to declare a dividend of Rs.0.40 (Rupees Forty paisa) per equity share of Rs.2/- each (i.e. 20%). The total dividend distribution for the financial year amounts to Rs.302 lakhs including Dividend Distribution Tax of Rs.51 lakhs. The total dividend payout shall be 30% of Profit After Tax (PAT) for the year.

The Dividend subject to approval of the members at the Annual General Meeting on 1st August, 2017 will be paid on or after 6th August, 2017 to the Members whose name appear in the Register of Members as on the date of Book closure i.e., 26th July, 2017 to 1st August, 2017 (both days inclusive).

FINANCIAL RESULTS OF JOINT VENTURE (JV) COMPANY

The performance of Green Woods Palaces and Resorts Private Limited, the JV Company for the financial year ended 31st March, 2017 is as below :

(Rs. In Crores)

Particulars	2016-17	2015-16
Total Revenue	**99.16**	14.37
Operating expenses	**64.37**	18.17
Depreciation	**25.59**	3.24
Finance cost	**27.25**	3.97
Profit / (loss) before tax	**(18.05)**	(11.01)
Tax expense:		
Current tax	**-**	-
Deferred tax	**(5.45)**	(1.60)
Short provision of tax of earlier years	**(0.06)**	-
Profit / (loss) after tax	**(12.54)**	(9.41)
Earnings per share (Rs.)	**(1.67)**	(1.25)

CONSOLIDATED FINANCIAL PERFORMANCE

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

BORROWINGS / INDEBTNESS

The total long term borrowings of the company stood at Rs.256.38 crores for the year ended 31st March, 2017 as compared to Rs.269.35 crores as at 31st March, 2016 (excluding Ind AS adjustments). The company repaid Rs.12.98 crores of principal during the FY 2016-17.

EXPANSIONS / RENOVATION PLANS :

BENGALURU HOTEL PROJECT

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

TAJ KRISHNA / TAJ DECCAN

The Company has taken up the renovation of TAJ Krishna / TAJ Deccan Rooms during the current financial year, mock up designs are finalised and approved and construction of mock up rooms are underway and expect to complete the entire renovation in the next 2-3 years.

During the FY 2016-17, the company completed the renovation of Kohinoor-Banquet Hall in TAJ Deccan and Seasons Bar and Garden Room in TAJ Krishna.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year 2016-17, Five (5) Board meetings were held on 13.05.2016, 12.08.2016, 02.11.2016, 01.02.2017 and 09.03.2017.

PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS

Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communicating inter-se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

The Company has a Broad policy for evaluation of all Board Members on an annual basis. The evaluation done by the Board, Nomination and Remuneration Committe and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

For the Financial year under review, the Board of Directors, Audit Committee, Nomination & Remuneration Committee, CSR Committee met on 17-05-2017 and reviewed and evaluated the performance of each Member of the Committee respectively and the Board of Directors evaluated the performance of each Independent Director and also the Chairman of Board and Managing Director of the Company.

Each Committee and the Board expressed satisfaction on the performance of the each Director.

DIRECTORS

In accordance with the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Rakesh Sarna and Mr. Krishna R Bhupal, Promoter Directors, retires by rotation and being eligible offered themselves for re-appointment.

During the year Mr. Anil P Goel, Non-Executive Non-Independent Director has tendered his resignation from the Board with effect from 15.10.2016 and the same was approved by the Board of Directors at their meeting held on 02.11.2016. The Board of Directors appreciated the valuable services rendered by Mr. Anil P Goel who has been a Director on the Board for more than a decade and his vast experience in the fields of Finance, Accounts, Corporate Law, Taxation and Business Development benefited the Company immensely.

INDEPENDENT DIRECTORS DECLARATION

The independent directors have submitted their declaration of independence, as required pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149.

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors as required under the Schedule IV of the Companies Act, 2013 was held on 9th March, 2017, without presence of Executive Directors. Such meeting was conducted to review and evaluate a) the performance of Non-Independent Directors and the Board as a whole, (b) the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors and (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Independent Directors expressed their satisfaction with the performance of Non-Independent Directors and the Board as a whole and the Chairman of the Independent Directors meeting briefed the outcome of the meeting to the Chairman of the Board.

SECRETARIAL AUDIT

Your Company appointed M/s. Narender & Associates, Practicing Company Secretaries, (Certificate of Practice No.5024), Hyderabad to conduct the Secretarial Audit of the Company as per the provisions under section 204(1) of the Companies Act, 2013 and other laws as applicable for the financial year 2016-17.

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

AUDIT COMMITTEE

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

Except Mr. Krishna R Bhupal and Mr. Rakesh Sarna all the Members of the Audit Committee are Independent Directors. During the year under review, Mr. Anil P Goel has resigned as Member of the Committee and in his place Mr. Rakesh Sarna has been inducted in the Audit Committee.

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

STATUTORY AUDITORS

In terms of the provisions of Section 139(1) of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. The Act further prescribes as per section 139(2), that the Company shall comply with requirements within a period not later than the date of First AGM held after three years from the commence of this Act.

M/s. Brahmayya & Company, Chartered Accountants (Firm Registration No.000513S), Statutory Auditors of the Company have completed two consecutive terms of five years each. In terms of their appointment made at the 21st AGM held on 4th August, 2016, they shall hold office of the auditors up to the conclusion of the 22nd AGM. Your company's Board placed on record its appreciation and gratitude to M/s. Brahmayya & Company, the retiring Statutory Auditors for their long association with the Company and also thanked Mr. S S R Koteswara Rao and Mr. S Satyanarayana Murthy, Partners of M/s. Brahmayya & Company for their invaluable guidance rendered to the company.

Based on the recommendations of the Audit Committee and subject to the approval of the shareholders, it is proposed to appoint M/s. Bhaskara Rao & Co., (Firm Registration No.000459S) Chartered Accountants as Statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of 22nd AGM till the conclusion of the 27th AGM. M/s. Bhaskara Rao & Co., Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act.

Auditors Report

There are no qualifications, reservations or adverse remarks made by M/s Brahmayya & Company, Chartered Accountants (Firm Registration No.000513S) Statutory Auditors in their Consolidated and Standalone report for the Financial Year ended 31st March, 2017.

INTERNAL AUDITORS

The Company appointed M/s. Price Waterhouse & Co., as Internal Auditors to conduct Internal Audit of the Company for the Financial Year 2016-17 and the Internal Audit Report for the FY 2016-17 presented to the Audit Committee at their meeting held on 17.05.2017.

INDIAN ACCOUNTING STANDARDS (IND-AS)

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies from April 1, 2016 with a transition date of April 1, 2015. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Ind AS is applicable to the Company from April 1, 2016. The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in Note 27 in the notes to accounts in the standalone financial statement and in Note 27 in the notes to accounts in the consolidated financial statement.

PUBLIC DEPOSITS

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

INSURANCE

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

CHANGE IN THE NATURE OF BUSINESS

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

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

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

LIQUOR BAN ON NATIONAL HIGHWAY / STATE HIGHWAY

Your Company's Hotels at Chandigarh and Chennai were effected due to Non renewal of Liquor license with effect from 1st April, 2017 consequent to the orders passed by Hon'ble Supreme Court dated 31st March, 2017 in Civil Appeal No's 12164–12166 of 2016 Hon'ble Supreme Court directed all State Governments and Union Territories not to renew liquor license vends which are within 500 meters of National Highway / State Highway. The Hotel and Restaurants Association filed review petition in Hon'ble Supreme Court requesting to exclude the 5 star hotels from the Liquor ban. The said petition is listed for hearing during July, 2017 and the Company expects a favourable decision in this regard.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the company for the financial year ended 31st March, 2017 to the date of signing of the Director's Report.

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

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

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

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

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

b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e. 31stMarch, 2017 and of the profit of the Company for that period.

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

d. that the Directors have prepared the Annual Accounts for the Financial Year ended 31stMarch, 2017 on a going concern basis.

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

Brief description of terms of reference:

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

NOMINATION AND REMUNERATION POLICY

The objectives of the Policy

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

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

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

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

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

The Nomination and Remuneration policy is annexed to this report.

CORPORATE GOVERNANCE

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

RISK MANAGEMENT COMMITTEE

Pursuant to Regulations 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with the Listing Agreement entered with the Stock Exchanges, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

SUBSIDIARY / ASSOCIATE COMPANIES

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

EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return is prepared in Form MGT-9 as per the provisions of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure-3** to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee discussed and approved to spend an amount of Rs.15.44 lakshs towards rejuvenation of Lake at Bengaluru for the financial year 2016-17. The policy is uploaded on the Company's website www.tajgvk.in under the corporate policies section. The details of CSR expenditure incurred during the year is enclosed as **Annexure-4**.

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

The company has not given any Loans / Guarantees and not made any Investments during the FY 2016-17, as required under the provisions of section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, the disclosure in the prescribed format is annexed as **Annexure-5**.

MANAGEMENT DISCUSSION AND ANALYSIS

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

ECONOMY AND MARKETS

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

RELATED PARTY TRANSACTIONS

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

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

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

OTHER INFORMATION

The Audit Committee of the Company reviewed the Consolidated and Standalone Financial statements for the year under review at its meeting held on 17th May, 2017 and recommended the same for the approval of the Board of Directors.

HUMAN RESOURCES

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

The total strength of employees of your Company for the year under review was 536 permanent employees consisting of Unit staff and Deputed staff and 1238 employees on FTC and on outsourced.

QUALITY

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

LISTING

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. It may be noted that there are no payments outstanding to the Stock Exchanges by way of Listing Fees. The company has paid the listing fee for the financial year 2017-18.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). The Company has designated the external independent member as a Chairperson for each of the Committees which was beyond the requirements of law. During the year, there were no complaints received.

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

(I) CONSERVATION OF ENERGY

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

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

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

(II) TECHNOLOGY ABSORPTION

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

(III) FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988,the information relating to foreign exchange earnings and outgo is given in Note No. 29(iii) is prepared and the same is hereunder.

(Rs. In lakhs)

Particulars	**March 31, 2017**	March 31, 2016
Earned	**4319.13**	3,832.04
Used	**408.48**	252.75

PREVENTION OF INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Company has appointed Mr. J Srinivasa Murthy, CFO & Company Secretary as Compliance Officer, who is responsible for setting forth procedures and implementation of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

ACKNOWLEDGEMENTS

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

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

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17th May, 2017

Annexure - 1

SECRETARIAL AUDIT REPORT

(As per Form No. MR-3)

For the Financial year ended 31.03.2017
(pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014)

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

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

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

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

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

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

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

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

Based on our verification of the M/s. TAJ GVK Hotels & Resorts Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s TAJ GVK Hotels & Resorts Limited for the financial year ended 31stMarch, 2017 according to the provisions of:

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

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited & The National Stock Exchange of India Limited.

We further report that

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

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

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

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

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

LIST OF LABOUR & INDUSTRIAL LAWS

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

LIST OF ENVIRONMENTAL LAWS

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

For Narender& Associates
Company Secretaries

G Narender
Proprietor
FCS-4898, CoP5024

Place : Hyderabad
Date : 17th May, 2017

Annexure-2

Part "B": Associates and Joint Ventures

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

1.	Name of Joint Venture	Greenwoods Palaces and Resorts Pvt Ltd
2.	Latest audited Balance Sheet Date	31.03.2017
3.	Shares of Associate / Joint Ventures held by the company on the year end	3,67,50,000
4.	Amount of Investment in Associates / Joint Venture	Rs. 11,025 Lakhs
5.	Extent of Holding %	48.99% of Equity Share capital
6.	Description of how there is significant influence	As per the Shareholders Agreement, the Joint Venture (JV) Company is jointly controlled by Greenridge Hotels & Resorts LLP and TAJGVK Hotels & Resorts Limited. The Company has right to nominate Directors on the Board of JV Company.
7.	Reason why the associate / joint venture is not consolidated	The company Consolidated the proportional Loss after tax in accordance with Accounting Standards Ind AS 110 read with Ind AS 28 as prescribed under section 133 of the Companies Act, 2013 and rules made thereunder.
8.	Net worth attributable to Shareholding as per latest Audited Balance Sheet	Rs. 2516.95 Lakhs
9.	Profit / Loss for the year i. Loss considered in Consolidation	Rs. 614.88 Lakhs
	ii. Not considered in Consolidation	Not applicable

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

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17.05.2017

Annexure-3

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and

Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I). REGISTRATION AND OTHER DETAILS :

i.	CIN	:	L40109AP1995PLC019349
ii.	Registration Date	:	2nd February, 1995
iii.	Name of the Company	:	**TAJGVK Hotels & Resorts Limited**
iv.	Category / Sub-Category of the Company	:	Company Limited by Shares / Public Company
v.	Address of the Registered office and contact details	:	Taj Krishna, Road No.1, Banjara Hills, Hyderabad – 500 034, Telangana; Ph No.040-66662323, Fax No.040-66625364 Email: tajgvkshares.hyd@tajhotels.com Website: www.tajgvk.in
vi.	Whether listed company	:	Yes Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Venture Capital and Corporate Investments Pvt Ltd #12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana. Ph No.040-2381 8475 Email id: info@iccpl.com

II). PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Rooms	55101	48.78%
2	Restaurants & Bars (F & B)	56301	44.86%
3	Banquets & other income	56210	6.36%

III).PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. No.	Name and Address of the Company & PIN	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section of Companies Act, 2013
1	M/s. Greenwoods Palaces and Resorts Pvt Ltd 'Paigah House', 156-159, Sardar Patel Road, Secunderabad – 500 003	U61660TG2001PTC036666	Subsidiary (JV Company)	48.99%	2(6)

IV) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total equity)

i) Category-wise Share Holding

S. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A.	Promoter									
1)	Indian									
a)	Individual/ HUF	31017806	-	31017806	49.47	31017806	-	31017806	49.47	-
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	16000000	-	16000000	25.52	16000000	-	16000000	25.52	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1)	**47017806**	**-**	**47017806**	**74.99**	**47017806**	**-**	**47017806**	**74.99**	**-**
2)	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total(A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**47017806**	**-**	**47017806**	**74.99**	**47017806**	**-**	**47017806**	**74.99**	**-**
B.	Public Shareholding									
1.	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	-	1345	1345	-	1450946	1345	1452291	2.32	2.32
b)	Banks / FI	419259	1055	420314	0.67	406085	1055	407140	0.65	(0.02)
c)	entral Government	-	-	-	-	-	-	-	-	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs (Foreign Portfolio Investors)	2129990	-	2129990	3.40	2220398	-	2220398	3.54	0.14
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (Foreign Nation)	-	-	-	-	1000	-	1000	-	-
	Sub-Total (B) (1)	**2549249**	**2400**	**2551649**	**4.07**	**4078429**	**2400**	**4080829**	**6.51**	**2.44**
2.	Non Institutions									
a)	Bodies Corp	2824177	116645	2940822	4.69	2154048	116265	2270313	3.62	(1.07)
(i)	Indian	5580290	2281398	7861688	12.54	-	-	-	-	(12.54)
(ii)	Overseas (OCB)	-	-	-	-	-	-	-	-	-
b)	Individuals									
(i)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1669539	-	1669539	2.66	6342583	2237083	8579666	13.68	11.02

i) Category-wise Share Holding (Contd.)

S. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shared	Demat	Physical	Total	% of total Shared	
c)	Others(Specify)	-	-	-	-	-	-	-	-	-
(i)	HUF	-	-	-	-	-	-	-	-	-
(ii)	Non Resident Individuals	556182	80	556262	0.89	621210	-	621210	0.99	0.10
(iii)	Trusts	1175	-	1175	0.01	1191	-	1191	-	-
(iv)	Clearing Members	102554	-	102554	0.16	130480	-	130480	0.21	0.05
	Sub-Total (B)(2)	**10733917**	**2398123**	**13132040**	**20.94**	**9249512**	**2353348**	**11602860**	**18.50**	**(2.44)**
	Total Public shareholding (B)=(B)(1)+(B)(2)	13283166	2400523	15683689	25.01	13327941	2355748	15683689	25.01	-
C.	Shares held by custodian for GDR & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**60300972**	**2400523**	**62701495**	**100.00**	**60345747**	**2355748**	**62701495**	**100.00**	-

ii) Shareholding of Promoters

S. No.	Shareholder's Name	No. of Shares held at the beginning of the year (01-04-2016)			No. of Shares held at the end of the year (31-03-2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1.	The Indian Hotels Company Limited	16000000	25.52	-	16000000	25.52	-	-
2.	Mr. Krishna R Bhupal	11723679	18.70	-	313500	0.50	-	(18.20)
3.	Mrs. Shalini Bhupal	11725180	18.70	-	23135359	36.90	-	18.20
4.	Dr GVK Reddy	3805981	6.07	-	3805981	6.07	-	-
5.	Mrs. G Indira Krishna Reddy	3762966	6.00	-	3762966	6.00	-	-
	Total	**47017806**	**74.99**	**-**	**47017806**	**74.99**	-	-

iii) **Change in Promoter's Shareholding (please specify, if there is no change)**

Shareholders Name	Shareholding at the beginning of the year (01-04-2016)		Cumulative Shareholding at the end of the year (31-03-2017)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	There is no change in Promoter's Shareholding between 01.04.2016 to 31.03.2017			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
At the End of the year				

iv) **Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

S. No.	Shareholders Name	Shareholding at the beginning of the year (01-04-2016)		Increase ./ decrease in shareholding during the year	Cumulative Shareholding at the end of the year (31-03-2017)	
		No. of shares	% of total shares of the company	No. of shares	No. of shares	% of total shares of the company
1.	Altavista Capital India Fund Ltd	2128350	3.40	-	2128350	3.40
2.	Kamal Shyam Sunder Kabra	1202200	1.92	298800	1501000	2.39
3.	Damani Estate and Finance Pvt Ltd	1471870	2.35	19429	1491299	2.38
4.	Sundaram Mutual Fund	-	-	895522	895522	1.43
5.	IDFC Classic Equity Fund	-	-	341436	341436	0.54
6.	General Insurance Corporation of India	286550	0.46	-	286550	0.46
7.	G V Reddy	248000	0.39	-	248000	0.39
8.	Bright Star Investments Pvt Ltd	174506	0.28	-	174506	0.28
9.	Aayush Kabra	-	-	200700	200700	0.32
10.	Pooja Kamal Kabra	100200	0.16	80500	180700	0.29

v) Shareholding of Directors and Key Managerial Personnel (KMP)

S. No.	Shareholders Name	Shareholding at the beginning of the year (01-04-2016)		Increase ./ decrease in shareholding during the year	Cumulative Shareholding at the end of the year (31-03-2017)	
		No. of shares	% of total shares of the company	No. of shares	No. of shares	% of total shares of the company
1.	Dr. GVK Reddy	3805981	6.07	-	3805981	6.07
2.	Mrs. G Indira Krishna Reddy	3762966	6.00	-	3762966	6.00
3.	Mrs. Shalini Bhupal	11725180	18.70	11410179	23135359	36.90
4.	Mr. Krishna R Bhupal	11723679	18.70	(11410179)	313500	0.50
5.	Mr. G V Sanjay Reddy	-	-	-	-	-
6.	Mr. Rakesh Sarna	-	-	-	-	-
7.	Mr. Rajendra Misra	-	-	-	-	-
8.	Mr. K Jayabharath Reddy	-	-	-	-	-
9.	Mr. D R Kaarthikeyan	-	-	-	-	-
10.	Mr. C D Arha	-	-	-	-	-
11.	Mr. M B N Rao	-	-	-	-	-
12.	Mr. CH G Krishna Murthy	-	-	-	-	-
13.	Mr. S Anwar	-	-	-	-	-
14.	Mr. A Rajasekhar	-	-	-	-	-
15.	Mrs. Santha John	-	-	-	-	-
	KMPs	-	-	-	-	-
1.	Mr. J Srinivasa Murthy	-	-	-	-	-

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. In lakhs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	**26934.98**	-	-	**26934.98**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	**26934.98**	-	-	**26934.98**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	**1297.50**	-	-	**1297.50**
Net change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	**25637.48**	-	-	**25637.48**
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	**25637.48**	-	-	**25637.48**

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director and Executive Director **(Rs. In lakhs)**

S.No	Particulars of Remuneration	Mrs. G Indira Krishna Reddy Managing Director	Mrs. Shalini Bhupal Executive Director	Total Amount
1.	Gross Salary			
	a) Salary as per provisions contained in u/s 17(1) of the Income Tax Act, 1961	271.53	158.77	430.30
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under u/s 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5.	Others	-	-	-
	TOTAL (A)	**271.53**	**158.77**	**430.30**
	Ceiling as per the Act	118.16	118.16	236.32

B. Remuneration to other Directors **(In Rs.)**

S. No	Particulars of Remuneration	Mr. D R Kaarthikeyan	Mr. C D Arha	Mr. K Jayabharath Reddy	Mr. M B N Rao	Mr. Ch G Krishna Murthy	Mr. S Anwar	Mr. A Rajasekhar	Mrs. Santha John	Total Amount
1.	Independent Directors Fee for attending Board / Committee meetings	80000	100000	100000	80000	100000	100000	80000	60000	700000
	Commission	0	0	0	0	0	0	0	0	0
	Others, Please Specify	0	0	0	0	0	0	0	0	0
	Total (1)	**80000**	**100000**	**100000**	**80000**	**100000**	**100000**	**80000**	**60000**	**700000**
2.	**Other Non-Executive Directors**	**Dr. GVK Reddy**	**Mr.G V Sanjay Reddy**	**Mr. Krishna R Bhupal**	**Mr. Rakesh Sarna**	**Mr. Rajendra Misra**				
	Fee for attending Board / Committee meetings	100000	80000	100000	0	0				
	Commission	0	0	0	0	0				
	Others, Please Specify	0	0	0	0	0				
	Total (2)	**100000**	**80000**	**100000**	**0**	**0**				**280000**
	Total(B)=(1+2)									**980000**
	Ceiling as per the Act : (Rs.23.63 lakhs i.e. 1% of Profit calculated under section 198 of Companies Act, 2013)									
	Total Managerial Remuneration (Rs. in lakhs)									**440.10**
	Overall ceiling as per the Act : (Rs. in lakhs 11% of Profit calculated under section 198 of Companies Act, 2013)									**259.96**

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

(Rs. In lakhs)

S.No	Particulars of Remuneration	Mr. J Srinivasa Murthy CFO & Company Secretary
1.	Gross Salary	61.06
	a) Salary as per provisions contained in u/s 17(1) of the Income Tax Act, 1961	
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	
	c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission as % of profit	-
5.	Others, please specify	-
	TOTAL	**61.06**

VII) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

A. Company

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

B. Directors

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

C. Other Officers in Default

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

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

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17th May, 2017

Annexure-4

CORPORATE SOCIAL RESPONSIBILITY

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

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

In terms of section 135 read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of Corporate Social Responsibility (CSR) expenditure incurred by the Company for the FY 2016-17 are provided herein below :

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. :	The CSR Committee discussed and approved to spend CSR Expenditure towards rejuvenation and restoration of Lake at Yellahanka, Bengaluru. **Weblink:**The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at www.tajgvk.in under corporate policies.
2.	The Composition of the CSR Committee :	Mr. Ch G Krishna Murthy - Chairman (Independant) Mrs. G Indira Krishna Reddy- Member (Executive) Mr. D R Kaarthikeyan - Member (Independant)
3.	Average net profit of the company for last three financial years. :	Rs.772.01 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above). :	Rs.15.44 Lakhs
5.	Details of CSR expenses spent during the financial year 2016-17 : (a) Total amount to be spent for the financial year 2016-17 : (b) Amount un spent , if any; :	Rs.15.44 Lakhs *(Total of a+b)* Rs.15.44 Lakhs Nil

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

(Rs. In lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in which the Project is Covered.**	**Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken.**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct on projects or progarms (2) Overheads:**	**Cumulative Expenditure upto the reporting Period.**	**Amount spent Direct or through implementing Agency.**
1	Excavation and rejuvenation of Lake	Excavation of Lake	Local Area, Yellahanka, Bengaluru, Karnataka	15.44	15.44	72.73	Direct
	Total			**15.44**	**15.44**	**72.73**	

Annexure-5

Annexure to Director's Report

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

Amount outstanding as at 31st March, 2017

(Rs. In Lakhs)

Particulars	FY 2016-17 Amount	FY 2015-16 Amount
Loans given	Nil	Nil
Guarantees given	Nil	Nil
Investments made	11026.80	11026.80

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

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17th May, 2017

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

Form No. AOC-2

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

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

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

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

Dr GVK Reddy
Chairman
DIN:00005212

Place : Hyderabad
Date : 17th May, 2017

ANNEXURE TO DIRECTOR'S REPORT

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

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director / KMP and Designation	Remuneration of Director /KMP for financial year 2016-17 (Rs. In lakhs)	% increase in Remuneration in the Financial year 2016-17	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mrs. G Indira Krishna Reddy Managing Director	271.53	11.30%	61.57
2.	Mrs. Shalini Bhupal Executive Director	158.77	7.60%	36.00
3.	Mr. J Srinivasa Murthy CFO & Company Secretary	61.06	24.00%	13.84

ii) The median remuneration of permanent employees of the Company during the financial year 2016-17 was Rs.4.49 lakhs.

iii) In the financial year, there was an increase of 8.70% in the median remuneration of employees;

iv) There were 536 permanent employees which includes the Unit staff and Deputed Staff as on March 31, 2017. The number of employees on FTC/outsourced are 1238.

v) Price Earnings ratio of the Company was 97 as at March 31, 2017 and was 54 as at March 31, 2016.

vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 8.70% whereas the increase in the managerial remuneration for the financial year was 10.80%.

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

II Remuneration to Non-Executive Directors :

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

ii) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

III Remuneration to other employees :

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

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

1. Introduction

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

a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.

b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

2. Scope and exclusion :

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

3. Terms and References :

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

"Director" means a director appointed to the Board of the Company.

"Key Managerial Personnel" means (I) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary; (iii) the Whole-time Director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed under the Companies Act, 2013.

4. Policy

Remuneration to Executive Directors and Key Managerial Personnel :

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

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

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

(i) Basic Pay

(ii) Perquisites and Allowances

(iii) Commission (Applicable in case of Whole Time Directors)

(iv) Retiral benefits

(v) Annual Performance Bonus

5. Policy for Selection of Directors and determining Directors' Independence

1. Introduction

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

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

2. Scope and Exclusion:

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

3. Terms and References:

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

"Director" means a director appointed to the Board of a company.

"Nomination and Remuneration Committee" (NRC) means the committee constituted by Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and as per the provisionsof Listing Agreement.

"Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation25of SEBI (LODR) Regulations, 2015 and as per the Equity Listing Agreement executed with Stock Exchanges.

4. Policy

Qualifications and criteria

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

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

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

The proposed appointee shall also fulfill the following requirements:

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

The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

5. Criteria of Independence

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

The Company complies / follows the criteria of independence, as laid down in Companies Act, 2013 read with provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

Other directorships / committee memberships

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

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

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

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

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

Place : Hyderabad
Date : 17th May, 2017

Dr GVK Reddy
Chairman
DIN:00005212

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL

The world economy grew at a stable pace of 3.1% in CY 2016, aided by recovery in emerging economies particularly commodity exporters, while growth in developed markets remained modest. Increase in oil prices along with other major commodities like iron ore and copper aided recovery in global trade towards the end of CY 2016. The uptick in global trade was led by pickup in import demand in Asia and US which augurs well for underlying demand trends. While global growth was stable, markets were focused on geopolitical developments with change in leadership in the USA, and the UK working on modalities around its exit from the European Union. Activity rebounded in the USA after a weak first half of CY 2016, as the economy approaches full employment. The US Federal Reserve continued with the interest rate normalisation cycle in FY 2016-17 by increasing rates twice, in Dec 2016 and Mar 2017. The global low interest rate and abundant liquidity cycle is likely to slowly normalise.

INDIA

On the domestic front, India remained the fastest growing major economy in the world, after surpassing China last year. Gross Domestic Product growth rate was 7.1% for FY 2016-17, supported by strong consumption growth and government spending. Inflation eased sharply led by a decline in food inflation amidst government's astute food management, facilitating a 50 basis points rate cut by the RBI in FY 2016-17 before it adopted a neutral stance. Diminishing vulnerabilities on the external and fiscal front with Apr-Dec FY 2016-17 current account deficit at 0.7% of GDP and government's commitment to fiscal consolidation reinstated investor confidence in the economy, resulting in record Net Foreign Direct Investment of US$35.9 billion in FY 2016-17. FY 2016-17 was also marked by two significant economic measures by the government. Government's demonetisation move to counter the shadow economy and promote cashless economy has boosted digital payments in the country.The economic reform process initiated by the Government would further help boost India's position in the global arena.

This year has been marked by several historic economic policy developments. On the domestic side, a constitutional amendment paved the way for the long-awaited and transformational goods and services tax(GST) while demonetisation of the large currency notes signalled a regime shift to punitively raise the costs of illicit activities.

The policy initiatives starting first with demonetisation, a radical governance-cum-social engineering measure was enacted on November 8, 2016. The two largest denomination notes, Rs.500 and Rs.1000 together comprising 86 percent of all the cash in circulation were "demonetised" with immediate effect, ceasing to be legal tender except for a few specified purposes.These notes were to be deposited in the banks by December 30, 2016 while restrictions were placed on cash withdrawals. In other words, restrictions were placed on the convertibility of domestic money and bank deposits. The aim of the action was fourfold: to curb corruption, counterfeiting, the use of high denomination notes for terrorist activities, and especially the accumulation of "black money", generated by income that has not been declared to the tax authorities.

Demonetisation was aimed at signalling a regime change, emphasizing the government's determination to penalize illicit activities and the associated wealth. In effect, the tax on illicit activities as well as on legal activities that were not disclosed to the tax authorities was sought to be permanently and punitively increased. The broad conclusion is that demonetisation will create short-term costs and provide the basis for long run benefits. These costs are transitory, and may be minimised in recorded GDP because the national income accounts estimate informal activity on the basis of formal sector indicators, which have not suffered to the same extent. But the costs have nonetheless been real and significant.

At the same time, demonetisation has the potential to generate long-term benefits in terms of reduced corruption, greater digitalization of the economy, increased flows of financial savings, and greater formalization of the economy, all of which could eventually lead to higher GDP growth, better tax compliance and greater tax revenues.

The government has made great progress in improving redistributive efficiency over the last few years, most notably by passing the Aadhaar law, a vital component toward realizing its vision of JAM. (The pilots for Direct Benefit Transfers in fertilizer represent a very important new direction in this regard.) At the same time, prices facing consumers in many sectors are yet to move closer toward market levels. Even on the GST, concerns about ensuring low tax rates for essentials, risks creating an unduly complicated structure with multiple and excessively high peak rates, thereby foregoing large services efficiency gains.

These actions would allow growth to return to trend in 2017-18, following a temporary decline in 2016-17. Looking further ahead, societal shifts in ideas and narratives will be needed to overcome three long-standing meta-challenges: inefficient redistribution, ambivalence about the private sector and property rights, and improving but still-challenged state capacity. In the aftermath of demonetisation, and at a time of gathering gloom about globalisation, articulating and embracing those ideational shifts will be critical to ensuring that India's sweet spot is enduring not evanescent.

Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presenceless, and cashless.

Hospitality & Tourism Sector:

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

The industry is expected to generate 13.45 million jobs across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers. India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index.

Tourism and hospitality is included as one of the 25 focus sectors under the government's 'Make in India' initiative, which aims to 'transform India into a global design and manufacturing hub. The Ministry of Tourism (MoT) is focusing on driving tourism through branding and promotional campaigns, such as 'Incredible India' and 'Atithi Devo Bhava. The 'Tourist Visa on Arrival (TVOA) scheme' was extended to 161 countries last year to promote international inbound tourism

Tourism in India is the third largest foreign exchange earner of the country. The booming tourism industry has had a cascading effect on the hospitality sector with an increase in the occupancy ratios and average room rates.

As per world travel and tourism Council (WTTC), India is one of the favourite tourist destinations and will continue to be one of the favourite till 2018. Further, the Travel and Tourism Competitiveness Report by World Economic Forum, has ranked India at the sixth place in tourism and hospitality. The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI).

With a rise in online competition, popular models have come up with online travel agents (OTAs) offering a single marketplace for all travel-related needs. There are also seen meta search engines like TripAdvisor and Make My Trip, that operate like travel discovery platforms. Further, online accommodation reservation services like Oyo Rooms have gained popularity. Apart from this, branded hotels are seen operating direct bookings through their websites.

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

Market Size

India's rising middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

Domestic Tourist Visits (DTVs) to the States/Union Territories (UTs) grew by 15.5 per cent y-o-y to 1.65 billion (provisional) during 2016 with the top 10 States/ UTs contributing about 84.2 percent to the total number of DTVs, as per Ministry of Tourism.

India is expected to move up five spots to be ranked among the top five business travel market globally by 2030, as business travel spending in the country is expected to treble until 2030 from US$ 30 billion in 2015. International hotel chains will likely increase their expansion and investment plans in India, and are expected to account for 50 percent share in the Indian hospitality industry by 2022, from the current 44 percent.

Foreign Tourist Arrival (FTA):

Number of Foreign Tourist Arrivals has grown steadily around 10 million during the year 2016 at a growth rate of 25% as compared to 8.02 million in the corresponding previous year of 2015.

Foreign Exchange Earing (FEE) :

The total Foreign Exchange earned from Tourism during the year 2016 was in INR 2,01,960 Crores with a growth rate of 29% as compared to INR 1,35,193 Crores in the corresponding previous year of 2015. The Foreign currency earned from tourism during the year 2016 was USD 30.05 Billion as compared to previous year, 2015 was USD 21.07 Billion.

Investments

The tourism and hospitality sector is among the top 10 sectors in India to attract the highest Foreign Direct Investment (FDI). During the last 15 years the hotel and tourism sector attracted around US$ 9.93 billion of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP). With the rise in the number of global tourists and realising India's potential, many companies have invested in the tourism and hospitality sector. Some of the recent developments in this sector are as follows:

- As per industry experts, mid-hotel segment in India is expected to receive investments of Rs.6,600 crore (US$ 990 million) excluding land over next five years
- The first Incredible India Tourism Investment Summit 2016, which was organised from September 21-23, 2016, witnessed signing of 86 Memoranda of Understanding (MoUs) worth around Rs.15,000 crore (US$ 2.24 billion), for the development of tourism and hospitality projects.

Medical Tourism :

The country is witnessing 22-25 percent growth in medical tourism and healthcare providers expect the industry will double to $6 billion by 2018 from $3 billion now.

The government provides online visas, multiple entries, extensions of stay, and accreditation to more hospitals. Several other measures are under way, according to the Indian Medical Association (IMA). The chain received 170,000 foreign patients from 87 countries during 2016-17.

OUTLOOK

With a consistently growing middle class and increasing disposable income, the tourism and hospitality sector is witnessing a healthy growth and accounts for 7.5 percent of the country's GDP. It is expected to grow at 16.1 per cent Compound Annual Growth Rate (CAGR) to reach INR 2,796.9 thousand crore in 2022. The sector generates a significant amount of direct as well as indirect employment, and is also one of the key foreign exchange earners for the country. There are several factors that drive the market, including India's attractiveness as a medical tourism destination; steadily growing Meetings, Incentives, Conferences and Exhibitions (MICE) segment; and, an increasing preference among millennial to travel. However, the sector also faces several challenges in terms of high taxation, complex regulatory environment and inadequate tourism infrastructure.

Key issues / challenges

- The indirect tax levied on the tourism and hospitality sector's offerings in India is considerably higher at 18–25 percent than that levied by some of the major tourist destinations globally, where it is below 10 percent
- The tourism infrastructure at several major tourist destinations in India is inadequate to support sustainable tourism; the primary areas of concern include poor and unsafe road transportation, insufficient regional air connectivity, unsanitary conditions and safety of travellers
- Tourism and hospitality is a labour-intensive sector, and the country's complex labour laws at the centre as well as at the state level affect the existing and new businesses trying to enter the Indian market.

Government's initiatives

The Government is taking several initiatives to encourage domestic as well as international tourism. These include policy/regulatory changes, infrastructural developments and promotional efforts.

- Tourism and hospitality is included as one of the 25 focus sectors under the government's 'Make in India' initiative, which aims to 'transform India into a global design and manufacturing hub'11.
- The government has allowed 100 per cent FDI under the automatic route in the tourism and hospitality sector, including tourism construction projects such as development of hotels, resorts and recreational facilities 12.
- The Ministry of Tourism (MoT) is focussing on driving tourism through branding and promotional campaigns, such as 'Incredible India' and 'Atithi Devo Bhava'
- The government is encouraging local involvement in tourism by promoting homestays; it is also urging the states to make the licensing process easier for homestays.
- Striving to improve the ease of doing business, the MoT has set up a website for online recognition of travel trade service providers
- In October 2016, the government set up a task force for adventure tourism to resolve challenges related to the segment's development and promotion in the country
- The MoT continues to promote tourism through bilateral/tripartite agreements and Memoranda of Understanding (MoUs) with other countries and international organisations; India currently has 48 such agreements in place
- In February 2016, the government launched the 'Swachh Paryatan' mobile application, which allows citizens to lodge complaints about uncleanliness in areas around selected monuments protected by the Archaeological Survey of India (ASI) 18
- Over the past few years, the MoT, in collaboration with state / UT administrations, has been working on getting tourist police deployed at prominent tourist spots in the country
- In 2016, the government announced the National Civil Aviation Policy (NCAP), which aims to improve regional air connectivity, make air travel affordable, simplify the processes and deregulate the industry
- The 'Tourist Visa on Arrival (TVOA) scheme' was extended to 161 countries last year to promote international inbound tourism.

A thorough and continued effort is required over the next few years to bring significant improvements in the tourism infrastructure across the country; initiatives in this aspect could lead to sustainable tourism at major spots, creation of quality and affordable transportation, and development of niche products, such as adventure and spiritual tourism

- The government can look to incentivise private sector involvement in tourism infrastructure development to accelerate growth it is also expected to act upon the NCAP announced in 2016, and improve the regional air connectivity by putting to use the underserved airports and developing new ones in tier-II and tier-III cities
- While there have been efforts to improve the ease of doing business, there is still a significant scope for betterment in this area; uniformity and consistency in regulatory processes across the states through implementation of initiatives, such as single window clearance, could help achieve that objective
- The safety of foreign as well as domestic travellers is a serious concern that needs to be addressed promptly; the states that have not deployed tourist police need to take this up on priority, and the ones that already have done so need to monitor and improve its effectiveness.

CORPORATE GOVERNANCE

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

1 A. RELATED PARTY DISCLOSURE

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

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

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

The policy is placed on the Company's website at: www.tajgvk.in.

B. MANAGEMENT DISCUSSION AND ANALYSIS (MDA) REPORT

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

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

C. CORPORATE GOVERNANCE:

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

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

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

Your Company is continuing the implementation of "Green Initiative in Corporate Governance" as per the directions of Ministry of Corporate Affairs by allowing paper less compliances by Company's through electronic mode. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment. The necessary documents including Annual Report etc., has been posted in the Company's website www.tajgvk.in to enable the members to view the same.

2. BOARD OF DIRECTORS

During the year 2016-17, Mr. Anil P Goel has resigned as Director of the Company. The Board presently consists of 15 Directors (one Non-Executive Chairman, one Managing Director, one Executive Director, eight non-executive independent directors, and four non-executive promoter directors).

During the year 2016-17, the Board met 5 times on 13.05.2016, 12.08.2016, 02.11.2016, 01.02.2017 and 09.03.2017. 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 (Rs)	AGM Attendance	No. of Other Director ship Member	No. of other Committee positions held Chairman	
						Member	Chairman
Dr GVK Reddy DIN00005212	Promoter Non-Executive Chairman	5	100000	Yes	7	Nil	Nil
Mrs. G Indira Krishna Reddy DIN 00005230	Promoter Managing Director	5	Nil	Yes	Nil	Nil	Nil
Mrs. Shalini Bhupal DIN 00005431	Promoter Executive Director	4	Nil	Yes	1	Nil	Nil
Mr. G V Sanjay Reddy DIN 00005282	Promoter Non-Executive	4	80000	Yes	6	Nil	Nil
Mr. Krishna R Bhupal DIN 00005442	Promoter Non-Executive	5	100000	Yes	4	Nil	Nil
Mr. Rakesh Sarna DIN 01875340	Promoter Non-Executive	4	Nil	Yes	7	4	1
Mr. Rajendra Misra DIN 07493059	Promoter Non-Executive	5	Nil	No	Nil	Nil	Nil
Mr. Anil P Goel * DIN 00050690	Promoter Non-Executive	2	Nil	Yes	9	3	Nil
Mr. K Jayabharath Reddy DIN 00038342	Independent Non-Executive	5	100000	Yes	3	Nil	2
Mr. D R Kaarthikeyan DIN 00327907	Independent Non-Executive	4	80000	Yes	5	5	Nil
Mr. C D Arha DIN 02226619	Independent Non-Executive	5	100000	Yes	5	Nil	Nil
Mr. M B N Rao DIN 00287260	Independent Non-Executive	4	80000	Yes	9	3	4
Mr. CH G Krishna Murthy DIN 01667614	Independent Non-Executive	5	100000	Yes	4	1	1
Mr. S Anwar DIN 06454745	Independent Non-Executive	5	100000	Yes	1	Nil	1
Mr. A Rajasekhar DIN 01235041	Independent Non-Executive	4	80000	Yes	Nil	Nil	Nil
Mrs. Santha John DIN 00848172	Independent Non-Executive	3	60000	Yes	Nil	Nil	Nil

** Mr. Anil P Goel resigned on 15.10.2016*

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

Disclosure of relationship between directors inter-se

1. List of relatives of Dr GVK Reddy, Chairman

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

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

Shares held by Non-Executive Directors

Dr GVK Reddy, Chairman is holding 38,05,981 equity shares, Mr Krishna R Bhupal is holding 3,13,500 equity shares and all other Non-Excutive Directors are not holding any shares in the Company.

Familiarization programmes imparted to Independent Directors

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

3. AUDIT COMMITTEE

Brief description of terms of reference:

The terms of reference of the Audit Committee inter alia, is to review 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.

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

The Audit Committee consists of 7 Non-Executive Directors, of whom 4 are Independent Directors. The Audit Committee has met 4 times during the financial year 2016-17 on 13.05.2016, 12.08.2016, 02.11.2016 and 01.02.2017.

Name of the Member	Designation	No.of meetings held	No.of meetings attended
Mr. K Jayabharath Reddy	Chairman	4	4
Mr. D R Kaarthikeyan	Member	4	3
Mr. C D Arha	Member	4	4
Mr. M B N Rao	Member	4	3
Mr. Rakesh Sarna	Member	4	2
Mr. Anil P Goel @	Member	4	2
Mr. Krishna R Bhupal	Member	4	4

@ Mr. Anil P Goel resigned on 15.10.2016

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

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 4th August, 2016.

4. NOMINATION AND REMUNERATION COMMITTEE

Brief description of terms of reference

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

Composition, name of members and Chairperson

The Nomination and Remuneration Committee comprises of four Non-Executive Directors, of whom three are Independent Directors namely Mr. K Jayabharath Reddy, Chairman, Mr.D R Kaarthikeyan and Mr. C D Arha and Mr. Rakesh Sarna, Non-executive and Non Independent Director are Members of the Committee. The Nomination and Remuneration Committee has met one time during the financial year 2016-17 i.e., on 13.05.2016. The attendance details for the Committee meeting is as follows:

Name of the Member	Designation	No.of meetings held	No.of meetings attended
Mr. K Jayabharath Reddy	Chairman	1	1
Mr. D R Kaarthikeyan	Member	1	0
Mr. C D Arha	Member	1	1
Mr. Rakesh Sarna	Member	1	0

Performance evaluation of Directors

Pursuant to applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non-Executive Directors and Chairperson of the Board.

Criteria for Performance Evaluation of Independent Directors, Board of Directors, Committees of Board, Individual Directors, Managing Director, Non- Executive Directors and Chairperson of the Board

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

The evaluation of Independent Directors, Board of Directors, Managing Director, Non-Executive Directors, Chairperson of the Board, evaluation of Commitees are already discussed in Directors Report.

5. MEETING OF INDEPENDENT DIRECTORS

A Separate meeting of the Independent Directors was held on 09.03.2017, without the presence of Executive Directors inter-alia, to discuss evaluation of the performance of Non-Independent Directors, the Board as a whole, evaluation of the performance of the Chairman, taking into account the views of the Executive and Non-Executive Directors and the evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

6. REMUNERATION OF NON-EXECUTIVE DIRECTORS :

- There were no pecuniary transactions with any Non-Executive Directors of the Company.
- Non-Executive Directors other than IHCL Nominee Directors are paid Sitting Fees for attending the Board Meetings / Committee meetings the details of which are given in Board Report.

The Remuneration paid to the Whole time Director(s) during the year ended 31st March, 2017 is as follows :

Name of the Director	Gross Salary (Rs. in Lakhs)	Stock Option	Sweat Equity	Commission	Total (Rs. in Lakhs)	No. of shares held
Mrs. G Indira Krishna Reddy Managing Director	271.53	-	-	-	271.53	37,62,966
Mrs. Shalini Bhupal Executive Director	158.77	-	-	-	158.77	2,31,35,359

7. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of two Members Mr. Ch G Krishna Murthy, Chairman, Mrs. G Indira Krishna Reddy, Member and Mr. J Srinivasa Murthy, Company Secretary and Compliance Officer acts as Secretary of the Committee. The responsibilities of the Committee include Redressal of all shareholders complaints and grievances. The Committee met 3 times during the year and reviewed the shareholders complaints and grievances.

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

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

The Committee has met 3 times during the financial year 2016-17 on 12.08.2016, 31.10.2016 and 09.02.2017. The attendance details for the Committee meeting is as follows:

Name of the Member	Designation	No.of meetings held	No.of meetings attended
Mr. Ch G Krishna Murthy	Chairman	3	3
Mrs. G Indira Krishna Reddy	Member	3	3

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

The Company has received the following communications from the shareholders during the period April 2016 to March 2017, 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	0	0
2	Non-receipt of dividend warrant	17	17
3	Non-receipt of Demat credit / Remat certificate	0	0
4	Non-receipt of Annual Report	9	9
5	Change of Address	72	72
6	Bank Details / Mandate	20	20
7	Issuing new share certificate(s) in lieu of erstwhile Hotel Sree Krishna Limited share certificate(s) received for exchange	279	279
8	Stop Transfer / Procedure for duplicate share certificate	19	19
9	Indemnity / Affidavit – duplicate	12	12
10	Remat Request	0	0
11	Revalidation / Replacement of Dividend Warrant	246	246
12	Procedure for Transfer / Transmission / Name Deletion	20	20
13	Registration of Signature	0	0
14	Confirmation of details	0	0
15	Others	2	2
	TOTAL	**696**	**696**
	Complaints received from:		
1	SEBI	3	3
2	Stock Exchange	1	1

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility (CSR) Committee consists of the following Members namely Mr. Ch G Krishna Murthy, Mr. D R Kaarthikeyan, Independent Directors and Mrs. G Indira Krishna Reddy, Managing Director, CSR Policy was adopted by the Board of Directors on the recommendation of CSR committee. The CSR Committee has met one time during the financial year 2016-17 i.e., on 09.03.2017. The attendance details for the Committee meeting is as follows:

Name of the Member	Designation	No.of meetings held	No.of meetings attended
Mr. Ch G Krishna Murthy	Chairman	1	1
Mrs. G Indira Krishna Reddy	Member	1	1
Mr. D R Kaarthikeyan	Member	1	1

9. RISK MANAGEMENT COMMITTEE

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

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

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

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

10. COMPLIANCE OFFICER

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

11. PROHIBITION OF INSIDER TRADING

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

12. COMPLIANCE

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

13. POST MEETING FOLLOW-UP MECHANISM

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

14. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS

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

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

Sl. No.	Particulars	Regulation	Compliance Status Yes / No/N.A.	Compliance observed for the following during the financial year 2016-17
1	Board of Directors	17	Yes	• Composition • Number of meetings • Review of compliance reports • Plans for orderly succession for appointments • Code of Conduct • Fees / compensation to non-executive Directors • Minimum information to be placed before the Board • Compliance Certificate • Risk assessment and management • Performance evaluation of Independent Directors
2	Audit Committee	18	Yes	• Composition • Number of meetings • Powers of the Committee • Role of the Committee and review of information by the Committee
3	Nomination and Remuneration Committee	19	YES	• Composition • Role of the Committee
4	Stakeholders Relationship Committee	20	YES	• Composition • Role of the Committee
5	Risk Management Committee	21	YES	• Composition • Role of the Committee
6	Vigil Mechanism	22	YES	• Formulation of Vigil Mechanism for Directors and employees • Director access to Chairperson of Audit Committee
7	Related Party Transactions	23	YES	• Policy on Materiality of Related Party transactions and dealing with Related Party Transactions • Approval including omnibus approval of Audit Committee • Review of Related Party transactions • There were no material Related Party transactions
8	Obligations with respect to Independent Directors	25	YES	• Maximum directorships and tenure • Meetings of Independent Directors • Familiarisation of Independent Directors
9	Obligations with respect to employees including senior management, key managerial persons, directors and promoters	26	YES	• Memberships / Chairmanships in Committees • Affirmation on compliance of Code of Conduct by Directors and Senior Management • Disclosure of shareholding by non-executive Directors • Disclosures by Senior Management about potential conflicts of interest • Agreement with regard to compensation or profit sharing in connection with dealings in securities of the Company by key managerial persons, director and promoter
10	Other Corporate Governance requirements	27	YES	• Compliance with discretionary requirements • Filing of quarterly compliance report on Corporate Governance
11	Website	46(2)(b) to (i)	YES	• Terms and conditions for appointment of Independent Directors • Composition of various Committees of the Board of Directors • Code of Conduct of Board of Directors and Senior Management • Personnel Details of establishment of Vigil Mechanism/ Whistle Blower policy • Policy on dealing with Related Party Transactions • Policy for determining material subsidiaries

16. GENERAL BODY MEETINGS

Year	Date	Time	Meeting	Venue
2015-16	04.08.2016	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad
2014-15	28.07.2015	11.30 A.M.	AGM	Taj Krishna, Road No.1, Banjara Hills, Hyderabad
2013-14	01.08.2014	11.30 A.M.	AGM	Sri Sathya Sai Nigamagamam, Srinagar Colony, Hyderabad

Special Resolutions passed during last three years :

Year	Date	Meeting	Special resolutions passed with requisite majority
2015-16	04.08.2016	AGM	1) Waiver of excess remuneration paid to Managing Director for the financial year 2015-16 2) Waiver of excess remuneration paid to Executive Director for the financial year 2015-16 3) Change the Registrar and Share Transfer Agent of the Company from M/s. Karvy Compoutershare Pvt Ltd to M/s. Venture Capital and Corporate Investments Pvt Ltd.
2014-15	28.07.2015	AGM	1) Re-appointment of Mrs. G. Indira Krishna Reddy, as Managing Director 2) Waiver of excess remuneration paid to Managing Director for the financial year 2014-15 3) Waiver of excess remuneration paid to Executive Director for the financial year 2014-15
2013-14	01.08.2014	AGM	1) Re-appointment of Mrs. Shalini Bhupal, as an Executive Director 2) To Borrow moneys upto Rs.500 Crores pursuant to section 180(1)(c) of the Companies Act, 2013 3) To create charge on the assets and undertakings of the company pursuant to 180(1)(a) of the Companies Act, 2013 4) Alter / amend of the Article of association of the Company

Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2016-17.

Postal Ballot:

No Postal Ballot was conducted during the year 2016-17.

17. MEANS OF COMMUNICATION

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.

a) **Quarterly results:**

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

b) **Newspapers wherein results normally published:**

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

c) **Any website, where displayed**

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

d) **Whether it also displays official news releases**

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

e) **Presentations made to institutional investors or to the analysts**

Nil presentations are made to the investors / analysts during the year

18. SHAREHOLDERS INFORMATION :

1. Annual General Meeting

Date, time & Venue : 1st August, 2017, 11.30 A.M.
Sri Sathya Sai Nigamagamam
8-3-987/2, Srinagar Colony, Hyderabad – 500 073

2. Share transfer book closure dates : 26th July, 2017 to 1st August, 2017
(Both days inclusive)

3. Financial Year Calendar 207-18

Financial Results Reporting

For the quarter ending June 30, 2017 : 1st August, 2017
For the quarter ending September 30, 2017 : 2nd November, 2017
For the quarter ending December 31, 2017 : 2nd February, 2018
For the quarter ending March 31, 2018 : April/May, 2018

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

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

Listing fees for and up to the year 2017-18 have been paid to the above Stock Exchanges.

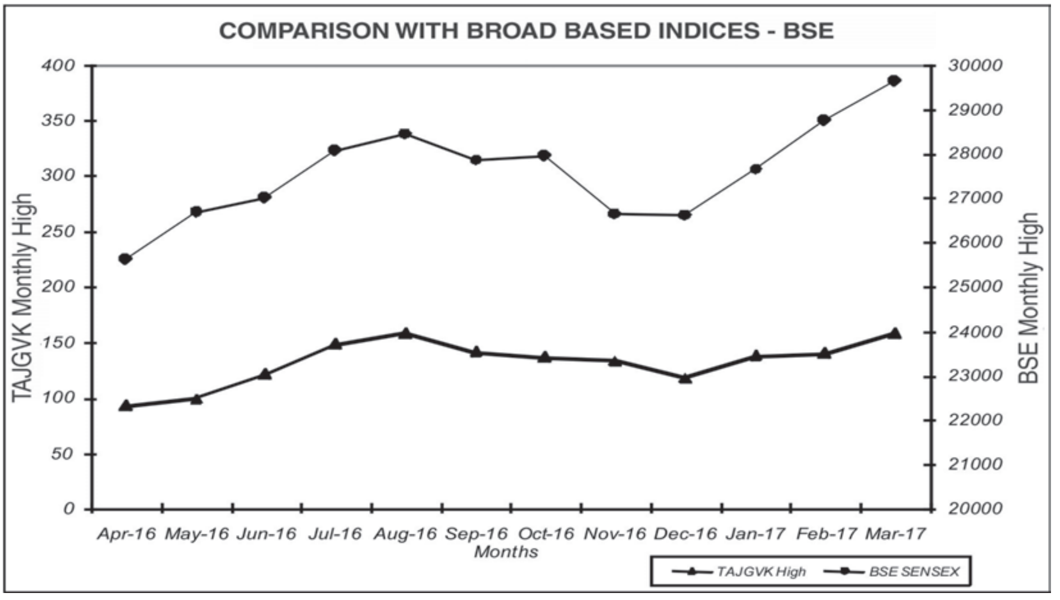
5. Demat ISIN Numbers in NSDL & CDSL Equity shares : INE586B01026

19. STATEMENT OF CHANGES IN SHARE CAPITAL

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

20. Stock Market Data

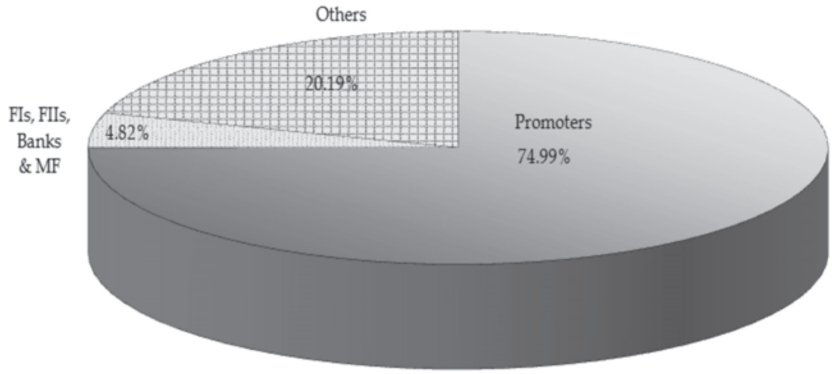
Month & Year	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price (Rs.)	Month's Low Price (Rs.)	Month's High Price (Rs.)	Month's Low Price (Rs.)
April, 2016	92.80	70.50	93.80	71.25
May, 2016	99.30	75.80	99.50	77.00
June, 2016	120.95	93.65	121.00	93.25
July, 2016	148.50	107.00	148.80	107.65
August, 2016	158.00	118.05	158.40	117.20
September, 2016	141.05	106.50	141.00	110.05
October, 2016	136.50	116.70	134.70	116.50
November, 2016	133.50	92.55	133.95	92.50
December, 2016	113.05	100.10	119.90	98.20
January, 2017	137.50	106.45	139.90	106.50
February, 2017	140.15	125.75	139.80	125.50
March, 2017	158.10	125.10	158.00	125.00



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

22. RECONCILIATION OF SHARE CAPITAL AUDIT : Share Capital Audit is being carried out every quarter by a Practicing Company Secretary and the audit report is placed before the Board for its perusal and filed regularly with the Stock Exchanges within the stipulated time.

23. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017



Shareholding as on 31st March, 2017

No. of shares held	No. of Share	% of Share capital	No. of Shareholders	% of total no. of shareholders
Up to 500	4050962	6.46	36686	95.83
501 to 1000	727374	1.16	897	2.34
1001 to 2000	562300	0.90	367	0.96
2001 to 3000	275457	0.44	109	0.28
3001 to 4000	149000	0.24	42	0.11
4001 to 5000	236963	0.38	51	0.13
5001 to 10000	443874	0.71	62	0.16
10001 and above	56255565	89.72	68	0.18
Total	**62701495**	**100.00**	**38282**	**100.00**

24. DEMATERIALIZATION OF SHARES & FACILITY OF SIMULTANEOUS TRANSFER :

96.24% of the shares issued by the Company have been dematerialized up to 31st March, 2017. Trading in equity shares of your Company on any Stock Exchange is permitted only in the dematerialized mode with effect from 2nd July, 2001. Shareholders interested in dematerialized their shares are requested to write to the Registrar & Transfer Agent through their Depository Participants.

25. HOTEL LOCATIONS :

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

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

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

iv. Taj Chandigarh, Block No.9, Sector 17A,
Chandigarh – 160 017
Phone:0172-6613000, Fax:01726614000
Email: taj.chandigarh@tajhotels.com

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

vi. VivantaBy Taj Begumpet
1-10-147 & 148, Mayuri Marg, Begumpet
Hyderabad – 500 016
Phone : 040-67252626
Email: vivanta.begumpet@tajhotels.com

26. ADDRESS OF REGISTRAR & SHARE TRANSFER AGENTS & ELECTRONIC VOTING SERVICE :

Venture Capital and Corporation Investments Pvt Ltd
Unit: TAJGVK Hotels & Resorts Limited
#12-10-167, Bharat Nagar,
Hyderabad – 500 018
Tel: 040-23818475, 23818476
Fax: 040-23868024
Email : info@iccpl.com; info@vccindia.com
Website : www.vccipl.com

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

27. ANY QUERY ON ANNUAL REPORT :

Mr. J Srinivasa Murthy
CFO & Company Secretary
TAJGVK Hotels & Resorts Limited
Taj Krishna, Road No.1, Banjara Hills,
Hyderabad – 500 034
Email: tajgvkshares.hyd@tajhotels.com
website : www.tajgvk.in

28. OTHER DISCLOSURES

a) During the year ended 31st March, 2017 there were no materially significant related party transactions, which had potential conflict with the interests of the Company at large

b) Details of non-compliance etc.,

A Statement on Compliance with all Laws and Regulations as certified by the Managing Director andCompany Secretary is placed at periodic intervals for review of the Board.There were no instances of non-compliance, penalty or strictures imposed on the company by StockExchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

No penalty has been imposed by any Stock Exchange, SEBI or any other regulatory authority nor has there been any instance of non-compliance with any legalrequirements, or on matters relating to the capital markets over the last three years.

c) SEBI Complaints Redressal System (SCORES)

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

d) NSE Electronic Application Processing System (NEAPS):

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

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

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

f) Ethics & Compliance Committee

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

The Company has a Code of Conduct for Prevention of Insider Trading in place, as prescribed by the Securities and Exchange Board of India. The Committee monitors the implementation of the Code and takes on record the status reports detailing the dealings in securities by the Specified Persons. The Committee has not met during the financial year 2016-17.

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

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

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

31. CODE OF CONDUCT

The Board has laid down Code of Conduct policy covering the ethical requirements to be complied with covering all the Board members and all employees of the Company. An affirmation of compliance with the code is received from them on an annual basis.

32. DISCLOSURE WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

As required under Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with unclaimed shares in physical form, members are requested to note that the company has sent numerous reminder notices dated 22.02.2016, 21.06.2016 and 05.10.2016 intimating to surrender old share certificates of transferor companies i.e. Hotel Sree Krishna Limited (HSKL) and Novopan Industries Limited (NPIL) to enable the company to issue new shares of TAJGVK. As per the Scheme of Arrangement and Amalgamation, TAJGVK allotted shares in the ratio of 5:1 (i.e. every 5 shares of HSKL held to be exchanged with 1 share of TAJGVK) and 3:1 (i.e. every 3 shares of NPIL held to be exchanged with 1 share of TAJGVK).

In this connection, we wish to inform that many shareholders are yet to surrender their old share certificates and the company proposed to transfer all those equity shares to "Unclaimed Suspence Account" as per the provisions of SEBI (LODR) Regulations, 2015 and IEPF Rules.

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, 2017 compliance with the code of conduct of the Company laid down for them.

G Indira Krishna Reddy
Managing Director
DIN 00005230

Place : Hyderabad
Date : 17th May, 2017

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CHAPTER IV OF SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

To
The Members of
TAJGVK Hotels & Resorts Limited

We have reviewed the compliance of conditions of Corporate Governance by TAJGVK Hotels & Resorts Limited, for the year ended 31st March, 2017, as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

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

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations &Disclosure Requirements) Regulations 2015.

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

For Brahmayya & Co
Chartered Accountants
(Firm's Registration No.000513S)

(S Satyanarayna Murthy)
(Partner)
(Membership No. 023651)

Place : Hyderabad
Date : 17th May, 2017

CERTIFICATE BY CEO/CFO

Pursuant to the provisions under Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, it is hereby certified that for the period ended 31st March, 2017:

A. We have reviewed the financial statements and the cash flow statements for the period ended 31st March, 2017 and that to the best to our knowledge and belief, these statements:

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

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

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review that are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take, to rectify these deficiencies.

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

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

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

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

Place : Hyderabad
Date : 17th May, 2017

G Indira Krishna Reddy
Managing Director
DIN 00005230

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

FORM A

(Audit Report with unmodified opinion)

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

1.	Name of the Company	:	TAJGVK HOTELS & RESORTS LIMITED
2.	Annual financial statements for the year ended	:	March 31, 2017 (Standalone and Consolidated)
3.	Type of Audit observations	:	Un-modified
4.	Frequency of observation	:	Not applicable
5.	To be signed by		

For TAJGVK Hotels & Resorts Limited

G. Indira K. Reddy

G Indira Krishna Reddy
Managing Director

For TAJGVK Hotels & Resorts Limited

K Jayabharath Reddy
Chairman of Audit Committee

For TAJGVK Hotels & Resorts Limited

J Srinivasa Murthy
CFO & Company Secretary

For BRAHMAYYA & CO,
Chartered Accountants
(Registration No.000513S)

S Satynarayana Murthy
Partner
Membership No.023651

Place : Hyderabad
Date : 17th May, 2017

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of TAJGVK Hotels & Resorts Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of TAJGVK Hotels & Resorts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

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

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

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

9. Without qualifying our report, we draw attention to Note No: 25 to financial statements. The company has paid remuneration to its Managing Director and Executive Director as per the terms of appointment approved by the shareholders. Such remuneration paid is in excess of the limits laid down under Section 197 and 198 read with Schedule V to the Companies Act, 2013. The Company is in the process of applying to the Central Government for its approval.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("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" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

    i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 23 to the financial statements;

    ii. The Company did not have any long-term contracts for which there were any material foreseeable losses as at March 31, 2017. The Company did not have any derivative contracts.

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

    iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 24 to the financial statements.

For Brahmayya & Co
Chartered Accountants
(Firm's Registration No.000513S)

(S Satyanarayna Murthy)
(Partner)
(Membership No. 023651)

Place : Hyderabad
Date : 17th May, 2017

Annexure-A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of TajGVK Hotels & Resorts Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

(i) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has conducted the physical verification of fixed assets during the year and has not identified any material differences during the verification;

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

(ii) The company's management has physically verified its inventories during the year. In our opinion the frequency of such verification is reasonable. No material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, the provision of Clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of services where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under subsection (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. As informed to us, the provisions relating to excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the following are the disputed demands:

Name of the statute	Nature of the dues	Amount Rs (in lacs)	Financial year to which the amount relates	Forum where the dispute is pending
Income- Tax Act,1961		51.57	2006-07	CIT(Appeals), Hyderabad
		7.60	2009-10	CIT(Appeals), Hyderabad
		151.08	2012-13	CIT(Appeals), Hyderabad
Telangana Vat Act	Sales Tax	294.05	2008-09 to 2010-11	High Court of Andhra Pradesh
		13.36	2008-09	Appellate Tribunal
Finance Act,1994	Service Tax	13.78	2005-06 To 2010-11	Commissioner Appeals (Chandigarh)
		2477.10	2006-07 To 2010-11	CESTAT (Bengaluru)
		316.61	2011-12	Commissioner Appeals (Hyderabad)
		64.08	2011-12	Jt.Commissioner, Hyderabad

(viii) According to the information and explanations given to us and the records of the Company examined by us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government. The Company has not issued debentures.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanations given to us and the records of the Company examined by us, with regard to the managerial remuneration, we report that requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 are yet to be made by the company

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24 Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended.

(xiv) As the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Brahmayya & Co
Chartered Accountants
(Firm's Registration No.000513S)

(S Satyanarayna Murthy)
(Partner)
(Membership No. 023651)

Place : Hyderabad
Date : 17th May, 2017

Annexure-B to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of TAJGVK Hotels & Resorts Limited on the standalone Ind AS financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of TAJGVK Hotels & Resorts Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Brahmayya & Co
Chartered Accountants
(Firm's Registration No.000513S)

(S Satyanarayna Murthy)
(Partner)
(Membership No. 023651)

Place : Hyderabad
Date : 17th May, 2017

BALANCE SHEET AS AT MARCH 31, 2017

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

	Note	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
ASSETS				
Non-current Assets				
Property, Plant and Equipment	1	**43,772.47**	45,254.99	40,403.94
Capital work-in-progress		**7,669.40**	7,035.76	12,240.53
Intangible Assets	1	**264.52**	147.82	187.16
		51,706.39	52,438.57	52,831.63
Financial Assets				
Investments	2	**11,026.80**	11,026.80	11,026.80
Other financial assets	3	**407.60**	416.65	416.60
Tax Assets (Net)		**3140.27**	2903.43	2,503.51
Other non current assets	4	**3,099.53**	2,742.46	2,569.32
		17,674.20	17,089.34	16,516.23
Current Assets				
Inventories	5	**902.70**	771.46	804.96
Financial Assets				
Trade Receivables	6	**1,140.76**	1,345.77	1,374.35
Cash and Cash Equivalents	7	**320.31**	69.70	26.76
Bank balances other than cash and cash equivalents	7	**85.63**	103.89	138.44
Other financial assets	3	**1,294.52**	634.98	326.40
Other Current assets	4	**685.34**	662.10	775.54
		4,429.26	3,587.90	3,446.44
TOTAL ASSETS		**73,809.85**	73,115.81	72,794.30
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	8	**1,254.03**	1,254.03	1,254.03
Other Equity	9	**34,994.49**	34,273.81	33,452.80
Total Equity		**36,248.52**	35,527.84	34,706.83
LIABILITIES				
Non-current Liabilities				
Financial Liabilities				
Borrowings	10	**22,722.91**	25,475.68	26,934.98
Other financial Liabilities	12	**148.12**	134.04	137.30
Employee benefit obligations	13	**303.89**	295.62	196.84
Deferred Tax Liabilities (net)	15	**5,596.36**	4,854.96	4,174.59
		28,771.27	30,760.30	31,443.71
Current Liabilities				
Financial Liabilities				
Borrowings	10	**-**	251.21	1,621.34
Trade Payables	11	**4,802.78**	3,832.42	3,311.02
Other financial Liabilities	12	**3,281.13**	1,933.79	914.30
Other current liabilities	14	**706.15**	810.25	797.10
		8,790.06	6,827.67	6,643.77
TOTAL EQUITY AND LIABILITIES		**73,809.85**	73,115.81	72,794.30

Summary of Significant Accounting Policies
The accompanying notes form an integral part of the Financial Statements

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

S.Satyanarayana Murthy
Partner
Membership No.023651

Place : Hyderabad
Date : May 17, 2017

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

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

	Note	Current Year 31.03.2017	Previous Year 31.03.2016
Revenue from Operations	16	**26,449.40**	26,978.04
Other Income	17	**528.10**	222.29
TOTAL INCOME		**26,977.50**	27,200.33
EXPENSES			
Food and Beverages Consumed	18	**3,101.72**	3,178.15
Employee Benefit Expense and Payment to Contractors	19	**6,057.77**	5,712.10
Finance Costs	20	**2,906.63**	3,132.87
Depreciation and Amortisation	1	**1,812.82**	1,847.15
Other Operating and General Expenses	21	**11,498.74**	11,805.93
Total Expenses		**25,377.68**	25,676.20
Profit Before Exceptional item and Tax		**1,599.82**	1,524.13
Exceptional Item	22	**263.68**	-
Profit Before Tax		**1,863.50**	1,524.13
TAX EXPENSE			
Current Tax		**444.00**	340.00
Deferred Tax		**741.39**	680.37
Minimum Alternative Tax Credit		**(444.00)**	(340.00)
Short Provision of Tax of Earlier Years (Net) including reversal of MAT creditProvision of Tax / Deferred		**84.14**	22.84
Total Tax Expense		**825.53**	703.21
Profit for the peirod		**1,037.97**	820.92
Other Comprehensive income, net of tax			
Items that will not be reclassified to profit and loss			
Actuarial loss on employee gratuity (net of tax)		**15.43**	-
Total Comprehensive Income for the period		**1,022.54**	820.92
Earnings Per Share			
No.of equity shares of Rs.2/-each		**6,27,01,495**	6,27,01,495
i) Basic		**1.63**	1.31
ii) Diluted		**1.63**	1.31

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

S.Satyanarayana Murthy
Partner
Membership No.023651

Place : Hyderabad
Date : May 17, 2017

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

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

	PARTICULARS	Current Year		Previous Year	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	NET PROFIT BEFORE TAX		**1,863.50**		1,524.13
	Adjustments for :				
	Depreciation	**1,812.82**		1,847.15	
	Miscellaneous Expenditure Written off	**15.00**		15.00	
	Loss on sale of assets	**35.18**		3.48	
	Profit on sale of assets	**(0.57)**		(0.96)	
	Bad debts written off	**-**		13.09	
	Provision for Bad & Doubtful Debts	**25.05**		65.70	
	Extra-ordinary / Prior period items written off	**-**		-	
	Provision for bad & doubtful debts credited back	**(1.82)**		(56.60)	
	Interest expenses	**2,906.63**		3,132.87	
	Interest earned	**(121.00)**		(20.35)	
			4,671.29		4,999.39
	Operating Profit before working capital changes		**6,534.79**		6,523.52
	Adjustments for :				
	Trade Receivables	**181.78**		6.40	
	Inventories	**(131.24)**		33.51	
	Non-current and current financial assets	**(651.63)**		(254.54)	
	Other Non-current and current assets	**(395.31)**		(73.78)	
	Non-current and current financial liabilities	**(408.26)**		(264.88)	
	Other Current Liabilities	**(104.10)**		13.14	
	Employee benefit obligations	**8.28**		98.77	
	Trade payables	**970.36**	**(530.12)**	521.40	80.02
	Cash generated from operations		**6,004.67**		6,603.55
	Less: Taxes paid / (refund received)		**(83.81)**		422.76
	NET CASH IN FLOW FROM OPERATING ACTIVITIES		**6,088.48**		6,180.79
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets /addition to CWIP	**(1,256.94)**		(1,714.12)	
	Interest Received	**122.15**		20.11	
	Sale of Fixed Assets	**1.57**		10.88	
	NET CASH OUT FLOW FROM INVESTING ACTIVITIES		**(1,133.22)**		(1,683.14)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Long term loans raised	**-**		-	
	Long term loans (repaid)	**(1,297.50)**		-	
	Short term loans raised / (repaid)	**-**		-	
	Working capital borrowings	**(251.21)**		(1,370.12)	
	Long term deposits raised/(paid back)	**14.09**		13.73	
	Interest paid	**(2,886.41)**		(3,132.87)	
	Dividend paid	**(250.81)**		-	
	Taxes on dividend paid	**(51.06)**		-	
	NET CASH OUT FLOW FROM FINANCING ACTIVITIES		**(4,722.90)**		(4,489.27)
	Net increase in cash and cash equivalent		**232.36**		8.39
	Cash and Cash equivalents as at beginning of the year		**173.59**		165.19
	Cash and Cash equivalents as at end of the year		**405.94**		173.59

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

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

S.Satyanarayana Murthy
Partner
Membership No.023651

Place : Hyderabad
Date : May 17, 2017

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

1. General information

TAJGVK Hotels & Resorts Limited ("TAJGVK" / "the Company") was incorporated on 02nd February, 1995 in state of Andhra Pradesh, India. The Company is a joint venture between the GVK Group and Indian Hotels Company Limited. The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts with the brand name of "TAJ".

2. The statements were authorized for issue in accordance with a resolution of the Board of Directors passed on May 17,2017.

3. Summary of Significant Accounting Policies

i. Statement of compliance:

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

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015 and the Company restated the previous Indian GAAP accounts to Ind AS complaint accounts for the financial year ended March 31, 2016.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note No.26. The reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS, is provided in Note No.27.

Note No.26 also gives details of first-time adoption exemptions availed by the Company.

ii. Basis of preparation of financial statements:

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

iii. Use of estimates:

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

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

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

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

An asset is treated as current when it is:

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

b) Held primarily for the purpose of trading;

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

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

All other assets are classified as non-current

A liability is treated as current when it is:

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

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

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

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

All other liabilities are classified as non-current

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

v. Exceptional Items

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

vi. Revenue Recognition:

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

b. Shop rentals are recognized on accrual basis.

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

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

vii. Inventories:

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

viii. Property Plant and equipment:

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

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

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

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

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

ix. Intangible assets:

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

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

x. **Depreciation and Amortisation:**

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

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

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

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

Computer software : 6 years

xi. **Leases:**

The determination of whether an arrangement is (or contain) a lease is based on the substance of the arrangement at the inception of lease. The arrangement is, or contain, a lease is fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of assets over the lease term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

Lessor:

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

xii. **Foreign Exchange Transactions:**

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

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

b. **Conversion:** Foreign currency monetary items are reported at the exchange rates (the functional currency spot rates) on Balance Sheet date.

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

xiii. Unamortised Expenses:

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

xiv. Retirement Benefits:

a. Defined Contribution Plan:

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

b. Defined Benefit Plan:

Gratuity:

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

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

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

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

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

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

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

Compensated Absences

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

xv. Borrowing Costs:

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

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

xvi. Taxes on income:

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

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

b. Deferred Tax: In accordance with the Accounting Standard (AS) 12 "Accounting for taxes on income" the company has recognised the deferred tax liability / asset in the accounts. Deferred tax reflects the impact of timing differences between taxable income and accounting income. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax asset is recognised only to the extent there is virtual certainty that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

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

xvii. Earnings per share:

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

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

xviii. Impairment of non-financial assets:

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

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

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

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

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

xix. Provisions:

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

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

xx. Contingent Assets and Contingent Liabilities:

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

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

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

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

xxii. Cash and cash equivalents

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

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

xxiii. Investment in subsidiaries, associates and joint ventures

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

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

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

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

xxiv. Financial assets

Initial recognition and measurement:

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

Subsequent measurement:

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

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

Derecognition:

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

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

xxv. Financial liabilities

Initial recognition and measurement:

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

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

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

Subsequent measurement:

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

Financial liabilities at fair value through profit or loss.

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

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

Loans and borrowings

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

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

Derecognition :

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

xxvi. Significant accounting judgements, estimates and assumptions

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

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

Provisions and Contingency : The contingencies and commitments are discussed in more details in note 38. It is not practical to state the timing of the judgement and final outcome. The management has assessed the probable unfavourable outcomes and creates provisions where necessary, where these are assessed as not probable.These are disclosed as contingent liability.

Taxes

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

The Company has Minimum Alternate Credit (MAT) of INR 2109.79 lakhs as at the reporting date which can utilised for a period of 10 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, the Company has assessed that the entire MAT credit can be utilised.

Defined benefit plans (gratuity benefits)

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

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

Allowance for uncollectible trade receivables

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Statement of Changes in Equity as at March 31, 2017

Particulars	Equity Share Capital Subscribed	RESERVES AND SURPLUS				
				Retained Earning		
		Capital Reserve	Securities Premium Account	General Reserve	Profit & Loss B/fd	TOTAL
Balance at the beginning of the year (April 1, 2015)	**1,254.03**	**3,469.30**	**3,132.00**	**7,100.00**	**19,751.50**	**34,706.92**
Profit for the year					820.92	**820.92**
Balance at the beginning of the year (April 1, 2016)	**1,254.03**	**3,469.30**	**3,132.00**	**7,100.00**	**20,572.51**	**35,527.84**
Profit for the year	-	-	-	-	1,037.97	**1,037.97**
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses	-	-	-	-	15.43	**15.43**
Dividends	-	-	-	-	250.81	**250.81**
Tax on Dividend	-	-	-	-	51.06	**51.06**
Balance at the end of the year (March 31, 2017)	**1,254.03**	**3,469.30**	**3,132.00**	**7,100.00**	**21,293.18**	**36,248.52**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

	Free hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital Work in Progress	Intangible Assests Software
Gross Block at Cost									
At April 1, 2015	**4,244.11**	**25,430.13**	**9,353.54**	**1,290.96**	**172.12**	**111.06**	**40,601.91**	**12240.53**	**187.18**
Additions	-	5,551.06	876.88	146.14	56.04	-	6,630.12	-	9.09
Disposals / Adjustments	-	151.99	14.60	0.91	6.53	-	174.02	5204.77	-
Gross Block at Cost									
At April 1, 2016	4,244.11	30,981.19	10,078.42	1,422.50	227.25	104.53	47,058.01	7035.76	196.27
Additions	-	13.06	182.01	26.04	51.84	-	272.95	633.64	210.22
Transition	-	-	-	-	-	-	-	-	-
Disposals	-	-	4.79	0.35	9.97	-	15.10	-	49.22
At March 31, 2017	**4,244.11**	**30,994.25**	**10,255.65**	**1,448.20**	**269.13**	**104.53**	**47,315.86**	**7669.40**	**357.28**
Depreciation									
At April 1, 2015	**1.83**	**-**	**142.93**	**17.74**	**26.13**	**9.34**	**197.97**	**-**	**0.02**
Charge for the year	-	531.95	977.99	192.15	31.62	31.96	1,765.67	-	48.43
Disposals	-	-	142.36	13.87	0.31	4.07	160.62	-	-
Depreciation									
At April 1, 2016	1.83	531.95	978.56	196.02	57.43	37.22	1,803.02	-	48.44
Charge for the year	-	543.27	920.24	188.45	63.03	30.71	1,745.71	-	67.11
Disposals	-	-	0.96	-	4.37	-	5.34	-	22.80
At March 31, 2017	**1.83**	**1,075.22**	**1,897.84**	**384.47**	**116.09**	**67.93**	**3,543.39**	**-**	**92.76**
Net Block									
At March 31, 2017	**4,242.27**	**29,919.03**	**8,357.81**	**1,063.72**	**153.04**	**36.60**	**43,772.47**	**7669.40**	**264.52**

Footnotes :

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

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

3) Cost as at 1st April 2015 adopted as the deemed cost. Refer Note No.26

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 2 : INVESTMENTS	Face Value Rs.	**As at March 31, 2017**		As at March 31, 2016		As at March 31, 2015	
		Holdings	**Rs. In lakhs**	Holdings	Rs. In lakhs	Holdings	Rs. In lakhs
INVESTMENT IN JOINT VENTURE UNQUOTED							
Green Woods Palaces and Resorts Pvt Ltd (fully paid Equity Shares)	10/-	**3,67,50,000**	**11,025.00**	3,67,50,000	11,025.00	3,67,50,000	11,025.00
OTHERS							
Green Infra Windfarms Limited (fully paid Equity Shares)	10/-	**18,000**	**1.80**	18000	1.80	18,000	1.80
Total Non-current Investments			**11,026.80**		11,026.80		11,026.80

Foot note :

(i) Investment in Joint Venture represents investment in equity share of Rs.10/- at a premium of Rs.20/- per share in Green Woods Palaces & Resorts Pvt Ltd (SPV) which is operating Taj Santacruz, 5-star luxury hotel comprising of 279 rooms near Terminal 1C, Santacruz, Mumbai at Mumbai International Airport. The SPV is treated as a jointly controlled entity as per the Indian Accounting Standard (Ind AS 111) - Joint Arrangements.

(ii) The Equity Investment was made in Green Infra Windforms Ltd with which the Company had 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 3 : OTHER FINANCIAL ASSETS	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
A) Non Current			
Deposits with Public Bodies and Others	**366.35**	360.40	345.35
Unamortized Expenditure	**41.25**	56.25	71.65
	407.60	416.65	416.60
B) Current			
Deposit with public bodies and others	**42.97**	41.91	13.81
Other advances	**214.91**	255.38	156.22
Claims Receivable	**44.12**	16.11	20.42
Interest receivable : Others	**7.75**	8.91	9.51
Current Account dues	**984.77**	312.67	126.44
	1,294.52	634.98	326.40

NOTE 4 : OTHER ASSETS	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
A) Non current (unsecured considered good)			
Capital Advances	**411.17**	248.37	149.16
Other advances recoverable	**1825.70**	1631.27	1465.33
Prepaid Expenses	**13.37**	13.57	3.55
Advance lease payments	**758.87**	770.48	815.75
Advance to Employees	**2.20**	1.53	-
Deposits for tax and other statutory dues	**88.23**	77.24	135.53
	3,099.53	2,742.46	2,569.32
B) Current (unsecured considered good)			
Prepaid Expenses	**214.24**	193.15	357.18
Indirect tax recoverable	**333.19**	290.31	269.19
Advance to Suppliers	**49.72**	160.32	131.13
Advance to Employees	**15.74**	18.32	18.04
SEIS benefit receivable	**72.45**	-	-
	685.34	662.10	775.54

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 5. INVENTORIES	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
Food and Beverages	**568.53**	454.23	430.08
Stores and Operating Supplies	**334.17**	317.23	374.88
	902.70	771.46	804.96

NOTE 6. TRADE RECEIVABLES	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
Unsecured			
Outstanding over six months from the date they were due for payment:			
Considered good	**25.20**	33.58	65.54
Considered doubtful	-	-	-
	25.20	33.58	65.54
Others :			
Considered good	**1,206.55**	1,379.94	1,367.49
Considered doubtful	-	-	-
	1,231.75	1,413.52	1,433.01
Less : Provision for Debts doubtful of recovery			
Over Six Month	**90.99**	67.75	58.67
Others	**-**	**-**	**-**
	1,140.76	1,345.77	1,374.35

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

NOTE 7. CASH AND BANK BALANCES	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents			
Cash on hand	**13.33**	17.73	22.64
Balances with bank in current account	**306.98**	51.97	4.12
	320.31	69.70	26.76
Bank balances other than cash and cash equivalents Earmarked balances with banks on account of unclaimed dividend	**85.63**	103.89	138.44
	85.63	103.89	138.44

NOTE 8. EQUITY SHARE CAPITAL	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
Authorised Share Capital			
Ordinary Shares 170500000 (170500000) Equity Shares of Rs.2/- each	**3,410.00**	3,410.00	3,410.00
	3,410.00	3,410.00	3,410.00
Issued Share Capital 62701495 (62701495) Equity Shares of Rs.2/- each	**1,254.03**	1,254.03	1,254.03
	1,254.03	1,254.03	1,254.03
Subscribed and Paid Up 62701495 (62701495) Equity Shares of Rs.2/- each fully paid-up	**1,254.03**	1,254.03	1,254.03
	1,254.03	1,254.03	1,254.03

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Foot note :

i) Reconciliation of Ordinary shares :

Particulars	No. of shares	Amount As at March 31, 2017	No. of shares	Amount As at March 31, 2016	No. of shares	Amount As at March 31, 2015
Shares outstanding at the beginning of the year	**62,701,495**	**1,254.03**	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	62,701,495	1,254.03

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mrs. G Indira Krishna Reddy	**3,762,966**	**6.00**	3,762,966	6.00
Dr. GVK Reddy	**3,805,981**	**6.07**	3,805,981	6.07
Mrs. Shalini Bhupal	**23,135,359**	**36.90**	11,725,180	18.70
Mr. Krishna R Bhupal	**313,500**	**0.50**	11,723,679	18.70
The Indian Hotels Company Limited	**16,000,000**	**25.52**	16,000,000	25.52

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

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

NOTE 9. OTHER EQUITY	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Reserves & Surplus			
Capital Reserve	**3,469.30**	3,469.30	3,469.30
Securities Premium Account	**3,132.00**	3,132.00	3,132.00
General Reserve	**7,100.00**	7,100.00	7,100.00
Retained Earnings			
Surplus in the Profit And Loss	**20,572.51**	19,751.59	19,998.73
Add: Current Year profits	**1,038.00**	820.92	(247.23)
Less: Dividends	**250.81**	-	-
Less: Dividend tax	**51.05**	-	-
Total retained earnings	**21,308.67**	20,572.51	19,751.49
Reserves & Surplus	**35,009.92**	34,273.81	33,452.80
Other Comprehensive Income (Net of Taxes)	**15.43**	**-**	**-**
TOTAL OTHER EQUITY	**34,994.49**	34,273.81	33,452.80

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 10 : BORROWINGS	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
	Amortised Cost	Amortised Cost	Amortised Cost
A) Long term borrowings			
Term Loan from Banks			
Secured	**25,637.48**	26,934.98	26,934.98
Less: Unamortized Borrowing Cost	**141.57**	161.80	-
Total Long term borrowings	**25,495.91**	26,773.18	26,934.98
Less: Current maturities of Long term borrowings (shown under Other current financial liabilities)	**2,773.00**	1,297.50	-
Total Long term borrowings	**22,722.91**	25,475.68	26,934.98
B) Short term borrowings			
Loans repayable on demand from Bank			
Secured	**-**	251.21	1,621.34
Total Short term borrowings	**-**	251.21	-
TOTAL BORROWINGS	**25,495.91**	27,024.40	28,556.32

i) Term Loans from Banks:

Rs.150.00 crores from HDFC Bank Ltd at an interest rate of 10.25% p.a secured by first charge on all assets of Taj Chandigarh, Chandigarh repayable in 32 equal instalments with a moratorium of 2 years from August 2014 .ie. from the date of first disbursement.

Rs.119.35 crores from AXIS Bank Ltd at an interest rate of 10.15% p.a secured by first charge on all assets of Taj Club House, Chennai repayable in 26 unequal instalments with a moratorium of 2.5 years from July 2014 .ie. from the date of first disbursement.

ii) Loans repayable on demand from Banks:

Bank Overdraft Rs.Nil (2016 : Rs.251.21 lakhs) from AXIS Bank Ltd and IDBI Bank Ltdare secured as under:

AXIS Bank Ltd : First charge on current assets of the Company, ranking pari passu with IDBI Bank Ltd and second charge on fixed assets of Taj Club House.

IDBI Bank Ltd : First charge on current assets of the company ranking pari passu with AXIS Bank Ltd
Interest rate on loans repayable on demand from the banks at 10.25% p.a

NOTE 11: TRADE PAYABLES	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
Trade Payables			
Due to Micro and Small Enterprises (Refer Footnote (i))	**2.19**	2.50	-
Vendor Payables	**4,358.94**	3,404.90	2,696.22
Accrued expenses and others	**441.65**	425.02	614.80
	4,802.78	3,832.42	3,311.02

Foot note :

(i) The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information collected by the Management.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 12 : OTHER FINANCIAL LIABILITIES	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
A) Non Current financial liabilities			
Deposits refundable	**146.36**	108.74	95.01
Creditors for Capital goods and services	**1.76**	25.30	42.30
	148.12	134.04	137.30
B) Current financial liabilities			
Current maturities of long term borrowings	**2,773.00**	1,297.50	-
Deposits from others	**14.41**	14.78	7.41
Creditors for capital expenditure	**200.60**	251.34	475.34
Unclaimed dividend	**85.63**	103.89	138.44
Employee Related Liabilities	**207.50**	237.47	262.43
Others	**-**	28.81	30.69
	3,281.13	1,933.79	914.30

NOTE 13 : PROVISION FOR EMPLOYEE BENIFITS (Refer Note No. 32)	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Non Current			
Post-retirement compensated absences	**100.98**	159.93	127.79
Gratuity	**202.91**	135.69	69.05
	303.89	295.62	196.84

NOTE 14 : OTHER NON FINANCIAL LIABILITIES	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Current			
Revenue received in advance	**345.66**	385.10	439.48
Statutory dues	**360.49**	425.15	357.62
	706.15	810.25	797.10

NOTE 15 : DEFERRED TAX LIABILITIES (NET)	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liabilities:			
Depreciation on Fixed Assets	**5,698.15**	4,939.68	4,233.37
Amortization of finance cost	**54.87**	54.87	61.87
Total (A)	**5,753.02**	4,994.55	4,295.24
Deferred Tax Assets:			
Provision for Doubtful Debts	**31.49**	23.45	19.94
Employee Benefits	**88.87**	79.83	68.55
Amortization of Prepaid lease payments	**36.30**	36.31	32.16
Total (B)	**156.66**	139.59	120.65
Net Deferred Tax Liabilities (A-B)	**5,596.36**	4,854.96	4,174.59

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 16 : REVENUE FROM OPERATIONS	Current Year 31.03.2017	Previous Year 31.03.2016
Room Income, Food, Restaurants and Banquet Income	**25,262.37**	25,866.94
Shop rentals	**502.49**	413.43
Membership fees	**57.07**	54.70
Export benefits	**72.45**	-
Others	**555.02**	642.96
TOTAL	**26,449.40**	26,978.04

NOTE 17: OTHER INCOME	Current Year 31.03.2017	Previous Year 31.03.2016
Interest Income at amortised cost		
Others	**11.92**	16.34
	11.92	16.34
Interest on Income Tax Refunds	**109.08**	4.00
Total	**121.00**	20.35
Profit on sale of assets	**0.57**	0.96
Exchange Gain (Net)	**8.89**	11.76
Others	**397.65**	189.23
TOTAL	**528.10**	222.29

NOTE 18 : FOOD AND BEVERAGES CONSUMED	Current Year 31.03.2017	Previous Year 31.03.2016
Food and Beverages Consumed	**3,101.72**	3,178.15

NOTE 19 : EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS	Current Year 31.03.2017	Previous Year 31.03.2016
Salaries, Wages, Bonus etc.	**3,627.09**	3,492.31
Company's Contribution to Provident and Other Funds	**275.58**	289.63
Reimbursement of Expenses on Personnel Deputed to the Company	**814.99**	798.20
Payment to Contractors	**595.11**	478.65
Staff Welfare Expenses	**745.00**	653.31
Total	**6,057.77**	5,712.10

NOTE 20 : FINANCE COSTS	Current Year 31.03.2017	Previous Year 31.03.2016
Interest Expense	**2,930.99**	3,240.66
Other borrowing costs	**20.22**	20.22
	2,951.21	3,260.89
Less : Interest Capitalised	**44.58**	128.01
Total	**2,906.63**	3,132.87

Foot note:

The Company has capitalised the Interest cost on borrowings relating to certain qualifying assets.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE : 21 OTHER OPERATING AND GENERAL EXPENSES	Current Year 31.03.2017	Previous Year 31.03.2016
(i) Operating expenses consist of the following :		
Linen and Room Supplies	**475.63**	494.68
Catering Supplies	**239.23**	301.28
Other Supplies	**24.61**	24.26
Fuel, Power and Light	**2,883.63**	2,915.22
Repairs to Buildings	**765.79**	350.28
Repairs to Machinery	**697.48**	658.89
Repairs to Others	**158.28**	105.89
Linen and Uniform Washing and Laundry Expenses	**383.26**	363.37
Payment to Orchestra Staff, Artistes and Others	**378.41**	428.27
Guest Transportation	**202.07**	162.58
Travel Agents' Commission	**284.85**	190.86
Discount to Collecting Agents	**225.22**	257.07
Other Operating Expenses	**554.44**	621.29
Total	**7,272.90**	6,873.93
(ii) General expenses consist of the following :		
Rent	**270.51**	308.98
Licence Fees	**760.65**	763.58
Rates and Taxes	**856.62**	805.13
Insurance	**93.26**	82.20
Advertising and Publicity	**397.98**	655.12
Printing and Stationery	**133.44**	130.98
Passage and Travelling	**42.03**	53.40
Communication Expenses	**293.77**	278.02
Provision for Doubtful Debts	**25.05**	65.70
Bad debts written off	**-**	13.09
Expenditure on Corporate Social Responsibility	**15.44**	57.29
Donations	**37.50**	31.00
Operating & Management Fees	**668.98**	1,205.17
Professional Fees	**167.13**	128.51
Outsourced Support Services	**112.70**	116.08
Loss on Sale of Fixed Assets	**35.18**	3.48
Payment made to Statutory Auditors		
i. As Auditors	**22.05**	19.10
ii. For Tax Audit	**3.45**	3.55
iii. For certification	**-**	0.10
Directors' Sitting Fees	**9.80**	10.40
Amortized expenses	**15.00**	15.00
Other Expenses	**265.32**	186.12
Total	**4,225.85**	4,932.00
	11,498.74	11,805.93

NOTE 22 : EXCEPTIONAL ITEMS	Current Year 31.03.2017	Previous Year 31.03.2016
Reversal of operating fees of Vivanta by Taj - Begumpet for FY 2015/16	**96.42**	-
Reversal of operating fees of Taj Chandigarh from July'15 to Mar'16	**167.26**	-
Total	**263.68**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

Estimated amount of contracts remaining to be executed on capital account Rs.30.14 Lakhs (2016: Rs.3.68 Lakhs).

Contingent liabilities not provided for in respect of

Paticulars	As at March 31, 2017	As at March 31, 2016
Value added tax matters	307.40	388.02
Income tax matters	210.25	325.68
Service tax matters	2871.58	2490.88
Probable customs duty payable on the Equipment Imported under Export Promotion Capital Goods Scheme	42.24	5.85
Letters of Credit	12.60	-
Bank Guarantees – Others	60.37	-

24. As required under the MCA notification G.S.R. 308(E) dated March 31, 2017 on the 'Details of Specified Bank Notes (SBN), the following are the details of specified bank notes (SBNs) or other denomination note (ODNs) held and transacted during the period from November 8, 2016 to December 30, 2016:

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	17.49	3.47	20.96
(+) Permitted receipts	-	212.30	212.30
(+) Other receipts***	38.87	-	38.87
(-) Permitted payments	-	26.82	26.82
(-) Amount deposited into bank	56.36	175.05	231.41
Closing Cash in hand as on 30.12.2016	**-**	13.91	13.91

Note : ***Other receipts represent cash accepted in SBN due to business exigencies.

25. Due to inadequacy of the profits the remuneration paid to the Managing Director and the Executive Director for the financial year 2016-17 is in excess of the limits specified under Sections 197 and 198 of the Companies Act, 2013, aggregating to Rs.153.50 lacs and Rs.40.75 lacs respectively. The Company is in the process of submitting an application to the Central Government for approval of the excess remuneration paid to the Managing Director and Executive Director as per the terms of their appointment. The Nomination and Remuneration Committee of the Board and Board of Directors at their meeting held on 17th May 2017 approved the waiver of excess remuneration paid whole time Directors and also the Company is placing the requisite resolution for approval of shareholders at the ensuing Annual General Meeting.

26. The company prepared its financial statements in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the companies(Accounts) Rules, 2014 (Indian GAAP) for and including the year ended March 31, 2016. The company has prepared its first Ind AS (Indian Accounting Standards) compliant Financial Statements for the year ended March 31,2017 with restated comparative figures for the year ended March 31, 2016 in compliance with Ind AS. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2015, the date of company's transition to Ind AS. The principal adjustments made by the company in restating its Indian GAAP financial statements for the financial year ending March 31, 2016 and the balance sheet as at April 1, 2015 are as mentioned below:

Exemptions applied

Ind AS 101 on First Time adoption of Ind AS allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has adopted the following exemptions

I. Deemed cost of Property, Plant and Equipment("PPE")/Capital Work-in-Progress("CWIP") and Intangible Assets

There is no change in the functional Currency of the Company and accordingly, it has elected to continue with the carrying values for all of its property, plant and equipment and intangible assets as recognized in its Indian GAAP financial

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

statements as the deemed cost at the transition date. Accumulated depreciation was calculated on that amount as at the date of transition to Ind AS on the basis of the current estimate of the useful life of the asset using the depreciation policy adopted by the company in accordance with Ind AS.

II. Investment in Joint Venture

In accordance with the exemption given in Ind AS 101, the company has elected to record its investment in Joint venture at their previous GAAP carrying amount as deemed cost as on the date of transition to Ind AS.

III. Impairment of financial assets

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at April 1, 2015.

IV. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the transition to Ind AS.

V. Classification and measurement of financial assets

The Company has classified the financial assets in accordance to Ind AS 109 on the basis of the facts and circumstances that exist on the date of transition to Ind AS.

27. Reconciliation of IGAAP to Ind AS

A) Reconciliation of Total Equity

		As at 31.03.2016	As at 01.04.2015
Share capital		1,254.03	1,254.03
Other equity		33,935.32	33,395.10
Total equity under I GAAP	**1**	35,189.34	34,649.12
Ind AS Adjustments:			
Borrowings costs amortised		161.80	182.02
Proposed dividend (including tax on dividend) reversed		301.86	-
Amortization of Interest free lease deposits		(106.60)	(94.63)
Tax adjustments on above		(18.56)	(29.71)
Total adjustment to equity	**2**	338.50	57.69
Derived total	**3 = 1 + 2**	35,527.83	34,706.82
Share capital		1,254.03	1,254.03
Reserves and surplus		34,273.81	33,452.80
Total equity (shareholders' funds) under Ind AS	**4**	35,527.84	34,706.82

B) Reconciliation of profit for the period

		Year ended 31.03.2016
Total comprehensive income under IGAAP	**1**	842.08
Less: Other comprehensive income for the year (net of tax)	**2**	-
Profit/loss for the year as per IGAAP	**3 = 1-2**	842.08
Ind AS Adjustments:		
Borrowings costs amortised		(20.22)
Notional Lease rental on Interest free deposits net of interest on deposit		(12.90)
Imputed interest income on interest-free lease deposits		0.92
Tax adjustments on above		11.05
Total effect of conversion to Ind AS	**4**	(21.16)
Profit for the peirod as per Ind AS	**5 = 3 + 4**	820.92

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

i) Rs.101.99 lakhs (Rs.101.99 lakhs) paid under the VAT Act pertaining to financial years 2005-06 to 2012-13.

ii) Rs.260.72 lakhs (Rs.254.79 lakhs) paid under the Income Tax Act pertaining to financial years 2002-03 and 2005-06.

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

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

Particulars	**As at 31-03-2017**	As at 31-03-2016
The principal amount due thereon remaining unpaid to any supplier as at the end of the accounting year	2.19	2.49
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of payments made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under MSMED Act, 2006	-	-

30. Related Parties Disclosure

Disclosures as required under Ind AS 24 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

a. Key Managerial personnel:

Name of the Related Party	**Relationship**
Mrs. G Indira Krishna Reddy	Managing Director

b. Other related parties:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

Alakananda Hydro Power Company Ltd
Bengaluru Airport & Infrastructure Developers (P) Ltd
Bengaluru International Airport Ltd (*)
Bluestreak Constructions (P) Ltd
GVK Gautami Power Ltd
Green Woods Palaces & Resorts (P) Ltd (*)
Greenridge Hotels & Resorts LLP
GVK Airport Developers Ltd (*)
GVK Airport Holdings (P) Ltd
GVK Biosciences (P) Ltd (*)
GVK City (P) Ltd
GVK Davix Technologies (P) Ltd
GVK Foundation (*)
GVK EMRI (UP)
GVK Energy Ltd (*)
GVK Industries Ltd (*)
GVK Jaipur Expressway Private Ltd (*)
GVK Oil & Gas Limited
GVK Power & Infrastructure Ltd (*)
GVK Power (Goindwal Sahib) Ltd (*)
GVK Properties & Management Co.(P) Ltd
GVK Projects & Technical Services Ltd.
GVK Technical Consultancy Services (P) Ltd
GVK Ratle Hydro Electric Project (P) Ltd
Inogent Laboratories (P) Ltd (*)
GVK EMRI (*)
Mumbai Airotropolis (P) Ltd
Mumbai Aviation Fuel Form Facility (P) Ltd (*)
Mumbai International Airport (P) Ltd (*)
Orbit Travel & Tours (P) Ltd (*)
Paigah House Hotel (P)Ltd
Pinakini Share & Stock Brokers Ltd
Rocktown Estates (P) Ltd

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

Transactions during the year

Name of the related party	Current Year	Previous Year
Key Management Personnel:		
Mrs. G. Indira Krishna Reddy – Remuneration	**271.53**	243.97
Mrs. Shalini Bhupal – Remuneration	**158.77**	147.56
Joint Venturer:		
Indian Hotels Company Limited		
Operating fee	**668.98**	1205.17
Reimbursement of advertisement expenses	**315.27**	363.90
Enterprises in which key management personnel and / or their relatives have significant influence:		
Orbit Tours and Travels (P) Ltd - Purchase of travel tickets and car hire charges	**44.78**	12.87
GVK Foundation - Donation	**37.50**	31.00
Income from sale of rooms and food & beverages:		
- GVK Gautami Power Ltd	**-**	0.68
- Mumbai International Airport (P)Ltd	**8.58**	8.67
- GVK Biosciences (P) Ltd	**8.00**	20.22
- GVK Industries Ltd	**1.26**	9.30
- GVK Jaipur Expressway (P) Ltd	**0.39**	0.32
- GVK Power & Infrastructure Ltd	**1.18**	2.70
- GVK Power (Goindwal Sahib) Ltd	**4.25**	3.75
- Bengaluru International Airport Ltd	**0.32**	6.09
- GVK Energy Ltd	**1.12**	1.12
- Inogent Laboratories (P) Ltd	**0.23**	0.77
- Mumbai Aviation Fuel Farm Facility (P) Ltd	**0.20**	-
- GVK Projects and Technical Services Ltd	**-**	0.07
- GVK Ratle Hydro Electric Project (P) Ltd	**-**	0.87
- GVK Technical Consultancy Services (P) Ltd	**-**	0.60
- GVK EMRI	**2.36**	5.24
- GVK Airport Developers Ltd	**0.07**	0.30

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Balances Outstanding as of 31 March, 2017:

Name of the related party	Current Year	Previous Year
Joint Venturer:		
Indian Hotels Company Limited		
Operating fee & reimbursements payable	**1578.41**	1462.19
Reimbursement of expenses payable / (receivable)	**(921.16)**	233.48
Jointly controlled entity:		
Green Woods Palaces & Resorts (P) Ltd		
Investment in Equity Shares	**11025.00**	11025.00

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Not later than one year	**495.23**	491.18
Later than one year but not later than five years	**551.16**	606.70
Later than 5 years	-	-

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Not later than one year	**398.61**	398.61
Later than one year but not later than five years	**2,038.01**	2,022.18
Later than 5 years	**10,131.18**	10,545.62

32. EMPLOYEE BENEFITS :

Defined contribution plan:

Amount recognized as an expense in statement of profit and loss Rs.93.87 lakhs (2016: Rs.93.20 lakhs) on account of provident fund and Rs.45.78 lakhs (2016: Rs. 42.62 lakhs) on account of Employee State Insurance.

Defined benefit plan:

Gratuity:

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) (except in case of Taj Banjara where every employee gets a gratuity at 30 days salary) for each completed year of service as per the provision of the Payment of Gratuity Act,1972 with total ceiling on gratuity of Rs.1,000,000/-

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

a. Statement of Profit and Loss

Particulars	Current Year	Previous Year
Current Service Cost	**34.60**	31.07
Interest on Net Defined Benefit liability / (asset)	**10.75**	5.50
Changes in financial assumptions	**31.19**	6.54
Experience adjustments	**9.03**	17.08
Actuarial return on plan assets less interest on plan assets	**(16.63)**	8.41
Amount recognized in OCI and Profit and Loss account	**68.94**	68.60

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

b. Reconciliation of Defined Benefit Obligation

Particulars	As at 31-03-2017	As at 31-03-2016
Opening Defined benefit Obligation	**504.77**	445.21
Current Service Cost	**34.60**	31.07
Interest Cost	**34.60**	31.80
Actuarial Losses / (Gain)	**40.23**	23.63
Benefits Paid	**(23.48)**	(26.94)
Closing Defined Benefit Obligation	**590.72**	504.77

c. Change in Fair Value of Plan Assets

Particulars	As at 31-03-2017	As at 31-03-2016
Opening Fair Value of Plan Assets	**355.34**	364.38
Interest on Plan Assets	**23.84**	26.30
Actuarial gain / (Losses)	**16.63**	(8.41)
Contributions by Employer	**-**	-
Benefits Paid	**(23.48)**	(26.93)
Closing Fair Value of Plan Assets	**372.33**	355.34

d. Amount recognized in Balance Sheet

Particulars	As at 31-03-2017	As at 31-03-2016
Opening net defined benefit liability / (asset)	**149.43**	80.83
Expense charged to profit and loss account	**45.35**	68.60
Amount recognized outside profit and loss account	**23.60**	-
Net Liability recognized in the Balance Sheet	**218.38**	149.43

e. Description of Plan Assets

Particulars	As at 31-03-2017	As at 31-03-2016
Insurer Managed Funds	100%	100%

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

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

Sensitivity Analysis:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	Period Ended 31st March, 2017	
	Discount Rate	**Salary Escalation Rate**
Impact of increase in 50 bps on DBO	(3.18%)	3.46%
Impact of decrease in 50 bps on DBO	3.41%	(3.25%)

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

Compensated Absences:

The Company's liability towards un-funded leave encashment is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The Defined Benefit Obligation of compensated absence in respect of the employees of the Company as at 31 March 2017 works out to Rs.1,75,98,079/-.

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

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

33. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Gross amount required to be spent by the company during the year: Rs.57.29 lakhs

Financial Year	Amount to be spent	Spent during the year	Amount carried forward
2014-15	43.39	Nil	43.39
2015-16	13.90	57.29	Nil
2016-17	15.44	15.44	Nil

34. 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.

35. Segmental Reporting:

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

36. In the absence of Operating Agreement for Taj Chandigarh, no provision was made in the Accounts towards Management Fee for the FY 2016-17. The fee already provided for July, 2015 to March, 2016 was also reversed in FY 2016-17 and disclosed in exceptional items.

37. Risk Management, Objectives and Policies:

Risks and Concerns

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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.

38. Capital management

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

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

The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The table below shows the Gearing ratio for FY 17 and FY 16 and as at 1st April, 15.

Particulars	**31st March, 2017**	31st March, 2016	1st April, 2015
Borrowings	25,637.48	26,934.98	26,934.98
Trade Payables	4,802.78	3,832.42	3,311.02
Less: Cash & Cash Equivalents	405.94	173.59	165.19
Net Debt	30,034.32	30,593.82	30,080.81
Equity Capital	36,248.52	35,527.84	34,706.83
Equity Capital and Net Debt	66,282.83	66,121.66	64,787.63
Gearing Ratio	45%	46%	46%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

39. Fair values

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

Particulars	Carrying Values			Fair Values		
	31 March, 2017	31 March, 2016	1 April, 2015	31 March, 2017	31 March, 2016	1 April, 2015
Financial Assets						
Investments	11,026.80	11,026.80	11,026.80	11,026.80	11,026.80	11,026.80
Other financial assets	407.60	416.65	416.60	407.60	416.65	416.60
Tax Assets (Net)	3,140.27	2,903.43	2,503.51	3,140.27	2,903.43	2,503.51
Trade Receivables	1,140.76	1,345.77	1,374.35	1,140.76	1,345.77	1,374.35
Cash and Cash Equivalents	320.31	69.70	26.76	320.31	69.70	26.76
Bank balances other than cash and cash equivalents	85.63	103.89	138.44	85.63	103.89	138.44
Other financial assets	1,294.52	634.99	326.40	1,294.52	634.99	326.40
Total	**17,415.89**	**16,501.22**	**15,812.85**	**17,415.89**	**16,501.22**	**15,812.85**
Financial Liabilities						
Non-current Borrowings	22,722.91	25,475.68	26,934.98	22,722.91	25,475.68	26,934.98
Other non-current financial Liabilities	148.13	134.04	137.30	148.13	134.04	137.30
Current Borrowings	-	251.21	1,621.34	-	251.21	1,621.34
Trade Payables	4,802.78	3,832.42	3,311.02	4,802.78	3,832.42	3,311.02
Other current financial Liabilities	3,281.13	1,933.79	914.30	3,281.13	1,933.79	914.30
Total	**30,954.94**	**31,627.15**	**32,918.95**	**30,954.94**	**31,627.15**	**32,918.95**

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair values hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-17	22,722.91	-	22,722.91	-
Other non-current financial Liabilities	31-Mar-17	148.13	-	148.13	-
Current Borrowings	31-Mar-17	-	-	-	-
Trade Payables	31-Mar-17	4,802.78	-	4,802.78	-
Other current financial Liabilities	31-Mar-17	3,281.13	-	3,281.13	-
Total		**30,954.94**	**-**	**30,954.94**	**-**

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

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

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investments	31-Mar-16	11,026.80		11,026.80	
Other financial assets	31-Mar-16	416.65		416.65	
Tax Assets (Net)	31-Mar-16	2,903.43		2,903.43	
Trade Receivables	31-Mar-16	1,345.77		1,345.77	
Cash and Cash Equivalents	31-Mar-16	69.70		69.70	
Bank balances other than cash and cash equivalents	31-Mar-16	103.89		103.89	
Other financial assets	31-Mar-16	634.99		634.99	
Total		**16,501.22**	**-**	**16,501.22**	**-**

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-16	25,475.68	-	25,475.68	-
Other non-current financial Liabilities	31-Mar-16	134.04	-	134.04	-
Current Borrowings	31-Mar-16	251.21	-	251.21	-
Trade Payables	31-Mar-16	3,832.42	-	3,832.42	-
Other current financial Liabilities	31-Mar-16	1,933.79	-	1,933.79	-
Total		**31,627.15**	**-**	**31,627.15**	**-**

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

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:
Quantitative disclosures fair value measurement hierarchy for assets as at 01 April 2015:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investments	1-Apr-15	11,026.80	-	11,026.80	-
Other financial assets	1-Apr-15	416.60	-	416.60	-
Tax Assets (Net)	1-Apr-15	2,503.51	-	2,503.51	-
Trade Receivables	1-Apr-15	1,374.35	-	1,374.35	-
Cash and Cash Equivalents	1-Apr-15	26.76	-	26.76	-
Bank balances other than cash and cash equivalents	1-Apr-15	138.44	-	138.44	-
Other financial assets	1-Apr-15	326.40	-	326.40	-
Total		**15,812.85**	**-**	**15,812.85**	**-**

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

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

Quantitative disclosures fair value measurement hierarchy for assets as at 01 April 2015:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	1-Apr-15	26,934.98	-	26,934.98	-
Other non-current financial Liabilities	1-Apr-15	137.30	-	137.30	-
Current Borrowings	1-Apr-15	1,621.34	-	1,621.34	-
Trade Payables	1-Apr-15	3,311.02	-	3,311.02	-
Other current financial Liabilities	1-Apr-15	914.30	-	914.30	-
Total		**32,918.95**	**-**	**32,918.95**	**-**

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

40 Financial risk management objectives and policies

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

Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2017 and 31 March 2016.
The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

Interest rate risk

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Interest rate sensitivity

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

	Increase / (decrease) in Interest Rate	Increase / (decrease)in profit before tax
31-Mar-17		
INR	0.5% p. a.	(134.67)
INR	(0.5%) p. a.	134.67
31-Mar-16		
INR	0.5% p. a.	(134.67)
INR	(0.5)% p. a.	134.67

Price risk

Price risk is the risk of fluctuations in the change in prices of of equity Investments. The Company's investment in JV company is of strategic in nature rather than for trading purpose.

Credit risk

Credit risk is the risk arising from credit exposure to customers and the couterparty will default on its contractual obligations.

The Company has adopted a policy of only dealing with creditworthy customers/ corporatres to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevent factors. Advance payments are obtained from customers in banquets, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of trade and other receivables, advances to suppliers, cash and short-term deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Deposits and cash balances are placed with Schedule Commerical banks.

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

Financial instruments and cash deposits

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

Liquidity risk

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

The Company primarily uses short-term bank facilities in the nature of bank overdraft facility to fund its ongoing working capital requirements.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Particulars	On demand	Less than 1 Year	1 to 5 years	5 years and above	Total
Year ended 31/3/2017					
Borrowings	-	2,773.00	19,395.00	3,469.48	25,637.48
Other financial liabilities	-	148.12	508.14	-	656.26
Trade and other payables	4,802.78	-	-	-	4,802.78
TOTAL	**4,802.78**	**2,921.12**	**19,903.14**	**3,469.48**	**31,096.52**
Year ended 31/3/2016					
Borrowings	-	1,297.50	17,773.00	7,864.48	26,934.98
Other financial liabilities	-	134.04	1,933.79	-	2,067.83
Trade and other payables	3,832.42	-	-	-	3,832.42
TOTAL	**3,832.42**	**1,431.54**	**19,706.79**	**7,864.48**	**32,835.23**
Year ended 01/04/2015					
Borrowings	-	-	14,795.50	12,139.48	26,934.98
Other financial liabilities	-	137.30	914.30	-	1,051.61
Trade and other payables	3,311.02	-	-	-	3,311.02
TOTAL	**3,311.02**	**137.30**	**15,709.80**	**12,139.48**	**31,297.61**

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

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

S.Satyanarayana Murthy
Partner
Membership No.023651

Place : Hyderabad
Date : May 17, 2017

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

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

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of Taj GVK Hotels & Resorts Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Taj GVK Hotels & Resorts Limited (hereinafter referred to as "the Holding Company"), and its jointly controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its jointly controlled entityin accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

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

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs Holding company and its jointly controlled entityas at March 31, 2017, and their consolidated profit(including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matters

7. Without qualifying our report, we draw attention to Note No: 25 to financial statements. The company has paid remuneration to its Managing Director and Executive Director as per the terms of appointment approved by the shareholders. Such remuneration paid is in excess of

the limits laid down under Section 197 and 198 read with Schedule V to the Companies Act, 2013. The Company is in the process of applying to the Central Government for its approval.

Report on Other Legal and Regulatory Requirements

8. As required by Section143(3) of the Act, we report, to the extent applicable, that:

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

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group and joint venture company incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Companyand its jointly controlled entity as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and its jointly controlled entity, none of the directors of the Group's company and joint controlled entity is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group and its joint venture – Refer Note 23 to the consolidated Ind AS financial statements.

ii. The Holding Company and jointly controlled entitydid not have any material foreseeable losses on long-term contracts as at March 31, 2017. The Holding Company and jointly controlled entitydid not have any derivative contracts as at March 31, 2017.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Companyand jointly controlled entity during the year ended March 31, 2017.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 24.

For Brahmayya& Co
Chartered Accountants
(Firm Registration
No.000513S)

(S.Satyanarayana Murthy)
(Partner)
(Membership No:023651)

Place : Hyderabad
Date : 17th May, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

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

	Note	As at March 31, 2017	As at March 31, 2016
ASSETS			
Non-current Assets			
Property, Plant and Equipment	1	**43,772.47**	45,254.99
Capital work-in-progress		**7,669.40**	7,035.76
Intangible Assets	1	**264.52**	147.82
		51,706.39	52,438.57
Financial Assets			
Investments	2	**9,931.70**	10,546.59
Other financial assets	3	**407.60**	416.65
Tax Assets (Net)		**3,140.27**	2,903.43
Other non current assets	5	**3,099.53**	2,602.33
		16,579.10	16,609.12
Current Assets			
Inventories	6	**902.70**	771.46
Financial Assets			
Trade Receivables	7	**1,140.76**	1,345.77
Cash and Cash Equivalents	8	**320.31**	69.70
Other financial assets	3	**1,380.14**	738.88
Other Current assets	5	**685.34**	662.11
		4,429.26	3,587.90
TOTAL ASSETS		**72,714.75**	72,635.60
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9	**1,254.03**	1,254.03
Other Equity	10	**33,899.39**	33,793.60
Total Equity		**35,153.42**	35,047.63
Non-current Liabilities			
Financial Liabilities			
Borrowings	11	**22,722.91**	25,475.68
Other financial Liabilities	13	**148.12**	134.04
Employee benefit obligations	14	**303.89**	295.62
Deferred Tax Liabilities (net)	4	**5,596.36**	4,854.96
		28,771.27	30,760.30
Current Liabilities			
Financial Liabilities			
Borrowings	11	**-**	251.21
Trade Payables	12	**4,802.78**	3,832.42
Other financial Liabilities	13	**3,281.13**	1,933.79
Other current liabilities	15	**706.15**	810.25
		8,790.06	6,827.67
TOTAL EQUITY AND LIABILITIES		**72,714.75**	72,635.60

Summary of Significant Accounting Policies

The accompanying notes form an integral part of the Financial Statements

Per our report of even date
For BRAHMAYYA & CO.,

Chartered Accountants
Firm Regn No.000513S

S.Satyanarayana Murthy
Partner
Membership No.023651

Place : Hyderabad
Date : May 17, 2017

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

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

	Note	Current Year 31.03.2017	Previous Year 31.03.2016
Revenue from Operations	16	**26,449.40**	26,978.04
Other Income	17	**528.10**	222.29
TOTAL INCOME		**26,977.50**	27,200.33
EXPENSES			
Food and Beverages Consumed	18	**3,101.72**	3,178.15
Employee Benefit Expense and Payment to Contractors	19	**6,057.77**	5,712.10
Finance Costs	20	**2,906.63**	3,132.87
Depreciation and Amortisation	1	**1,812.82**	1,847.15
Other Operating and General Expenses	21	**11,498.74**	11,805.93
Total Expenses		**25,377.68**	25,676.20
Profit Before Exceptional item and Tax		**1,599.82**	1,524.13
Exceptional Item	22	**(263.68)**	-
Profit Before Tax		**1,863.50**	1,524.13
Tax Expense			
Current Tax		**444.00**	340.00
Deferred Tax		**741.39**	680.37
Minimum Alternative Tax Credit		**(444.00)**	(340.00)
Short/ (Excess) Provision of Tax Deferred Tax of Earlier Years (Net)		**84.14**	22.84
Total Tax Expenses		**825.53**	703.21
Profit for the period		**1,037.97**	820.92
Share of loss from Joint Venture		**614.89**	461.07
Other Comprehensive income, net of tax			
Items that will not the reclassified to Profit & Loss			
Actuarial loss on employee gratuity (net of tax)		**15.43**	-
Total Comprehensive Income for the period		**407.65**	359.85
Earnings Per Share			
No.of equity shares of Rs.2/-each		**6,27,01,495**	6,27,01,495
i) Basic		**0.65**	0.57
ii) Diluted		**0.65**	0.57

Per our report of even date
For BRAHMAYYA & CO.,

Chartered Accountants
Firm Regn No.000513S

S.Satyanarayana Murthy
Partner
Membership No.023651

Place : Hyderabad
Date : May 17, 2017

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

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

Particulars	Current Year		Previous Year	
A CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		**1,863.50**		1,524.13
Less: Share of Loss before tax from Joint Venture		**(884.54)**		(539.36)
Consolidated profit before tax		**978.96**		984.77
Adjustments for :				
Consolidation of proportionate share of joint venture	614.89		539.36	
Depreciation	1,812.82		1,847.15	
Miscellaneous Expenditure Written off	15.00		15.00	
Loss on sale of assets	35.18		3.48	
Profit on sale of assets	(0.57)		(0.96)	
Bad debts written off	-		13.09	
Provision for Bad & Doubtful Debts	25.05		65.70	
Provision for bad & doubtful debts credited back	(1.82)		(56.60)	
Interest expenses	2,906.63		3,132.87	
Interest earned	(121.00)		(20.35)	
		5,286.18		5,538.75
Operating Profit before working capital changes		**6,265.14**		6,523.52
Adjustments for :				
Trade Receivables	181.78		6.40	
Inventories	(131.24)		33.51	
Non-current and current financial assets	(651.63)		(254.54)	
Other Non-current and current assets	(395.31)		(73.78)	
Non-current and current financial liabilities	(408.37)		(264.88)	
Other Current Liabilities	(104.10)		13.14	
Employee benefit obligations	8.28		98.77	
Trade payables	970.36	**(530.24)**	521.40	80.03
Cash generated from operations		**5,734.90**		6,603.55
Less: Taxes paid / (refund received)		**(83.81)**		422.76
Less: Tax adjustment on account of share of Joint Venture		**(269.77)**		(78.29)
NET CASH IN FLOW FROM OPERATING ACTIVITIES		**6,088.48**		6,180.79
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets /addition to CWIP	(1,256.94)		(1,714.12)	
Interest Received	122.15		20.11	
Sale of Fixed Assets	1.57		10.88	
NET CASH OUT FLOW FROM INVESTING ACTIVITIES		**(1,133.22)**		(1,683.14)
C CASH FLOW FROM FINANCING ACTIVITIES				
Long term loans (repaid)	(1,297.50)		-	
Working capital borrowings	(251.21)		(1,370.12)	
Long term deposits raised/(paid back)	14.09		13.73	
Interest paid	(2,886.41)		(3,132.87)	
Dividend paid	(250.81)		-	
Taxes on dividend paid	(51.06)		-	
NET CASH OUT FLOW FROM FINANCING ACTIVITIES		**(4,722.90)**		(4,489.27)
Net increase in cash and cash equivalent		**232.36**		8.39
Cash and Cash equivalents as at beginning of the year		**173.59**		165.19
Cash and Cash equivalents as at end of the year		**405.94**		173.59

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

Per our report of even date
For BRAHMAYYA & CO.,

Chartered Accountants
Firm Regn No.000513S

S.Satyanarayana Murthy
Partner
Membership No.023651

Place : Hyderabad
Date : May 17, 2017

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

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

1. General information

TAJGVK Hotels & Resorts Limited ("TAJGVK" / "the Company") was incorporated on 02nd February, 1995 in the erstwhile state of Andhra Pradesh, India. The Company is a joint venture between the GVK Group and Indian Hotels Company Limited. The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts with the brand name of "TAJ".

The financial statements represent financial statements of TAJGVK Hotels & Resorts Limited ("the company" or "TAJGVK") and Joint Venture Company (collectively, "the Group") for the year ended 31 March 2017.

The statements were authorized for issue in accordance with a resolution of the Board of Directors passed on May 17,2017.

2. Principles of Consolidation

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

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

Names of the Joint Venture	Country of incorporation	As at 31 March 2017	As at 31 March 2016
Green Woods Palaces and Resorts Pvt Ltd	India	48.99%	48.99%

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

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

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

3. Summary of Significant Accounting Policies

i. Statement of compliance:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016. The accounting policies as set out below have been applied consistently to all years presented in these financial statements.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended March 31, 2017 are the first financial statements under Ind AS. The date of transition to Ind AS is April 1, 2015 and the Company restated the previous Indian GAAP accounts to Ind AS complaint accounts for the financial year ended March 31, 2016.

The Company has adopted all issued Ind AS standards, as applicable, and the adoption was carried out in accordance with Ind AS 101. The transition was carried out from the Indian GAAP which was the previous GAAP. An explanation of how the transition to Ind AS has affected the reported financial position and financial performance of the Company is provided in Note No.26. The reconciliations of equity and total comprehensive income for comparative years under Indian GAAP to those reported for those years under Ind AS, is provided in Note No.27.

Note No.26 also gives details of first-time adoption exemptions availed by the Company.

ii. Basis of preparation of financial statements:

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

iii. Use of estimates:

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

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

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

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

An asset is treated as current when it is:

a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
b) Held primarily for the purpose of trading;
c) Expected to be realized within twelve months after the reporting period; or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is treated as current when it is:

a) It is expected to be settled in normal operating cycle;
b) It is held primarily for the purpose of trading;
c) It is due to be settled within twelve months after the reporting period; or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

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

v. Exceptional Items:

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

vi. Revenue Recognition:

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

b. Shop rentals are recognized on accrual basis.

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

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

vii. Inventories:

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

viii. Property Plant and equipment:

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

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

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

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

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

ix. Intangible assets:

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

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

x. Depreciation and Amortisation:

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

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

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

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

Computer software	:	6 years

xi. **Leases:**

The determination of whether an arrangement is (or contain) a lease is based on the substance of the arrangement at the inception of lease. The arrangement is, or contain, a lease is fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of assets over the lease term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

For leases which include both land and building elements, basis of classification of each element is assessed on the date of transition, April 1, 2015, in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard.

Lessor:

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

xii. **Foreign Exchange Transactions:**

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

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

b. **Conversion:** Foreign currency monetary items are reported at the exchange rates (the functional currency spot rates) on Balance Sheet date.

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

xiii. **Unamortised Expenses:**

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

xiv. **Retirement Benefits:**

a. **Defined Contribution Plan:**

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

b. **Defined Benefit Plan:**

Gratuity :

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

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

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

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

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

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

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

Compensated Absences:

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

xv. <u>Borrowing Costs:</u>

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

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

xvi. <u>Taxes on income:</u>

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

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

b. <u>Deferred Tax:</u> In accordance with the Accounting Standard (AS) 12 "Accounting for taxes on income" the company has recognised the deferred tax liability / asset in the accounts. Deferred tax reflects the impact of timing differences between taxable income and accounting income. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax asset is recognised only to the extent there is virtual certainty that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

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

xvii. <u>Earnings per share:</u>

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

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

xviii. <u>Impairment of non-financial assets:</u>

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

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

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

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

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

xix. <u>Provisions:</u>

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

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

xx. <u>Contingent Assets and Contingent Liabilities:</u>

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

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

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

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

xxii. Cash and cash equivalents

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

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

xxiii. Investment in subsidiaries, associates and joint ventures

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

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

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

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

xxiv. **Financial assets**

Initial recognition and measurement:

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

Subsequent measurement:

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

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

Derecognition:

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

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

Financial liabilities

Initial recognition and measurement:

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

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

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

Subsequent measurement:

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

Financial liabilities at fair value through profit or loss.

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

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

Loans and borrowings

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

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

Derecognition :

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

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

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

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

Provisions and Contingency : The contingencies and commitments are discussed in more details in note 38. It is not practical to state the timing of the judgement and final outcome. The management has assessed the probable unfavourable outcomes and creates provisions where necessary, where these are assessed as not probable.These are disclosed as contingent liability.

Taxes

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

The Company has Minimum Alternate Credit (MAT) of INR 2109.79 lakhs as at the reporting date which can utilised for a period of 10 years from the assessment year to which it relates to. Based on future projections of taxable profit and MAT, the Company has assessed that the entire MAT credit can be utilised.

Defined benefit plans (gratuity benefits)

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

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

Allowance for uncollectible trade receivables

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

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

Statement of Changes in Equity as at March 31, 2017

Particulars	Equity Share Capital Subscribed	RESERVES AND SURPLUS				TOTAL
		Capital Reserve	Securities Premium Account	Retained Earning		
				General Reserve	Profit & Loss B/fd	
Balance at the beginning of the year (April 1, 2016)	**1,2504.03**	**3,469.30**	**3,132.00**	**7,100.00**	**20,092.30**	**35,047.63**
Profit for the year	-	-	-	-	423.08	**423.08**
Other Comprehensive Income for the year, net of taxes, excluding actuarial gain/ losses		- -	-	-	15.43	**15.43**
Dividends	-	-	-	-	250.81	**250.81**
Tax on Dividend	-	-	-	-	51.06	**51.06**
Balance at the end of the year (March 31, 2017)	**1,254.03**	**3,469.30**	**3,132.00**	**7,100.00**	**20,198.08**	**35,153.42**

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

	Free hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital Work in Progress	Intangible Assests Software
Gross Block at Cost									
At April 1, 2016	4,244.11	30,981.19	10,078.42	1,422.50	227.25	104.53	47,058.01	7035.76	196.27
Additions	-	13.06	182.01	26.04	51.84	-	272.95	633.64	210.22
Transition	-	-	-	-	-	-	-	-	-
Disposals	-	-	4.79	0.35	9.97	-	15.10	-	49.22
At March 31, 2017	**4,244.11**	**30,994.25**	**10,255.65**	**1,448.20**	**269.13**	**104.53**	**47,315.86**	**7669.40**	**357.28**
Depreciation									
At April 1, 2016	1.83	531.95	978.56	196.02	57.43	37.22	1,803.02	-	48.44
Charge for the year	-	543.27	920.24	188.45	63.03	30.71	1,745.71	-	67.11
Disposals	-	-	0.96	-	4.37	-	5.34	-	22.80
At March 31, 2017	**1.83**	**1,075.22**	**1,897.84**	**384.47**	**116.09**	**67.93**	**3,543.39**	**-**	**92.76**
Net Block									
At March 31, 2017	**4,242.27**	**29,919.03**	**8,357.81**	**1,063.72**	**153.04**	**36.60**	**43,772.47**	**7669.40**	**264.52**

Footnotes :

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

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

3) Cost as at 1st April 2015 adopted as the deemed cost. Refer Note No.26

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 2 : INVESTMENTS	Face Value	As at March 31, 2017		As at March 31, 2016	
		Holdings	Rs. In lakhs	Holdings	Rs. In lakhs
INVESTMENT IN JOINT VENTURE UNQUOTED					
Green Woods Palaces and Resorts Pvt Ltd (fully paid Equity Shares)	10/-	**36,75,00,000**	**11,025.00**	36,75,00,000	11,025.00
OTHERS					
Green Infra Windfarms Limited (fully paid Equity Shares)	10/-	**18,000**	**1.80**	**18,000**	1.80
Total Non-current Investments			**11,026.80**		11,026.80

Foot note :

(i) Investment in Joint Venture represents investment in equity share of Rs.10/- at a premium of Rs.20/- per share in Green Woods Palaces & Resorts Pvt Ltd (SPV) which is operating Taj Santacruz, 5-star luxury hotel comprising of 279 rooms near Terminal 1C, Santacruz, Mumbai at Mumbai International Airport. The SPV is treated as a jointly controlled entity as per the Indian Accounting Standard (Ind AS 111) - Joint Arrangements.

(ii) The Equity Investment was made in Green Infra Windforms Ltd with which the Company had 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 3 : OTHER FINANCIAL ASSETS	**As at March 31, 2017**	As at March 31, 2016
A) Non Current		
Deposits with Public Bodies and Others	**366.35**	360.40
Unamortized Expenditure	**41.25**	56.25
	407.60	416.65
B) Current		
Deposit with public bodies and others	**42.97**	41.91
Other advances	**214.91**	255.38
Claims Receivable	**44.12**	16.11
Interest receivable : Others	**7.75**	8.91
Current Account dues	**984.77**	312.67
	1,294.52	634.98

NOTE 4 : OTHER ASSETS	**As at March 31, 2017**	As at March 31, 2016
A) Non current (unsecured considered good)		
Capital Advances	**411.17**	248.37
Other advances recoverable	**1825.70**	1631.27
Prepaid Expenses	**13.37**	13.57
Advance lease payments	**758.87**	770.48
Advance to Employees	**2.20**	1.53
Deposits for tax and other statutory dues	**88.23**	77.24
	3,099.53	2,742.46
B) Current (unsecured considered good)		
Prepaid Expenses	**214.24**	193.15
Indirect tax recoverable	**333.19**	290.31
Advance to Suppliers	**49.72**	160.32
Advance to Employees	**15.75**	18.32
SEIS benefit receivable	**72.45**	-
	685.34	662.10

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 5. INVENTORIES	As at March 31, 2017	As at March 31, 2016
Food and Beverages	**568.53**	454.23
Stores and Operating Supplies	**334.17**	317.23
	902.70	771.46

NOTE 6. TRADE RECEIVABLES	As at March 31, 2017	As at March 31, 2016
Unsecured		
Outstanding over six months from the date they were due for payment:		
Considered good	**25.20**	33.58
Considered doubtful	-	-
	25.20	33.58
Others :		
Considered good	**1,206.55**	1,379.94
Considered doubtful	-	-
	1,231.75	1,413.52
Less : Provision for Debts doubtful of recovery		
Over Six Month	**90.99**	67.75
Others	**-**	**-**
	1,140.76	1,345.77

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

NOTE 7. CASH AND BANK BALANCES	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash on hand	**13.33**	17.73
Balances with bank in current account	**306.98**	51.97
	320.31	69.70
Bank balances other than cash and cash equivalents		
Earmarked balances with banks on account of unclaimed dividend	**85.63**	103.89
	85.63	103.89

NOTE 8. EQUITY SHARE CAPITAL	As at March 31, 2017	As at March 31, 2016
Authorised Share Capital		
Ordinary Shares		
170500000 (170500000) Equity Shares of Rs.2/- each	**3,410.00**	3,410.00
	3,410.00	3,410.00
Issued Share Capital		
62701495 (62701495) Equity Shares of Rs.2/- each	**1,254.03**	1,254.03
	1,254.03	1,254.03
Subscribed and Paid Up		
62701495 (62701495) Equity Shares of Rs.2/- each fully paid-up	**1,254.03**	1,254.03
	1,254.03	1,254.03

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Foot note :

i) Reconciliation of Ordinary shares :

Particulars	No. of shares	Amount As at March 31, 2017	No. of shares	Amount As at March 31, 2016
Shares outstanding at the beginning of the year	**62,701,495**	**1,254.03**	62,701,495	1,254.03
Add : Shares Issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**62,701,495**	**1,254.03**	62,701,495	1,254.03

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

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mrs. G Indira Krishna Reddy	**3,762,966**	**6.00**	3,762,966	6.00
Dr. GVK Reddy	**3,805,981**	**6.07**	3,805,981	6.07
Mrs. Shalini Bhupal	**23,135,359**	**36.90**	11,725,180	18.70
Mr. Krishna R Bhupal	**313,500**	**0.50**	11,723,679	18.70
The Indian Hotels Company Limited	**16,000,000**	**25.52**	16,000,000	25.52

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

iii) Rights, preferences and restrictions attached to Equity shares including declaration of dividend:
The company has one class of equity shares having a par value of Rs.2 per share. Equity shares are attached with one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after discharging all preferential creditors, in proportion to their shareholding. The equity shareholders are eligible of any dividend that is declared by the Company as per provisions of the Companies Act, 2016

NOTE 9. OTHER EQUITY	As at March 31, 2017	As at March 31, 2016
Reserves & Surplus		
Capital Reserve	**3,469.30**	3,469.30
Securities Premium Account	**3,132.00**	3,132.00
General Reserve	**7,100.00**	7,100.00
Retained Earning		
Surplus in the Profit And Loss	**20,092.30**	19,732.45
Add: Current Year profits	**423.08**	359.85
Less: Dividends	**250.81**	-
Less: Dividend tax	**51.06**	-
Total retained earnings	**20,213.52**	20,092.30
Reserves & Surplus	**33,914.82**	33,793.60
Other Comprehensive Income (Net of Taxes)	**15.43**	**-**
TOTAL OTHER EQUITY	**33,899.39**	33,793.60

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 10 : BORROWINGS	As at March 31, 2017	As at March 31, 2016
	Amortised Cost	Amortised Cost
A) Long term borrowings		
Term Loan from Banks		
Secured	**25,637.48**	26,934.98
Less: Unamortized Borrowing Cost	**141.57**	161.80
Total Long term borrowings	**25,495.91**	26,773.18
Less: Current maturities of Long term borrowings (shown under Other current financial liabilities)	**2,773.00**	1,297.50
Total Long term borrowings	**22,722.91**	25,475.68
B) Short term borrowings		
Loans repayable on demand from Bank		
Secured	**-**	251.21
Total Short term borrowings	**-**	251.21
TOTAL BORROWINGS	**25,495.91**	27,024.40

i) Term Loans from Banks:

Rs.150.00 crores from HDFC Bank Ltd at an interest rate of 10.25% p.a secured by first charge on all assets of Taj Chandigarh, Chandigarh repayable in 32 equal instalments with a moratorium of 2 years from August 2014 .ie. from the date of first disbursement.

Rs.119.35 crores from AXIS Bank Ltd at an interest rate of 10.15% p.a secured by first charge on all assets of Taj Club House, Chennai repayable in 26 unequal instalments with a moratorium of 2.5 years from July 2014 .ie. from the date of first disbursement.

ii) Loans repayable on demand from Banks:

Bank Overdraft Rs.Nil (2016 : Rs.251.21 lakhs) from AXIS Bank Ltd and IDBI Bank Ltdare secured as under:

AXIS Bank Ltd : First charge on current assets of the Company, ranking pari passu with IDBI Bank Ltd and second charge on fixed assets of Taj Club House.

IDBI Bank Ltd : First charge on current assets of the company ranking pari passu with AXIS Bank Ltd
Interest rate on loans repayable on demand from the banks at 10.25% p.a

NOTE 11: TRADE PAYABLES	As at March 31, 2017	As at March 31, 2016
Trade Payables		
Due to Micro and Small Enterprises (Refer Footnote (i))	**2.19**	2.50
Vendor Payables	**4,358.94**	3,404.90
Accrued expenses and others	**441.65**	425.02
	4,802.78	3,832.42

Foot note :

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 12 : OTHER FINANCIAL LIABILITIES	As at March 31, 2017	As at March 31, 2016
A) Non Current financial liabilities		
Deposits refundable	**146.36**	108.74
Creditors for Capital goods and services	**1.76**	25.30
	148.12	134.04
B) Current financial liabilities		
Current maturities of long term borrowings	**2,773.00**	1,297.50
Deposits from others	**14.41**	14.78
Creditors for capital expenditure	**200.60**	251.34
Unclaimed dividend	**85.63**	103.89
Employee Related Liabilities	**207.50**	237.47
Others	**-**	28.81
	3,281.13	1,933.79

NOTE 13 : PROVISION FOR EMPLOYEE BENIFITS (Refer Note No. 32)	As at March 31, 2017	As at March 31, 2016
Non Current		
Post-retirement compensated absences	**100.98**	159.93
Gratuity	**202.91**	135.69
	303.89	295.62

NOTE 14 : OTHER NON FINANCIAL LIABILITIES	As at March 31, 2017	As at March 31, 2016
Current		
Revenue received in advance	**345.66**	385.10
Statutory dues	**360.49**	425.15
	706.15	810.25

NOTE 15 : DEFERRED TAX LIABILITIES (NET)	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liabilities:		
Depreciation on Fixed Assets	**5,698.15**	4,939.68
Amortization of finance cost	**54.87**	54.87
Total (A)	**5,753.02**	4,994.55
Deferred Tax Assets:		
Provision for Doubtful Debts	**31.49**	23.45
Employee Benefits	**88.87**	79.83
Amortization of Prepaid lease payments	**36.30**	36.31
Total (B)	**156.66**	139.59
Net Deferred Tax Liabilities (A-B)	**5,596.36**	4,854.96

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE 16 : REVENUE FROM OPERATIONS	Current Year 31.03.2017	Previous Year 31.03.2016
Room Income, Food, Restaurants and Banquet Income	**25,262.37**	25,866.94
Shop rentals	**502.49**	413.43
Membership fees	**57.07**	54.70
Others	**627.47**	642.96
TOTAL	**26449.40**	26,978.40

NOTE 17: OTHER INCOME	Current Year 31.03.2017	Previous Year 31.03.2016
Interest Income at amortised cost		
Others	**11.92**	16.34
	11.92	16.34
Interest on Income Tax Refunds	**109.08**	4.00
Total	**121.00**	20.35
Profit on sale of assets	**0.57**	0.96
Exchange Gain (Net)	**8.89**	11.76
Others	**397.65**	189.23
TOTAL	**528.10**	222.29

NOTE 18 : FOOD AND BEVERAGES CONSUMED	Current Year 31.03.2017	Previous Year 31.03.2016
Food and Beverages Consumed	**3,101.72**	3,178.15

NOTE 19 : EMPLOYEE BENEFIT EXPENSE AND PAYMENT TO CONTRACTORS	Current Year 31.03.2017	Previous Year 31.03.2016
Salaries, Wages, Bonus etc.	**3,627.09**	3,492.31
Company's Contribution to Provident and Other Funds	**275.58**	289.63
Reimbursement of Expenses on Personnel Deputed to the Company	**814.99**	798.20
Payment to Contractors	**595.11**	478.65
Staff Welfare Expenses	**745.00**	653.31
Total	**6,057.77**	5,712.10

NOTE 20 : FINANCE COSTS	Current Year 31.03.2017	Previous Year 31.03.2016
Interest Expense	**2,930.99**	3,240.66
Other borrowing costs	**20.22**	20.22
	2,951.21	3,260.89
Less : Interest Capitalised	**44.58**	128.01
Total	**2,906.63**	3,132.87

Foot note:

The Company has capitalised the Interest cost on borrowings relating to certain qualifying assets.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

NOTE : 21 OTHER OPERATING AND GENERAL EXPENSES	Current Year 31.03.2017	Previous Year 31.03.2016
(i) Operating expenses consist of the following :		
Linen and Room Supplies	**475.63**	494.68
Catering Supplies	**239.23**	301.28
Other Supplies	**24.61**	24.26
Fuel, Power and Light	**2,883.63**	2,915.22
Repairs to Buildings	**765.79**	350.28
Repairs to Machinery	**697.48**	658.89
Repairs to Others	**158.28**	105.89
Linen and Uniform Washing and Laundry Expenses	**383.26**	363.37
Payment to Orchestra Staff, Artistes and Others	**378.41**	428.27
Guest Transportation	**202.07**	162.58
Travel Agents' Commission	**284.85**	190.86
Discount to Collecting Agents	**225.22**	257.07
Other Operating Expenses	**554.44**	621.29
Total	**7,272.90**	6,873.93
(ii) General expenses consist of the following :		
Rent	**270.51**	308.98
Licence Fees	**760.65**	763.58
Rates and Taxes	**856.62**	805.13
Insurance	**93.26**	82.20
Advertising and Publicity	**397.98**	655.12
Printing and Stationery	**133.44**	130.98
Passage and Travelling	**42.03**	53.40
Communication Expenses	**293.77**	278.02
Provision for Doubtful Debts	**25.05**	65.70
Bad debts written off	**-**	13.09
Expenditure on Corporate Social Responsibility	**15.44**	57.29
Donations	**37.50**	31.00
Operating & Management Fees	**668.98**	1,205.17
Professional Fees	**167.13**	128.51
Outsourced Support Services	**112.70**	116.08
Loss on Sale of Fixed Assets	**35.18**	3.48
Payment made to Statutory Auditors		
i. As Auditors	**22.05**	19.10
ii. For Tax Audit	**3.45**	3.55
iii. For certification	**-**	0.10
Directors' Sitting Fees	**9.80**	10.40
Amortized expenses	**15.00**	15.00
Other Expenses	**265.32**	186.12
Total	**4,225.85**	4,932.00
	11,498.74	11,805.93

NOTE 22 : EXCEPTIONAL ITEMS	Current Year 31.03.2017	Previous Year 31.03.2016
Reversal of operating fees of Vivanta by Taj - Begumpet for FY 2015/16	**96.42**	-
Reversal of operating fees of Taj Chandigarh from July'15 to Mar'16	**167.26**	-
Total	**263.68**	-

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

Estimated amount of contracts remaining to be executed on capital account Rs.30.14 Lakhs (2016: Rs. 3.68 Lakhs).

Contingent liabilities not provided for in respect of

Paticulars	As at March 31, 2017	As at March 31, 2016
Value added tax matters	307.40	388.02
Income tax matters	210.25	325.68
Service tax matters	2871.58	2490.88
Probable customs duty payable on the Equipment Imported under Export Promotion Capital Goods Scheme	42.24	5.85
Letters of Credit	12.60	-
Bank Guarantees – Others	60.37	-

24. As required under the MCA notification G.S.R. 308(E) dated March 31, 2017 on the 'Details of Specified Bank Notes (SBN), the following are the details of specified bank notes (SBNs) or other denomination note (ODNs) held and transacted during the period from November 8, 2016 to December 30, 2016:

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	17.49	3.47	20.96
(+) Permitted receipts	-	212.30	212.30
(+) Other receipts***	38.87	-	38.87
(-) Permitted payments	-	26.82	26.82
(-) Amount deposited into bank	56.36	175.05	231.41
Closing Cash in hand as on 30.12.2016	**-**	13.91	13.91

Note : ***Other receipts represent cash accepted in SBN due to business exigencies.

25. Due to inadequacy of the profits the remuneration paid to the Managing Director and the Executive Director for the financial year 2016-17 is in excess of the limits specified under Sections 197 and 198 of the Companies Act, 2013, aggregating to Rs.153.50 lacs and Rs.40.75 lacs respectively. The Company is in the process of submitting an application to the Central Government for approval of the excess remuneration paid to the Managing Director and Executive Director as per the terms of their appointment. The Nomination and Remuneration Committee of the Board and Board of Directors at their meeting held on 17th May 2017 approved the waiver of excess remuneration paid whole time Directors and also the Company is placing the requisite resolution for approval of shareholders at the ensuing Annual General Meeting.

26. The company prepared its financial statements in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the companies(Accounts) Rules, 2014 (Indian GAAP) for and including the year ended March 31, 2016. The company has prepared its first Ind AS (Indian Accounting Standards) compliant Financial Statements for the year ended March 31,2017 with restated comparative figures for the year ended March 31, 2016 in compliance with Ind AS. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2015, the date of company's transition to Ind AS. The principal adjustments made by the company in restating its Indian GAAP financial statements for the financial year ending March 31, 2016 and the balance sheet as at April 1, 2015 are as mentioned below:

Exemptions applied

Ind AS 101 on First Time adoption of Ind AS allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has adopted the following exemptions:

I. Deemed cost of Property, Plant and Equipment("PPE")/Capital Work-in-Progress("CWIP") and Intangible Assets

There is no change in the functional Currency of the Company and accordingly, it has elected to continue with the carrying values for all of its property, plant and equipment and intangible assets as recognized in its Indian GAAP financial statements as the deemed cost at the transition date. Accumulated depreciation was calculated on that amount as at the date of transition to Ind AS on the basis of the current estimate of the useful life of the asset using the depreciation policy adopted by the company in accordance with Ind AS.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

II. Investment in Joint Venture

In accordance with the exemption given in Ind AS 101, the company has elected to record its investment in Joint venture at their previous GAAP carrying amount as deemed cost as on the date of transition to Ind AS.

III. Impairment of financial assets

The Company has applied the exception related to impairment of financial assets given in Ind AS 101. It has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial assets were initially recognised and compared that to the credit risk as at April 1, 2015.

IV. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the transition to Ind AS.

V. Classification and measurement of financial assets

The Company has classified the financial assets in accordance to Ind AS 109 on the basis of the facts and circumstances that exist on the date of transition to Ind AS.

27. Reconciliation of IGAAP to Ind AS

A) Reconciliation of Total Equity

		As at 31.03.2016
Share capital		1,254.03
Other equity		33,433.38
Total equity under I GAAP	**1**	34,687.40
Ind AS Adjustments:		
Borrowings costs amortised		161.80
Proposed dividend (including tax on dividend) reversed		301.86
Amortization of Interest free lease deposits		(84.88)
Tax adjustments on above		(18.56)
Total adjustment to equity	**2**	360.22
Derived total	**3 = 1 + 2**	35,047.62
Share capital		1,254.03
Reserves and surplus		33,793.60
Total equity (shareholders' funds) under Ind AS	**4**	35,047.62

B) Reconciliation of profit/(loss)

		Year ended 31.03.2016
Total comprehensive income under IGAAP	**1**	359.28
Less: Other comprehensive income for the year (net of tax)	**2**	-
Profit/loss for the year as per IGAAP	**3 = 1-2**	359.28
Ind AS Adjustments:		
Borrowings costs amortised		(20.22)
Notional Lease rental on Interest free deposits net of interest on deposit		(55.22)
Imputed interest income on interest-free lease deposits		21.00
Tax adjustments on above		55.00
Total effect of conversion to Ind AS	**4**	0.56
Profit/(loss) for the year as per Ind AS	**5 = 3 + 4**	359.84

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

i) Rs. 101.99 lakhs (Rs. 101.99 lakhs) paid under the VAT Act pertaining to financial years 2005-06 to 2012-13.

ii) Rs. 260.72 lakhs (Rs.254.79 lakhs) paid under the Income Tax Act pertaining to financial years 2002-03 and 2005-06.

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

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

Particulars	**As at 31-03-2017**	As at 31-03-2016
The principal amount due thereon remaining unpaid to any supplier as at the end of the accounting year	**2.19**	2.49
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of payments made to the supplier beyond the appointed day	**-**	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	-
The amount of interest accrued and remaining unpaid at the end of the year	**-**	-
The amount of further interest remaining due and payable in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under MSMED Act, 2006	**-**	-

30. Related Parties Disclosure

Disclosures as required under Ind AS 24 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below:

a. Key Managerial personnel:

Name of the Related Party	Relationship
Mrs. G Indira Krishna Reddy	Managing Director

b. Other related parties:

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

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

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

Alakananda Hydro Power Company Ltd
Bengaluru Airport & Infrastructure Developers (P) Ltd
Bengaluru International Airport Ltd (*)
Bluestreak Constructions (P) Ltd
GVK Gautami Power Ltd
Green Woods Palaces & Resorts (P) Ltd (*)
Greenridge Hotels & Resorts LLP
GVK Airport Developers Ltd (*)
GVK Airport Holdings (P) Ltd
GVK Biosciences (P) Ltd (*)
GVK City (P) Ltd
GVK Davix Technologies (P) Ltd
GVK Foundation (*)
GVK EMRI (UP)
GVK Energy Ltd (*)
GVK Industries Ltd (*)
GVK Jaipur Expressway Private Ltd (*)
GVK Oil & Gas Limited
GVK Power & Infrastructure Ltd (*)
GVK Power (Goindwal Sahib) Ltd (*)
GVK Properties & Management Co.(P) Ltd
GVK Projects & Technical Services Ltd.
GVK Technical Consultancy Services (P) Ltd
GVK Ratle Hydro Electric Project (P) Ltd
Inogent Laboratories (P) Ltd (*)
GVK EMRI (*)
Mumbai Airotropolis (P) Ltd
Mumbai Aviation Fuel Form Facility (P) Ltd (*)
Mumbai International Airport (P) Ltd (*)
Orbit Travel & Tours (P) Ltd (*)
Paigah House Hotel (P)Ltd
Pinakini Share & Stock Brokers Ltd
Rocktown Estates (P) Ltd

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

Transactions during the year

Name of the related party	Current Year	Previous Year
Key Management Personnel:		
Mrs. G. Indira Krishna Reddy – Remuneration	**271.53**	243.97
Mrs. Shalini Bhupal – Remuneration	**158.77**	147.56
Joint Venturer:		
Indian Hotels Company Limited		
Operating fee	**668.98**	1205.17
Reimbursement of advertisement expenses	**315.27**	363.90
Enterprises in which key management personnel and / or their relatives have significant influence:		
Orbit Tours and Travels (P) Ltd - Purchase of travel tickets and car hire charges	**44.78**	12.87
GVK Foundation - Donation	**37.50**	31.00
Income from sale of rooms and food & beverages:		
- GVK Gautami Power Ltd	**-**	0.68
- Mumbai International Airport (P)Ltd	**8.58**	8.67
- GVK Biosciences (P) Ltd	**8.00**	20.22
- GVK Industries Ltd	**1.26**	9.30
- GVK Jaipur Expressway (P) Ltd	**0.39**	0.32
- GVK Power & Infrastructure Ltd	**1.18**	2.70
- GVK Power (Goindwal Sahib) Ltd	**4.25**	3.75
- Bengaluru International Airport Ltd	**0.32**	6.09
- GVK Energy Ltd	**1.12**	1.12
- Inogent Laboratories (P) Ltd	**0.23**	0.77
- Mumbai Aviation Fuel Farm Facility (P) Ltd	**0.20**	-
- GVK Projects and Technical Services Ltd	**-**	0.07
- GVK Ratle Hydro Electric Project (P) Ltd	**-**	0.87
- GVK Technical Consultancy Services (P) Ltd	**-**	0.60
- GVK EMRI	**2.36**	5.24
- GVK Airport Developers Ltd	**0.07**	0.30

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Balances Outstanding as of 31 March, 2017:

Name of the related party	Current Year	Previous Year
Joint Venturer:		
Indian Hotels Company Limited		
Operating fee & reimbursements payable	**1578.41**	1462.19
Reimbursement of expenses payable / (receivable)	**(921.16)**	233.48
Jointly controlled entity:		
Green Woods Palaces & Resorts (P) Ltd		
Investment in Equity Shares	**11025.00**	11025.00

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Not later than one year	**495.23**	491.18
Later than one year but not later than five years	**551.16**	606.70
Later than 5 years	**-**	-

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Not later than one year	**398.61**	398.61
Later than one year but not later than five years	**2,038.01**	2,022.18
Later than 5 years	**10,131.18**	10,545.62

32. EMPLOYEE BENEFITS :

Defined contribution plan:

Amount recognized as an expense in statement of profit and loss Rs.93.87 lakhs (2016: Rs.93.20 lakhs) on account of provident fund and Rs.45.78 lakhs (2016: Rs. 42.62 lakhs) on account of Employee State Insurance.

Defined benefit plan:

Gratuity:

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) (except in case of Taj Banjara where every employee gets a gratuity at 30 days salary) for each completed year of service as per the provision of the Payment of Gratuity Act,1972 with total ceiling on gratuity of Rs.1,000,000/-

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

a. Statement of Profit and Loss

Particulars	Current Year	Previous Year
Current Service Cost	**34.60**	31.07
Interest on Net Defined Benefit liability / (asset)	**10.75**	5.50
Changes in financial assumptions	**31.19**	6.54
Experience adjustments	**9.03**	17.08
Actuarial return on plan assets less interest on plan assets	**(16.63)**	8.41
Amount recognized in OCI and Profit and Loss account	**68.94**	68.60

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

b. Reconciliation of Defined Benefit Obligation

Particulars	As at 31-03-2017	As at 31-03-2016
Opening Defined benefit Obligation	**504.77**	445.21
Current Service Cost	**34.60**	31.07
Interest Cost	**34.60**	31.80
Actuarial Losses / (Gain)	**40.23**	23.63
Benefits Paid	**(23.48)**	(26.94)
Closing Defined Benefit Obligation	**590.72**	504.77

c. Change in Fair Value of Plan Assets

Particulars	As at 31-03-2017	As at 31-03-2016
Opening Fair Value of Plan Assets	**355.34**	364.38
Interest on Plan Assets	**23.84**	26.30
Actuarial gain / (Losses)	**16.63**	(8.41)
Contributions by Employer	-	-
Benefits Paid	**(23.48)**	(26.93)
Closing Fair Value of Plan Assets	**372.33**	355.34

d. Amount recognized in Balance Sheet

Particulars	As at 31-03-2017	As at 31-03-2016
Opening net defined benefit liability / (asset)	**149.43**	80.83
Expense charged to profit and loss account	**45.35**	68.60
Amount recognized outside profit and loss account	**23.60**	-
Net Liability recognized in the Balance Sheet	**218.38**	149.43

e. Description of Plan Assets

Particulars	As at 31-03-2017	As at 31-03-2016
Insurer Managed Funds	100%	100%

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

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

Sensitivity Analysis:

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

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

	Period Ended 31 March 2017	
	Discount Rate	**Salary Escalation Rate**
Impact of increase in 50 bps on DBO	(3.18%)	3.46%
Impact of decrease in 50 bps on DBO	3.41%	(3.25%)

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

Compensated Absences:

The Company's liability towards un-funded leave encashment is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The Defined Benefit Obligation of compensated absence in respect of the employees of the Company as at 31 March 2017 works out to Rs.1,75,98,079/-.

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

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

33. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Gross amount required to be spent by the company during the year: Rs.57.29 lakhs

Financial Year	Amount to be spent	Spent during the year	Amount carried forward
2014-15	43.39	Nil	43.39
2015-16	13.90	57.29	Nil
2016-17	15.44	15.44	Nil

34. 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.

35. Segmental Reporting:

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

36. No consolidation as on April 01, 2015 since Greenwoods Palaces & Resorts Pvt Ltd, a Joint Venture, started operations from January 2016.

37. In the absence of Operating Agreement for Taj Chandigarh, no provision was made in the Accounts towards Management Fee for the FY 2016-17. The fee already provided for July, 2015 to March, 2016 was also reversed in FY 2016-17 and disclosed in exceptional items.

38. Capital management

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

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

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The table below shows the Gearing ratio for FY 17 and FY 16.

Particulars	**31st March, 2017**	31st March, 2016
Borrowings	**25,637.48**	26,934.98
Trade Payables	**4,802.78**	3,832.42
Less: Cash & Cash Equivalents	**405.94**	173.59
Net Debt	**30,034.32**	30,593.82
Equity Capital	**35,153.42**	35,047.63
Equity Capital and Net Debt	**65,187.74**	65,641.45
Gearing Ratio	**46%**	47%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

39. Fair values

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

Particulars	**Carrying Values**		**Fair Values**	
	31 March, 2017	**31 March, 2016**	**31 March, 2017**	**31 March, 2016**
Financial Assets				
Investments	9931.70	10546.59	9931.70	10546.59
Other financial assets	407.60	416.65	407.60	416.65
Tax Assets (Net)	3,140.27	2,903.43	3,140.27	2,903.43
Trade Receivables	1,140.76	1,345.77	1,140.76	1,345.77
Cash and Cash Equivalents	320.31	69.70	320.31	69.70
Bank balances other than cash and cash equivalents	85.63	103.89	85.63	103.89
Other financial assets	1,294.52	634.99	1,294.52	634.99
Total	**16,320.79**	**16,021.01**	**16,320.79**	**16,021.01**
Financial Liabilities				
Non-current Borrowings	22,722.91	25,475.68	22,722.91	25,475.68
Other non-current financial Liabilities	148.13	134.04	148.13	134.04
Current Borrowings	-	251.21	-	251.21
Trade Payables	4,802.78	3,832.42	4,802.78	3,832.42
Other current financial Liabilities	3,281.13	1,933.79	3,281.13	1,933.79
Total	**30,954.94**	**31,627.15**	**30,954.94**	**31,627.15**

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

40. Fair values hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investments	31-Mar-17	9931.70	-	9931.70	-
Other financial assets	31-Mar-17	407.60	-	407.60	-
Tax Assets (Net)	31-Mar-17	3140.27	-	3,140.27	-
Trade Receivables	31-Mar-17	1,140.76	-	1,140.76	-
Cash and Cash Equivalents	31-Mar-17	320.31	-	320.31	-
Bank balances other than cash and cash equivalents	31-Mar-17	85.63		85.63	
Other financial assets	31-Mar-17	1,294.52	-	1,294.52	*
Total		**16320.79**	**-**	**16320.79**	**-**

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

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

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-17	22,722.91	-	22,722.91	-
Other non-current financial Liabilities	31-Mar-17	148.13	-	148.13	-
Current Borrowings	31-Mar-17	-	-	-	-
Trade Payables	31-Mar-17	4,802.78	-	4,802.78	-
Other current financial Liabilities	31-Mar-17	3,281.13	-	3,281.13	-
Total		**30,954.94**	**-**	**30,954.94**	**-**

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

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

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial assets disclosed					
Investments	31-Mar-16	10546.59		10546.59	
Other financial assets	31-Mar-16	416.65		416.65	
Tax Assets (Net)	31-Mar-16	2,903.43		2,903.43	
Trade Receivables	31-Mar-16	1,345.77		1,345.77	
Cash and Cash Equivalents	31-Mar-16	69.70		69.70	
Bank balances other than cash and cash equivalents	31-Mar-16	103.89		103.89	
Other financial assets	31-Mar-16	634.99		634.99	
Total		**16,021.01**	**-**	**16,021.01**	

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

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 March 2016:

Particulars	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair value of financial liabilities disclosed					
Non-current Borrowings	31-Mar-16	25,475.68	-	25,475.68	-
Other non-current financial Liabilities	31-Mar-16	134.04	-	134.04	-
Current Borrowings	31-Mar-16	251.21	-	251.21	-
Trade Payables	31-Mar-16	3,832.42	-	3,832.42	-
Other current financial Liabilities	31-Mar-16	1,933.79	-	1,933.79	-
Total		**31,627.15**	**-**	**31,627.15**	**-**

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

41. Risk Management, Objectives and Policies:

Risks and Concerns

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

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

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

Company-specific Risks

Heavy Dependence on India

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

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

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

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

42. Financial risk management objectives and policies

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

Market risk

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

The sensitivity analysis in the following sections relate to the position as at 31 March 2017 and 31 March 2016.
The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

Interest rate risk

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

Interest rate sensitivity

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

	Increase / (decrease) in Interest Rate	Increase / (decrease)in profit before tax
31-Mar-17		
INR	0.5% p. a.	(134.67)
INR	(0.5%) p. a.	134.67
31-Mar-16		
INR	0.5% p. a.	(134.67)
INR	(0.5)% p. a.	134.67

Price risk

Price risk is the risk of fluctuations in the change in prices of of equity Investments. The Company's investment in JV company is of strategic in nature rather than for trading purpose.

Credit risk

Credit risk is the risk arising from credit exposure to customers and the couterparty will default on its contractual obligations.

The Company has adopted a policy of only dealing with creditworthy customers/ corporatres to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevent factors. Advance payments are obtained from customers in banquets, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of trade and other receivables, advances to suppliers, cash and short-term deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Deposits and cash balances are placed with Schedule Commerical banks.

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

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

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

Financial instruments and cash deposits

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

Liquidity risk

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

The Company primarily uses short-term bank facilities in the nature of bank overdraft facility to fund its ongoing working capital requirements.

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

Particulars	On demand	Less than 1 Year	1 to 5 years	5 years and above	Total
Year ended 31/3/2017					
Borrowings	-	2,773.00	19,395.00	3,469.48	25,637.48
Other financial liabilities	-	148.12	508.14	-	656.26
Trade and other payables	4,802.78	-	-	-	4,802.78
TOTAL	**4,802.78**	**2,921.12**	**19,903.14**	**3,469.48**	**31,096.52**
Year ended 31/3/2016					
Borrowings	-	1,297.50	17,773.00	7,864.48	26,934.98
Other financial liabilities	-	134.04	1,933.79	-	2,067.83
Trade and other payables	3,832.42	-	-	-	3,832.42
TOTAL	**3,832.42**	**1,431.54**	**19,706.79**	**7,864.48**	**32,835.23**
Year ended 01/04/2015					
Borrowings	-	-	14,795.50	12,139.48	26,934.98
Other financial liabilities	-	137.30	914.30	-	1,051.61
Trade and other payables	3,311.02	-	-	-	3,311.02
TOTAL	**3,311.02**	**137.30**	**15,709.80**	**12,139.48**	**31,297.61**

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

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

S.Satyanarayana Murthy
Partner
Membership No.023651

Place : Hyderabad
Date : May 17, 2017

For and on behalf of the Board

Dr. GVK Reddy
Chairman
DIN:00005212

G Indira Krishna Reddy
Managing Director
DIN:00005230

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

TAJGVK Hotels & Resorts Limited
CIN:L40109AP1995PLC019349
Registered Office: Taj Krishna, Road No.1, Banjara Hills, Hyderabad - 500 034
Email: tajgvkshares.hyd@tajhotels.com, Website: www.tajgvk.in
Phone No.040-66293664

ATTENDANCE SLIP

Annual General Meeting at Sri Sathya Sai Nigamagamam, on Tuesday, the 1st August, 2017, at 11.30 a.m.

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

DPID* :		Regd. Folio No.:	
Client ID* :		No. of Shares held:	

Name of the Shareholder	
Name of Proxy	
Signature of Shareholder / Proxy	

I/We hereby record my / our presence at the **22ND ANNUAL GENERAL MEETING** of the Company held on **Tuesday, the 1st August, 2017 at 11.30 a.m.** at **Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad – 500 073**.

SIGNATURE OF THE MEMBER OR THE PROXY ATTENDING THE MEETING

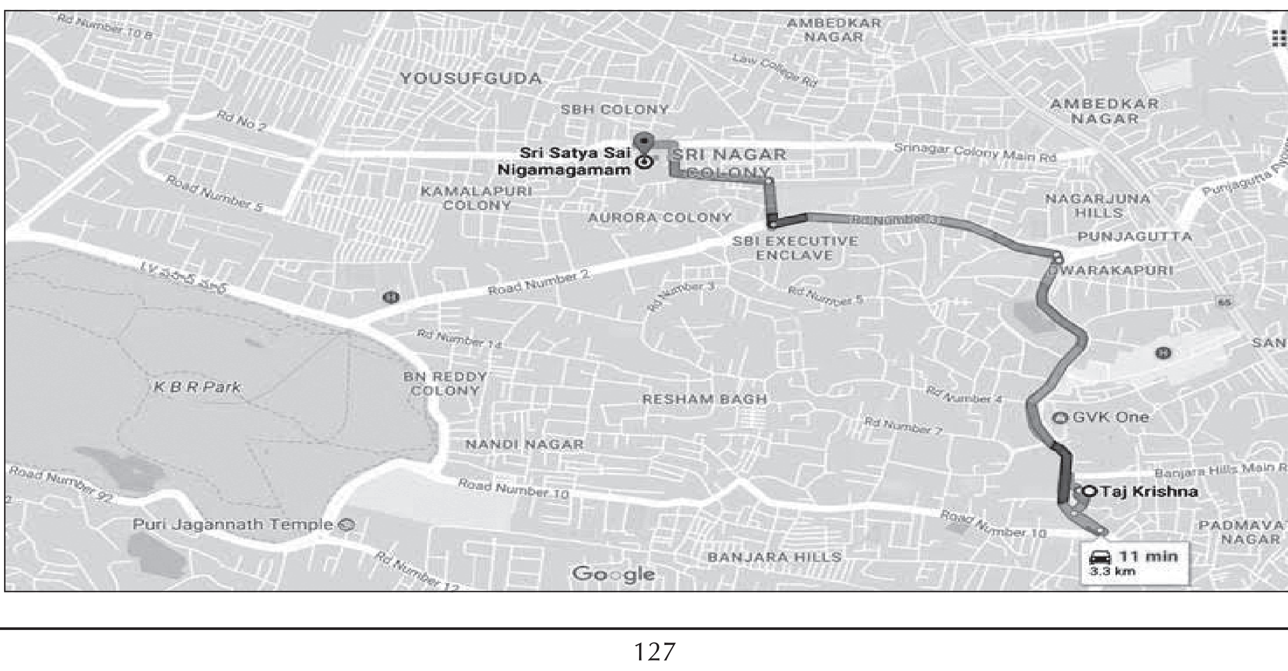
If Member, Please sign here **If Proxy, Please Sign here**

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

*Applicable for investors holding shares in Electronic Form.

AGM VENUE : Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad – 500 073.

ROUTE MAP



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TAJGVK

TAJGVK Hotels & Resorts Limited

CIN:L40109AP1995PLC019349

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

Email: tajgvkshares.hyd@tajhotels.com, Website: www.tajgvk.in, Phone No.040-66293664

FORM No.MGT-11

PROXY FORM

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

DPID* :	
Client ID* :	

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

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

1. Name Address:

Email Id: Signature or failing him / her

2. Name Address:

Email Id: Signature or failing him / her

3. Name Address:

Email Id: Signature or failing him / her

As my / our proxy to attend and vote for me / us on my / our behalf at the 22[ND] **ANNUAL GENERAL MEETING** of the Company held on **Tuesday, the 1[st] August, 2017 at 11.30 a.m.** at **Sri Sathya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad – 500 073**, and at any adjournment thereof in respect of such resolutions as are indicated below :

	Ordinary Business	**For**	**Against**
1.	Adoption of the Standalone and Consolidated Audited Accounts for the year ended 31.03.2017		
2.	To consider and declare dividend on the Equity Shares for the financial year ended March 31, 2017		
3.	Re-appointment of Mr. Rakesh Sarna as a Director liable to retire by rotation		
4.	Re-appointment of Mr. Krishna R Bhupal as a Director liable to retire by rotation		
5.	Appointment of M/s.Bhaskara Rao & Co., Chartered Accountants as Statutory Auditors of the Company and authorize the Board to fix their remuneration		
	Special Business		
6.	Approval of the excess remuneration paid to Managing Director for the year 2016-17 as a Special Resolution		
7.	Approval of the excess remuneration paid to Executive Director for the year 2016-17 as a Special Resolution		

As witness my / our hand(s) this _______ day of ________ 2017

Affix ₹ 1/- Revene Stamp

AffixRe.1/-RevenueStamp

Signed by the said ________________ Signature of Proxy ___________________

Note : 1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

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

* Applicable for investors holding shares in Electronic Form

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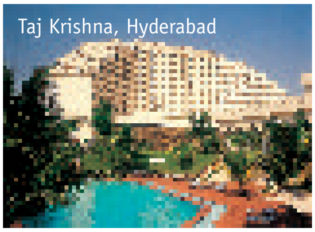
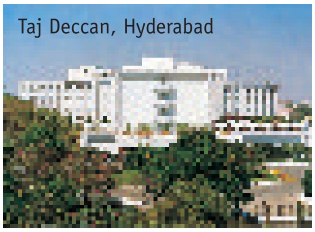
TIQRI - All Day Dining Restaurant


Taj Krishna, Hyderabad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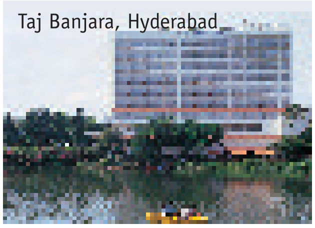
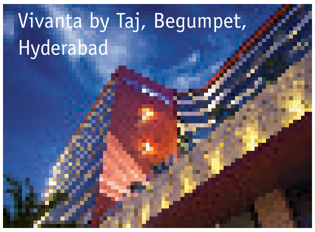

Taj Banjara, Hyderabad


Taj Chandigarh, Chandigarh


Taj Clubhouse, Chennai


Vivanta by Taj, Begumpet, Hyderabad

TAJGVK

TAJGVK Hotels & Resorts Limited

CIN: L40109AP1995PLC019349

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Hyderabad 500 034, India
www.tajgvk.in


Taj Santacruz, Mumbai