

# **TAJGVK HOTELS & RESORTS LIMITED**

## **Q1 FY 11-12 RESULTS**

### **PRESS RELEASE**

**July 26<sup>th</sup>, 2011**

#### **TAX BENEFITS ENABLE THE COMPANY TO REPORT A HIGHER PAT**

#### **Q1 Results**

**Turnover ↓ 3%**

**PAT ↑ 19 %**

- ❖ During the first quarter of FY 2011/12, the Company's total income registered an decline of 3% to Rs.58.93 Crores from Rs.60.98 Crores in the corresponding period last year.
- ❖ The company's Hotels at Chandigarh and Chennai have clocked improved occupancy levels of 75% & 63% respectively in Q1.
- ❖ Profit after Tax was at Rs 12.02 crores in Q1 2011-12 as compared to Rs.10.11 crores in the corresponding period last year, thus registering a growth of 19%.
- ❖ EPS for the quarter was Rs.1.92/- against Rs.1.61/- during last quarter of the previous year on the face value of the equity shares of Rs.2/- paid up.
- ❖ Vivanta by Taj-Begumpet hotel at Hyderabad is expected to come into operation during this year. The Company is entitled for deduction of 100% of the capital expenditure incurred on this project under Section 35AD of the Income tax Act, 1961. Accordingly, the Company has provided income tax under Minimum Alternate Tax and availed credit of the same to be set-off against future tax liability.

## **Major Expansion Plans**

### **Begumpet**

The civil works and interiors for the new five star hotel project site at Begumpet, Hyderabad is progressing as per schedule. As per asset light strategy of the company, the owner of land has put up the structure and the company is doing the interiors. The project would consist of around 189 rooms with cost of interiors at around Rs.106 crores, and is expected to be operational in 2011.

### **Taj Krishna Expansion**

The Company is proposing the construction of a 10000 sq ft spa and an additional Car parking facility along-with enhanced landscaping and connecting bridges at the existing premises of Taj Krishna. The excavation works have been completed and the construction work on the car-parking facility is in advanced stages.

### **Other plans**

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

### **Outlook**

With the continuing recovery in the global economy and robust Indian economy, the hotel industry is expected to perform well. The Company with its prime properties in key metros is well positioned to benefit from the growing demand and restricted supply going forward.

### **About TAJGVK Hotels and Resorts Limited**

TAJGVK Hotels & Resorts Limited (TAJGVK), formed through a Strategic Alliance between the Hyderabad based GVK Group and Indian Hotels Company Limited (IHCL), owns 5-star deluxe hotel properties across multiple locations with a total room inventory of over 900 rooms, which will be enhanced to 1080 rooms on

opening of Vivanta by Taj – Begumpet in 2011. With Taj Krishna, the flagship 5-star deluxe luxury property and two premium 5-star business properties, Taj Deccan and Taj Banjara, TAJGVK is the market leader in Hyderabad. Taj Chandigarh, its 5-star deluxe property commands the market in Chandigarh. Taj Club House, its recently launched trendy hotel with its contemporary rooms and food & beverage outlets has captured significant market share in Chennai. The Company will be expanding its footprints by launching 'Vivanta by Taj – Begumpet' at Hyderabad and also a hotel at Bangalore. Further, the Company has plans to enter the value-for-money segment by launching 'Ginger' hotels across the state of Andhra Pradesh.