

THE INDIAN HOTELS COMPANY LIMITED

A **TATA** Enterprise

115TH ANNUAL REPORT 2015 - 2016





Dimaid Bhawan Palace, Jodhpur

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COMPANY INFORMATION

Board of Directors

Cyrus P. Mistry Chairman

K. B. Dadiseth

Deepak Parekh

Nadir Godrej

Shapoor Mistry

Ireena Vittal

Gautam Banerjee

Vibha Paul Rishi

Dr. N. S. Rajan
(appointed w.e.f November 27, 2015)

Rakesh Sarna Managing Director & CEO

Anil P. Goel Executive Director & CFO

Mehernosh S. Kapadia Executive Director -
Corporate Affairs

Management

Rakesh Sarna Managing Director & CEO

Anil P. Goel Executive Director & CFO

Mehernosh S. Kapadia Executive Director - Corporate Affairs

Chinmai Sharma Chief Revenue Officer

Dr. P. V. Ramana Murthy Senior Vice President - Human Resources

Rohit Khosla Senior Vice President - Operations (North)

Farhat Jamal Senior Vice President - Operations (West)

Prabhat Verma Senior Vice President - Operations (South)

Suma Venkatesh Senior Vice President - Real Estate &
Development

Rajendra Misra Senior Vice President - General Counsel

Beejal Desai Vice President - Legal & Company Secretary

Registered Office & Share Department

Mandlik House, Mandlik Road, Mumbai 400 001.

Tel: 6639 5515

Fax: 2202 7442

CIN: L74999MH1902PLC000183

Email: investorrelations@tajhotels.com

Website: www.tajhotels.com

Solicitors

Mulla & Mulla & Craigie Blunt & Caroe

Auditors

Deloitte Haskins & Sells, LLP

PKF Sridhar & Santhanam, LLP

Bankers

The Hongkong & Shanghai Banking Corporation Ltd

Standard Chartered Bank

State Bank of India

HDFC Bank Ltd

ICICI Bank Ltd

FINANCIAL HIGHLIGHTS

	STANDALONE		CONSOLIDATED	
	2015/16	2014/15	2015/16	2014/15
	₹ crores	₹ crores	₹ crores	₹ crores
Gross Revenue	2,382.32	2,103.60	4,706.27	4,287.35
Profit Before Tax and Exceptional Items	321.89	230.58	169.30	120.43
Profit/(Loss) Before Tax	311.68	1.88	102.14	(232.48)
Profit/(Loss) After Tax, Minority Interest & Share of Associates	201.04	(82.02)	(60.53)	(378.10)
Dividend	29.68	-	29.68	-
Retained Earnings*	328.47	249.32	249.82	211.52
Total Assets	7,562.12	7,198.38	10,944.57	9,886.98
Net Worth	3,885.60	3,615.06	3,181.97	3,227.13
Borrowings	2,107.86	2,209.08	4,781.41	4,074.57
Debt : Equity Ratio	0.54:1	0.61:1	1.5:1	1.26:1
Net Worth Per Ordinary Share of ₹ 1/- each - In ₹	39.28	44.77	32.16	39.96
Earnings Per Ordinary Share - Basic - In ₹	2.44	(1.02)	(0.74)	(4.68)
Earnings Per Ordinary Share - Diluted - In ₹	2.03	** (1.02)	** (0.74)	** (4.68)
Dividend Per Ordinary Share - In ₹	0.30	-	0.30	-

* Excludes ₹ 0.35 crore (previous year ₹ 213.49 crores) being provision for diminution in value of long term investments in Standalone and ₹ Nil (previous year ₹ 306.51 crores) in Consolidated.

** As the impact of the Compulsorily Convertible Debentures (CCDs) is anti -dilutive for the current and previous year, resulting in a decrease in loss per share from continuing ordinary activities, the effect thereof has been ignored while calculating diluted earnings per share.

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NOTICE

NOTICE is hereby given that the HUNDRED AND FIFTEENTH (115th) ANNUAL GENERAL MEETING of THE INDIAN HOTELS COMPANY LIMITED will be held on Tuesday, August 23, 2016, at 3.00 p.m. at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business:

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 together with the Report of the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year 2015/16.
3. To appoint a Director in place of Mr. Cyrus P. Mistry (DIN: 00010178) who retires by rotation and is eligible for re-appointment.
4. Ratification of appointment of Statutory Auditors of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 to examine and audit the accounts of the Company for the financial year 2016/17, the appointment being made at the 113th Annual General Meeting of the Company held on August 27, 2014, for a period upto conclusion of the 116th Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

5. **Appointment of Dr. N. S. Rajan as a Non-Executive Director of the Company.**

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

"RESOLVED THAT Dr. N. S. Rajan (DIN: 07339365), who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 27, 2015 and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ("the Act") and Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director of the Company liable to retire by rotation."

6. **Re-appointment of Mr. Anil P. Goel as a Whole-time Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and such other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification thereof, and subject to such other approvals, if any, that may be required, the Company hereby approves the re-appointment and terms of remuneration of Mr. Anil P. Goel (DIN: 00050690), as a Whole-time Director of the Company for a period of five years with effect from March 17, 2016 till March 16, 2021, upon the terms and conditions, including those relating to remuneration, as set out in the Explanatory Statement annexed to the Notice convening this meeting, including the minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year, during the tenure of his appointment, with authority to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be mutually agreed to between the Board of Directors and Mr. Goel;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

7. **Re-appointment of Mr. Mehernosh S. Kapadia as a Whole-time Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and such other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification thereof, and subject to such other approvals if any, that may be required, the Company hereby approves the re-appointment and terms of remuneration of Mr. Mehernosh S. Kapadia (DIN: 00050530), as a Whole-time Director of the Company from August 10, 2016 upto his reaching the retirement age of 65 years i.e. May 22, 2018 (retirement age for Executive Directors as

per the Governance Guidelines), upon the terms and conditions, including those relating to remuneration, as set out in the Explanatory Statement annexed to the Notice convening this meeting, including the minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year, during the tenure of his appointment, with authority to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be mutually agreed to between the Board of Directors and Mr. Kapadia;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

8. Private placement of Non-Convertible Debentures

To consider and, if thought fit, to pass the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures on private placement basis, in one or more tranches such that the total amount does not exceed ₹ 700 crores during a period of one year from the date of passing of this Resolution and that the said borrowing is within the overall borrowing limits of the Company;

RESOLVED FURTHER that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

NOTES:

1. The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, ("the Act") setting out the material facts in respect of the Business under Item Nos. 4 to 8 to be transacted at the meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. Proxies in order to be effective should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.
3. Members/Proxies and Authorised representatives are requested to bring to the Meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy of the Board Resolution authorising the representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share Transfer Books will remain closed from Wednesday, August 17, 2016 to Tuesday, August 23, 2016, both days inclusive, for payment of dividend, if declared/approved at the Meeting.
5. Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and the Secretarial Standard-2 on "General Meetings", the particulars of Directors seeking appointment / re-appointment at the Meeting are annexed to the Notice.
6. The Dividend on Equity Shares, as recommended by the Board of Directors, if declared at the Annual General Meeting (AGM), will be paid on or after August 26, 2016, to the Members whose names appear on the Company's Register of Members on August 16, 2016, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before Tuesday, August 16, 2016. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of the shares whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as at the close of business hours on August 16, 2016.

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7. Unclaimed Dividends:

Pursuant to the provisions of Section 205A and 205C and other applicable provisions if any, of the Companies Act, 1956 (which are in force) all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits as applicable, remaining unclaimed / unpaid for seven years from the date they first became due for payment, in relation to the Company have been transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government. No claim shall lie against IEPF or the Company for the amounts so transferred prior to March 31, 2016 nor shall any payment be made in respect of such claim. It may be noted that unpaid dividend for the financial year ended March 31, 2009 is due for transfer to the IEPF on October 7, 2016. The Company had sent reminders to such Members on June 15, 2016 for claiming of unpaid dividends. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming earlier dividends declared by the Company.

As per the provisions of the Investors Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012 and in order to help the Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends on the website of the IEPF viz. www.iepf.gov.in as well as on the website of the Company viz. www.tajhotels.com as also on the website of the Ministry of Corporate Affairs www.mca.gov.in.

8. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their dematerialized accounts. Members holding shares in physical form can submit their PAN details to the Company along with the proof thereof.

9. Members holding shares in physical form are requested to advise any change of address and are also requested to submit their specimen signatures duly attested by their Bank immediately to the Company. Members holding shares electronically in dematerialized form must advise any change of address to their respective Depository Participant.

10. Nomination facility

As per the provisions of Section 72 of the Act, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he / she may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Company.

11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management.

12. Updation of Members' Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details is appended at the end of this Annual Report. Members holding shares in physical form are required to submit the filled in form to the Company and Members holding shares in electronic form are required to submit the details to their respective Depository Participants.

13. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.

14. Members desiring any information as regards the Accounts are requested to write to the Company Secretary at an early date so as to enable the management to reply at the meeting. For any communication, the Members may also send requests to the Company's investor email id: investorrelations@tajhotels.com.

15. Members are requested to kindly bring their copies of the Annual Report to the Meeting. As per the requirement of the Secretarial Standard-2 on "General Meetings" the route map showing directions to reach the venue of the Meeting is annexed to the Notice.

16. The Notice of the AGM along with the Annual Report of 2015-16 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depository Participants, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, a physical copy is being sent by permitted mode. To support the 'Green Initiative' Members who have not registered their email addresses are required to register the same with the Company / Depository. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website viz. www.tajhotels.com.

17. Voting through electronic means

In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI Listing Regulations, the Company is pleased to provide its Members facility of remote e-voting (to cast their vote electronically from a place other than the venue of the AGM), through e-voting services provided by National Securities Depository Limited (NSDL) on all resolutions set forth in this Notice.

Facility of voting through electronic voting system shall also be available at the Meeting. Members holding shares as on cut off date i.e. August 16, 2016 and attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting.

Mr. Shreepad Korde, Practicing Company Secretary (Membership No. 563) has been appointed as the Scrutinizer by the Board of Directors of the Company to scrutinize the remote e-voting and the voting at the Meeting in a fair and transparent manner.

The instructions for Members for voting electronically are as under:-

A) For Members whose email addresses are registered with the Company / Depository Participant:

Those Members whose email addresses are registered with the Company / Depository Participant will receive an email from NSDL.

- (i) Open the e-mail and access the attached PDF file viz; "remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- (iii) Click on Shareholder – Login.
- (iv) Insert user ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Please keep a note of your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-Voting opens. Click on e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of The Indian Hotels Company Limited.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail: fraternitygroup2010@gmail.com with a copy marked to evoting@nsdl.co.in.

If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

B) In case of Members' receiving physical copies of the Notice of the Meeting: (for Members whose email addresses are not registered with the Company/Depository)

- (i) Initial password is provided in the enclosed attendance slip: EVEN (E-voting Event Number) + USER ID and PASSWORD
- (ii) Please follow all step from 18 A (ii) to (xii)

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C) Other Instructions:

- (i) The e-voting period begins on August 19, 2016 at 9.00 a.m. Indian Standard Time (IST) and ends on August 22, 2016 at 5.00 p.m. IST. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 16, 2016, may cast their vote electronically. The e-voting module will be disabled by NSDL thereafter. Once the vote on a resolution is cast by a Member, he or she will not be allowed to change it subsequently.
- (ii) The voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. August 16, 2016. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM.
- (iii) Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by a sending a request to rajivr@nsdl.co.in/evoting@nsdl.co.in and may cast their vote by remote e-voting or at the Meeting. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password you can reset your password by using Forgot Password option available on www.evoting.nsdl.com.
- (iv) In case Members have any queries regarding e-voting, you may refer to the "Frequently Asked Questions (FAQs) for Members" and "Remote e-voting User manual for Members" available at www.evoting.nsdl.com or call on toll free number 1800-222-990. Members may also send their queries on e-voting by email to Mr. Rajiv Ranjan, Asst. Manager, NSDL at email id: rajivr@nsdl.co.in/evoting@nsdl.co.in.
- (v) The Scrutinizer shall immediately after the conclusion of the voting period, first count the votes at the meeting, thereafter unblock the votes through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than two days of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman or any person authorised by the Chairman in writing, who shall countersign the same.
- (vi) The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again at the Meeting.
- (vii) The Chairman or the person authorised by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report declare the Results of the voting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tajhotels.com and on the website of NSDL immediately after the results are declared by the Chairman. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India where the shares of the Company are listed.

18. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM i.e. August 23, 2016.

By Order of the Board of Directors

BEEJAL DESAI

Vice President – Legal and Company Secretary

Mumbai, May 18, 2016

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN: L74999MH1902PLC000183
Tel.: 022 66395515 Fax: 022 22027442
Email: investorrelations@tajhotels.com
Website: www.tajhotels.com

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("the Act")

1. The following Explanatory Statement sets out the material facts relating to the business under Item Nos. 4 to 8 of the accompanying Notice dated May 18, 2016.

Item No. 4

2. This explanatory statement is provided though not mandatory under Section 102 of the Act.
3. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Firm Registration No. 117366W/W-100018) and PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), were appointed in the Annual General Meeting (AGM) of the Company held on August 27, 2014 as the Joint Statutory Auditors of the Company for a period of three years commencing from the conclusion of the 113th AGM of the Company held on August 27, 2014 till the conclusion of the 116th AGM of the Company to be held in the year 2017.
4. As per provisions of Section 139(1) of the Act the appointment for the above tenure is subject to ratification by members at every AGM.
5. Section 139 (2) of the Act further prescribes that no listed company, shall appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years and any audit firm which has completed its term as above shall not be eligible for re- appointment as auditor in the same company for five years from the completion of such term. Provided also that every company, existing on or before the commencement of this Act which is required to comply with provisions of this sub-section, shall comply with the requirements of this sub-section within three years from the date of commencement of this Act.
6. In line with above requirement of the Act, Deloitte Haskins & Sells LLP have completed their tenure of two terms of five consecutive years and will, therefore, not be eligible to seek reappointment as auditor upon the completion of their term at the conclusion of the 116th AGM of the Company to be held in 2017.
7. M/s PKF Sridhar & Santhanam, LLP the Joint Auditors of the Company, have however, recently informed the Company of their decision not to continue as Joint Auditors from the conclusion of this 115th AGM vide their letter dated May 12, 2016.
8. It is intended to do away with the past practise of "Joint Auditors" for the Company. Accordingly, Deloitte Haskins & Sells LLP, Chartered Accountants will continue as the sole auditors of the Company, with effect from August 23, 2016.
9. Accordingly, ratification of the Members is being sought for the proposal contained in the Resolution set out at Item No. 4 of the Notice.
10. The Board commends the Resolution at Item No. 4 for approval by the Members.
11. None of the Directors or Key Managerial Personnel or their respective relatives are in any way concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

Item No. 5

12. The Board of Directors appointed Dr. N. S. Rajan as an Additional Director of the Company with effect from November 27, 2015 subject to the approval of the Members. In terms of Section 161(1) of the Act and Article 132 of the Articles of Association of the Company, he holds office as an Additional Director up to the date of the forthcoming AGM of the Company, but is eligible for appointment as Director. The Company has received a Notice pursuant to Section 160 of the Act, from a Member proposing his candidature for the office of Director of the Company at the forthcoming AGM of the Company.
13. Dr. N. S. Rajan is the Group Chief Human Resources Officer and member of the Group Executive Council of Tata Sons Ltd. Previously, Dr. Rajan was a partner and global leader, people and organisation, at Ernst & Young (E&Y). Dr. Rajan has three decades of work experience spanning industry and consulting in reputed companies such as Ranbaxy, Asian Paints, BlowPlast, ABC Consultants, and E&Y. Prior to joining E&Y, he was a Director at Asia Online, a US multinational company. Presently, he also serves as a Director on the Board of Tata Services Limited.
14. Dr. Rajan is a member of the Board of Governors of XLRI, Jamshedpur which conferred on him the "Distinguished Alumnus Award" and is also a visiting faculty member at premier business schools such as IIM-Ahmedabad, and XLRI, Jamshedpur. He has been recognised as HR Professional of the Year (2008) by the National HRD Network and has been rated amongst the Top 25 HR Influencers in social media.
15. Dr. Rajan is the former national president of National HRD Network (NHRDN).

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16. Dr. Rajan is a graduate in economics from Loyola College, Chennai, and a post graduate in business management from XLRI, Jamshedpur. He has completed his doctoral studies from the Indian Institute of Technology, Delhi.
17. The matter regarding the appointment of Dr. N. S. Rajan as a Non-Executive Director was placed before the Nomination and Remuneration Committee (NRC), which commends his appointment as a Director of the Company.
18. The Board commends the resolution at Item No. 5 of the accompanying Notice for acceptance by the Members.
19. Dr. N. S. Rajan may be deemed to be concerned or interested in Item No. 5 as it relates to his appointment as a Director of the Company. Other than him none of the other Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested in the Resolution mentioned at Item No. 5 of the accompanying Notice.

Item No. 6 & 7

20. At the AGM held on August 2, 2013 and August 3, 2012, the Members of the Company had approved the re-appointment/appointment and remuneration of Mr. Anil P. Goel, Executive Director & CFO and Mr. Mehernosh S. Kapadia, Executive Director – Corporate Affairs, respectively. The present tenure of Mr. Kapadia, as the Executive Director of the Company ends on August 9, 2016 and that of Mr. Goel has ended on March 16, 2016.
21. Mr. Anil P. Goel has been with the Tata Group for over 34 years and has held several senior positions in finance, including two in the Company, the last being the Chief Financial Officer of the Company. Thereafter, on March 17, 2008 he was appointed as Executive Director-Finance of the Company for a period of five years and thereafter re-appointed in the same capacity for a further period of three years with effect from March 17, 2013. Mr. Goel is a Chartered Accountant and a graduate of the Shri Ram College of Commerce, Delhi. He is responsible for the finance function of the Company and its subsidiaries, besides overseeing central purchases, information technology and mergers & acquisitions. Mr. Goel is a Director on the boards of several joint ventures, associate and subsidiary companies of the Company.
22. Mr. Mehernosh S. Kapadia holds a Diploma in Travel management and has served the Taj Group of Hotels in a variety of managerial positions. He has considerable experience of over 32 years in handling various issues with the Central and State Governments and Municipal Authorities. Mr. Mehernosh S. Kapadia was the Managing Director of Taj SATS Air Catering Limited, a subsidiary of the Company in the business of air and allied catering and was thereafter appointed as Executive Director – Corporate Affairs of the Company with effect from August 10, 2011.
23. The NRC and the Board of Directors are of the opinion that it is in the interest of the Company that Mr. Goel be re-appointed as a Whole-time Director of the Company designated as the Executive Director & CFO for a period of five years from March 17, 2016 upto March 16, 2021 and Mr. Kapadia be re-appointed as a Whole-time Director of the Company for the period commencing from August 10, 2016 upto his reaching the retirement age of 65 years i.e. May 22, 2018 (retirement age for Executive Directors as per the Governance Guidelines). Accordingly, the Board of Directors had, based on the recommendation of the NRC and subject to the approval of the Members, at its Meeting held on March 23, 2016 re-appointed Mr. Goel and Mr. Kapadia as Whole-time Directors of the Company.
24. The Board is of the view that the re-appointment of Mr. Goel and Mr. Kapadia as Whole-time Directors of the Company, would greatly benefit the Company and the remuneration payable to them is commensurate with their qualifications and experience.
25. The principal terms and conditions of re-appointment of Mr. Goel and Mr. Kapadia as Whole-time Directors are as under:

Mr. Anil P. Goel

- i. **Period:** For a period of five years commencing from March 17, 2016 upto March 16, 2021.
- ii. **Nature of Duties:** As the Executive Director and Chief Financial Officer, Mr. Goel is responsible for the finance function of the Company, which encompasses an oversight of purchases, information technology and mergers & acquisitions. Mr. Goel shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned to him from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

Mr. Goel shall not exceed the powers so delegated by the Board as set out above. Mr. Goel undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

iii. Past remuneration:

Mr. Goel has been receiving remuneration as approved by the Members at the Annual General Meeting held on August 2, 2013 for a period of three years with effect from March 17, 2013 to March 16, 2016. His remuneration is as under:

Particulars	2015/16	2014/15	2013/14
Basic Salary	60,00,000	46,20,000	42,21,774
Other Cash Allowances	32,34,482	25,82,597	24,20,855
Total (A)	92,34,482	72,02,597	66,42,629
Commission (B)	92,40,000	80,00,000	100,00,000
Perquisites (C)	59,95,524	58,90,317	58,85,419
Retirement Benefits (D)	16,20,000	12,47,400	11,39,879
Total Compensation (A+B+C+D)	260,90,006	223,40,314	236,67,927

Proposed remuneration for 2016/17 shall be subject to annual increments in Salary and increases if any, in Perquisites & Allowances as may be approved by the Board, based on the recommendation of the NRC, within the overall scale as mentioned in this Explanatory Statement.

iv. Proposed Remuneration:

a) **Basic Salary:** Current Basic Salary of ₹ 5,00,000 per month; upto a maximum of ₹ 8,25,000 per month. The annual increments which will become effective April 1 of each year, shall be decided by the Board and based on the recommendation of the NRC. The annual increments will be performance-based and take into account the Company's performance as well, and shall be subject to the overall specified limit.

b) Benefits, Perquisites & Allowances:

Details of Benefits, Perquisites and Allowances are as follows:

- (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation OR House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 85% of Basic Salary per annum.
- (ii) Reimbursement of hospitalisation and major medical expenses incurred as per Rules of the Company (this includes medical insurance premium).
- (iii) Car facility as per Rules of the Company.
- (iv) Telecommunication facility as per Rules of the Company.
- (v) Housing loan facility as per Rules of the Company.
- (vi) Other perquisites and allowances given below subject to a maximum of 55% of Basic Salary per annum. This includes:
 - a. Medical allowance,
 - b. Leave Travel Concession/Allowance,
 - c. Other Allowances,
 - d. Personal Accident Insurance Premium,
 - e. Annual club membership fees.
- (vii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the Rules of the Company. Mr. Goel shall be entitled to continue as a member of the Superannuation fund of Tata Global Beverages Ltd and the Company shall remit the appropriate amounts annually to the said fund in Tata Global Beverages Ltd.
- (viii) Leave and encashment of unavailed leave as per the Rules of the Company.

The Indian Hotels Company Limited

c) **Performance Linked Bonus:** In addition to the Basic Salary, Benefits, Perquisites and Allowances, Mr. Goel may be paid such remuneration by way of annual Performance Linked Bonus subject to a maximum of 227.5 % of the Annual Basic Salary. This performance linked bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of the Performance Linked Bonus by the Board (supported by the NRC) are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
- Industry benchmarks of remuneration,
- Performance of the individual.

d) **Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year commencing from April 1, 2016 upto March 31, 2019, during the tenure of Mr. Goel's appointment, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Basic Salary, Benefits, Perquisites and Allowances and Performance Linked Bonus as specified above, subject to such approvals as required under Schedule V of the Act, or any modification(s) thereto;

v. **Comparative remuneration profile**

The remuneration payable to Mr. Goel is in line with the industry standards. The table below summarizes the overall cost to the Company seen in the market for comparable positions in companies with revenue size between ₹ 4,000 crores - ₹ 10,000 crores, per annum.

Overall Cost to the Company (in ₹ lakhs)				
10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile
159.73	218.73	234.21	307.85	485.26

(Source: As per Executive Compensation Study conducted by Aon Hewitt in March/April 2016 covering market data for comparable positions in companies with revenue size between ₹ 4,000 crores - ₹ 10,000 crores, per annum (68 companies were reviewed). Cost to the Company includes Basic Salary, Benefits, Perquisites & Allowances, Commission/ Performance Linked Bonus and Long term incentives).

***Note:** A percentile is a measure used in statistics indicating the value below which a given percentage of observations in a group of observations fall. For example, the 25th percentile is the value (or score) below which 25 percent of the observations may be found.

Mr. Mehernosh S. Kapadia

- Period:** For a period commencing from August 10, 2016 upto his reaching the age of 65 years i.e. May 22, 2018 (the retirement age for Executive Directors as per the Governance Guidelines).
- Nature of Duties:** As the Executive Director – Corporate Affairs, Mr. Kapadia is responsible for handling all matters connected with the Central and State Governments and Municipal Authorities and other Statutory bodies. Mr. Kapadia shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the him from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

Mr. Kapadia shall not exceed the powers so delegated by the Board as set out above. Mr. Kapadia undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

iii. **Past remuneration:**

Mr. Kapadia has been receiving remuneration as approved by the Members at the Annual General Meeting held on August 3, 2012 for a period of five years with effect from August 10, 2011 to August 9, 2016. His remuneration for the last three financial years is as under:

Particulars	2015/16	2014/15	2013/14
Basic Salary	48,00,000	39,60,000	36,00,000
Other Cash Allowances	24,34,930	19,80,132	19,11,120
Total (A)	72,34,930	59,40,132	55,11,120
Commission (B)	79,20,000	60,00,000	75,00,000
Perquisites (C)	38,12,690	37,90,938	25,54,012
Retirement Benefits (D)	12,96,000	10,69,200	9,72,000
Total Compensation (A+B+C+D)	202,63,620	168,00,270	165,37,132

Proposed remuneration for 2016/17 shall be subject to annual increments in Salary and increases if any, in Perquisites & Allowances as may be approved by the Board based on the recommendation of the NRC, within the overall scale as mentioned in this Explanatory Statement.

iv. **Proposed Remuneration:**

- a) **Basic Salary:** Current Basic Salary of ₹ 4,00,000 per month; upto a maximum of ₹ 5,00,000 per month. The annual increments which will be effective April 1 of each year, shall be decided by the Board and based on the recommendation of the NRC. The annual increments will be performance-based and take into account the Company's performance as well, and shall be subject to the overall specified limit.

b) **Benefits, Perquisites & Allowances:**

Details of Benefits, Perquisites and Allowances are as follows:

- (i) Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation OR House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 85% of Basic Salary per annum.
 - (ii) Reimbursement of hospitalisation and major medical expenses incurred as per Rules of the Company (this includes medical insurance premium).
 - (iii) Car facility as per Rules of the Company.
 - (iv) Telecommunication facility as per Rules of the Company.
 - (v) Housing loan facility as per Rules of the Company.
 - (vi) Other perquisites and allowances given below subject to a maximum of 55% of Basic Salary per annum. This includes:
 - a. Medical allowance,
 - b. Leave Travel Concession/Allowance,
 - c. Other Allowances,
 - d. Personal Accident Insurance Premium,
 - e. Annual club membership fees.
 - (vii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the Rules of the Company.
 - (viii) Leave and encashment of unavailed leave as per the Rules of the Company.
- c) **Performance Linked Bonus:** In addition to the Basic Salary, Benefits, Perquisites and Allowances, Mr. Kapadia may be paid such remuneration by way of annual performance linked bonus subject to a maximum of 227.5 % of the Annual Basic Salary. This Performance Linked Bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the

The Indian Hotels Company Limited

Board. An indicative list of factors that may be considered for determination of the extent of the Performance Linked Bonus by the Board (supported by the NRC) are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
- Industry benchmarks of remuneration,
- Performance of the individual.

d. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year commencing from April 1, 2016 upto March 31, 2019, during the tenure of Mr. Kapadia's appointment, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Basic Salary, Benefits, Perquisites and Allowances and Performance linked bonus as specified above, subject to such approvals as required under Schedule V of the Act, or any modification(s) thereto;

v. Comparative remuneration profile

The remuneration payable to Mr. Kapadia is in line with the industry standards. The table below summarizes the overall cost to the Company seen in the market for comparable positions in companies with revenue size between ₹ 4,000 crores - ₹ 10,000 crores, per annum.

Overall Cost to the Company (in ₹ lakhs)				
10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile
84.49	94.47	142.77	188.11	247.15

(Source: As per Executive Compensation Study conducted by Aon Hewitt in March/April 2016 covering market data for comparable positions in companies with revenue size between ₹ 4,000 crores - ₹ 10,000 crores, per annum. (68 companies were reviewed). Cost to the Company includes Basic Salary, Benefits, Perquisites & Allowances, Commission/ Performance Linked Bonus and Long term incentives.)

***Note:** A percentile is a measure used in statistics indicating the value below which a given percentage of observations in a group of observations fall. For example, the 25th percentile is the value (or score) below which 25 percent of the observations may be found.

26. The terms and conditions of re-appointment of Mr. Goel and Mr. Kapadia (hereinafter referred to as 'the Appointees') also include the following principal clauses among others:
- i) Adherence with the Tata Code of Conduct, no conflict of interest with the Company, intellectual property, maintenance of confidentiality and all Personnel Policies.
 - ii) The Appointees shall not become interested or otherwise concerned, directly or through their respective spouse and/or children, in any selling agency of the Company.
 - iii) These appointments may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the notice which shall be limited to the provision of Basic Salary, Benefits, Perquisites & Allowances and any pro-rated Performance Linked Bonus paid at the discretion of the Board.
 - iv) The employment of the Appointees may be terminated by the Company without notice or payment in lieu of notice:
 - (a) If the Appointees are found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which they are required by the Agreement to render services; or
 - (b) In the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Appointees of any of the stipulations contained in the Agreement executed between the Company and the Appointees; or
 - (c) In the event the Board expresses its loss of confidence in the Appointees.
 - v) In the event the Appointees are not in a position to discharge their official duties due to any physical or mental incapacity, the Board shall be entitled to terminate their contracts on such terms as the Board may consider appropriate in the circumstances.
 - vi) Upon the termination by whatever means of the Appointees' employment:
 - (a) The Appointees shall immediately cease to hold offices held by them in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167 (1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.

- (b) The Appointees shall not without the consent of the Board at any time thereafter represent themselves as connected with the Company or any of the subsidiaries or associated companies.
- vii) If and when the Agreements expire or are terminated for any reason whatsoever, the Appointees will cease to be the Whole-time Directors and also cease to be Directors. If at any time, the Appointees cease to be Directors of the Company for any reason whatsoever, they shall cease to be the Whole-time Directors and the Agreements shall forthwith terminate. If at any time, the Appointees cease to be in the employment of the Company for any reason whatsoever, they shall cease to be the Directors and Whole-time Directors of the Company.
- viii) The Appointees covenant with the Company that they will not during the continuance of their employment with the Company accept any other directorships in any company or body corporate without the prior written consent of the Board.
- ix) The Appointees covenant with the Company that they will not for a period of one year immediately following the termination of their employment under this Agreement, without the prior written consent of the Board endeavour or entice away from the Company any employee who has at any time during one year immediately preceding such termination been employed or engaged by the Company or any subsidiaries or associated companies at any time during the one year immediately preceding termination.
- x) The terms and conditions of the said re-appointments may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Appointees, subject to such approvals as may be required.
27. In compliance with the provisions of Sections 196, 197 and other applicable provision of the Act, read with Schedule V to the Act, the terms of re-appointment and remuneration of Mr. Goel and Mr. Kapadia as specified above are now being placed before the Members for their approval.
28. The Board commends the resolutions at Item Nos. 6 & 7 of the accompanying Notice for acceptance by the Members.
29. Mr Goel and Mr. Kapadia may be deemed to be concerned and interested in Item Nos. 6 & 7, respectively, as it relates to their re-appointment as Whole-Time Directors of the Company. Other than them, none of the other Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested in the Resolutions mentioned at Item Nos. 6 & 7 of the accompanying Notice.

Item No. 8

30. As per Section 42 of the Act, read with the Companies (Prospectus and Allotment of securities) Rules, 2014 ("PAS Rules"), a company offering or making an invitation to subscribe to Non-Convertible Debentures (NCDs) on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval can be obtained once a year for all the offers and invitations made for such NCDs during the year.
31. The borrowing limit approved by the Members under Section 180(1)(c) of the Act is ₹ 5,000 Crores. As on March 31, 2016, the total debt of the Company was ₹ 2,611 crores (including redemption premium). This includes NCD's of ₹ 1,796 Crores (including redemption premium). Of the foregoing, debt of ₹ 600 crores (including redemption premium) is maturing in 2016/17. Further, the Company also proposes to selectively renovate hotels during the current year. Thus, taking into account the internal accruals, debt repayments, expenditure on renovations and other operational expenses for 2016/17, the Company may be required to raise upto ₹ 700 crores during the coming year.
32. The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the PAS Rules and the Companies (Share Capital & Debentures) Rules, 2014, to enable the Company to offer or invite subscriptions of NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 8 within the overall borrowing limits of the Company, as approved by the Members.
33. The Board commends the Resolution at Item No. 8 of the accompanying Notice for approval by the Members of the Company.
34. None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the Resolution at Item No. 8 of the accompanying Notice.

By Order of the Board of Directors

BEEJAL DESAI

Vice President – Legal and Company Secretary

Mumbai, May 18, 2016

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN: L74999MH1902PLC000183
Tel.: 022 66395515 Fax: 022 22027442
Email: investorrelations@tajhotels.com
Website: www.tajhotels.com

The Indian Hotels Company Limited

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to the SEBI Listing Regulations and Secretarial Standard-2 on "General Meetings")				
Name of Director	Cyrus P. Mistry	N. S. Rajan	Anil P. Goel	Mehernosh S. Kapadia
Age	48	54	58	63
Date of Appointment	December 28, 2012	November 27, 2015	March 17, 2008	August 10, 2011
Expertise in specific functional areas / Brief Resume	Mr. Cyrus P Mistry has a wide experience in diverse industries and is presently the Tata Group Chairman. In addition to being the Group Chairman, Mr. Mistry is also the chairman of leading Tata group companies. Prior to this, Mr. Mistry was the Managing Director of the Shapoorji Pallonji Group.	Dr. N. S. Rajan is a Human Resources professional with over three decades of work experience spanning industry and consulting in reputed companies. Presently he is the group chief human resources officer and member of the Group Executive Council of Tata Sons.	Mr. Anil P. Goel is a Finance professional and oversees the Taj Group's Finance, Mergers and Acquisitions, Purchases and Technology functions. He has over 34 years of experience in the Tata Group in various financial roles, including that of the Chief Financial Officer of Tata Global Beverages Ltd bringing a unique understanding of fiscal responsibility to Taj.	Mr. Mehernosh S. Kapadia has served the Taj Group of hotels in a variety of managerial positions. He has considerable experience of over 32 years in handling various issues with the Central and State Governments and Municipal Authorities.
Qualifications	Graduate degree in Civil Engineering, UK, M.Sc. in Management, London Business School	Phd. from the Indian Institute of Technology, Delhi, MBA from XLRI, Jamshedpur	B.Com, A.C.A.	Diploma in Travel Management
Details of shares held in the Company	1,28,625	NIL	NIL	63,480
List of Body Corporates in which outside Directorships held	<ul style="list-style-type: none"> Tata Sons Ltd Tata Industries Ltd The Tata Power Company Ltd Tata Teleservices Ltd Tata Global Beverages Ltd Tata Consultancy Services Ltd Tata Steel Ltd Tata Motors Ltd Tata Chemicals Ltd Tata Ltd Tata AG, Zug Tata International AG, Zug Tata Enterprises (Overseas) AG, Zug Jaguar Land Rover Automotive PLC Cyrus Investments Private Ltd Sterling Investment Corporation Private Ltd Imperial College India Foundation 			
Chairman / Member of the Committees of other Companies on which he is a Director (Committees includes the Statutory Committees)	Nomination and Remuneration Committee <ul style="list-style-type: none"> Tata Consultancy Services Ltd The Tata Power Company Ltd Tata Steel Ltd Tata Motors Ltd Tata Chemicals Ltd Tata Global Beverages Ltd Corporate Social Responsibility Committee <ul style="list-style-type: none"> Tata Consultancy Services Ltd - Chairman 	NIL	Audit Committee <ul style="list-style-type: none"> TAJ SATS Air Catering Ltd - Chairman Roots Corporation Ltd - Chairman Taj GVK Hotels & Resorts Ltd Piem Hotels Ltd Kaveri Retreats and Resorts Ltd Oriental Hotels Ltd TIFCO Holdings Ltd - Chairman Nomination and Remuneration Committee <ul style="list-style-type: none"> Roots Corporation Ltd - Chairman Corporate Social Responsibility Committee <ul style="list-style-type: none"> Piem Hotels Ltd TIFCO Holdings Ltd - Chairman Stakeholders Relationship Committee <ul style="list-style-type: none"> TAJ GVK Hotels & Resorts Ltd 	Audit Committee <ul style="list-style-type: none"> Taj Air Ltd Ewart Investments Ltd

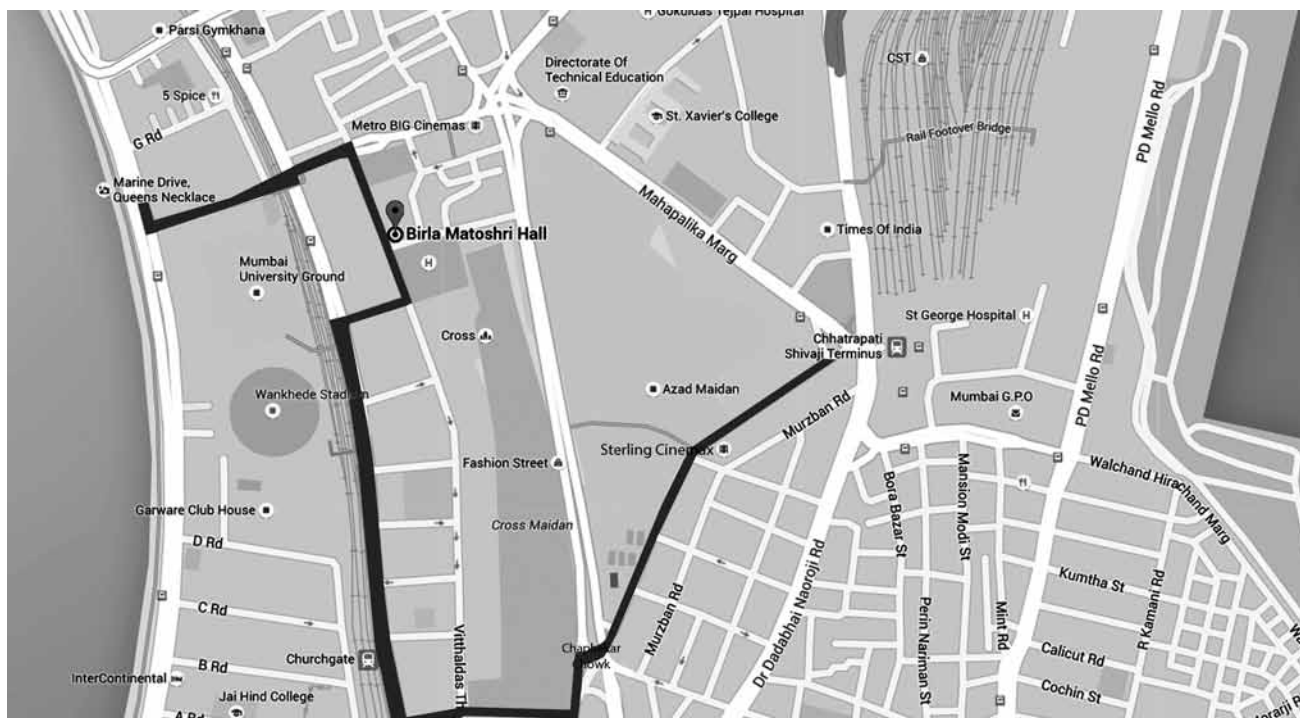
Annual Report 2015-2016

Name of Director	Cyrus P. Mistry	N. S. Rajan	Anil P. Goel	Mehernosh S. Kapadia
Number of Board Meetings attended during the year	7	2	7	6
Terms and conditions of appointment / re-appointment	Director liable to retire by rotation	Director liable to retire by rotation	Re-appointment as Whole-time Director	Re-appointment as Whole-time Director
Remuneration to be paid (if applicable)	Sitting fees	Commission and Sitting fees	Details of remuneration provided in the Explanatory Statement	Details of remuneration provided in the Explanatory Statement
Last drawn remuneration	Details of remuneration provided in the Corporate Governance Report.			
Relationship	Except for Mr. Cyrus P. Mistry & Mr. Shapoor Mistry, being related to each other as brothers there are no inter-se relationships between other Board Members.			

The Indian Hotels Company Limited

Route Map to the AGM Venue

Venue: Birla Matoshri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400020



Landmark: Next to Bombay Hospital

Distance from **Churchgate Station:** 1 km

Distance from **Chhatrapati Shivaji Terminus:** 1.2 km

Distance from **Marine Lines Station:** 0.8 km

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the 115th Annual Report of your Company together with its Audited Financial Statements for the year ended March 31, 2016:

FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2015/16	2014/15	2015/16	2014/15
	₹ crores	₹ crores	₹ crores	₹ crores
Total Income	2,382.32	2,103.60	4706.27	4,287.85
Profit before Depreciation, Finance Costs and Tax	537.17	437.89	731.93	587.29
Less: Depreciation	127.08	117.85	316.67	291.29
Less: Finance Costs	88.20	89.46	245.96	175.57
Profit before Tax & Exceptional Item	321.89	230.58	169.30	120.43
Less: Exceptional Items	10.21	228.70	67.16	352.91
Profit / (Loss) before Tax	311.68	1.88	102.14	(232.48)
Less: Provision for Tax	163.86	125.47	199.48	159.59
Add: MAT Credit	51.89	41.37	56.75	42.94
Add: Excess Provision of Tax of earlier years (Net)	1.33	-	2.66	2.05
Profit / (Loss) after Tax	201.04	(82.02)	(37.93)	(347.08)
Less: Minority Interest in subsidiary	-	-	(25.45)	(30.98)
Add: Share of Profit / (Loss) of Associates	-	-	2.85	(0.04)
Profits / (Loss) after Tax, Minority Interest & Share of Associates	201.04	(82.02)	(60.53)	(378.10)
Add: Balance brought forward from the previous year	(471.50)	(389.48)	(1,680.82)	(1,294.54)
Less: Transfer (to) / from Other Reserves	-	-	1.85	(1.65)
Less: Transfer to Reserve Fund	-	-	(3.32)	(3.00)
Less: Tax on Dividend	-	-	(4.85)	-
Balance carried to Balance Sheet	(270.46)	(471.50)	(1,747.67)	(1,680.82)

EXTERNAL ENVIRONMENT

The GDP growth in India during the year was at an estimated 7.5%. Inflation has moderated from 5.2% in March, 2015 to 4.8% in March, 2016. Inflation is further expected to reduce to single digits going forward. The Indian Rupee has witnessed a sharp decline against the US Dollar from ₹ 59 in April 2014 to ₹ 66 in March 2016. It is expected that continued weakness in the INR would favourably impact the inbound foreign tourist arrivals in 2016, in addition to the 'E-Visa' scheme which has gathered traction since 2015 and the 'Visa-on-arrival' benefit being extended to a larger list of countries. Economic revival would be driven by the Government's ability to press ahead with reforms, including the critical reforms, viz. – Goods and Services Tax legislation, Bankruptcy code and a stronger anti-corruption law.

The International tourist arrivals, worldwide, grew to a record 1.2 billion in 2015, 4.4% above 2014. Based on the recent trends, the United Nations World Tourism Organization (UNWTO) projects growth of 4% in international tourist arrivals, worldwide, for 2016.

The Foreign Tourist arrivals in India, during 2015, were 8 million, which translates to a 4.4% growth over the previous year. Foreign Exchange Earnings (FEEs) grew by 2.3% to ₹ 126,211 crores during January to December 2015, as compared to the previous year.

The Taj Group opened three Luxury hotels in Mumbai, Bengaluru and Dubai, two new Gateway hotels at Pune and Ajmer and one new Vivanta by Taj hotel at Guwahati. The Group currently has a portfolio of 34 Ginger hotels with an aggregate inventory of 3,177 rooms (including 6 hotels under management contract) and one transit guest house. The inventory of the Taj Group of Hotels now stands at 133 hotels with 16,592 rooms.

The Indian Hotels Company Limited

Your Company continues to pursue expansion both in the domestic and international market, in a capital light manner, to achieve sustainable and profitable growth.

FINANCIAL HIGHLIGHTS - STANDALONE

Income

The Total Income for the year ended March 31, 2016 at ₹ 2,382.32 crores represents a growth of 13% over the previous year. Within the overall revenue, Room Revenue increased by 10%, driven by improved ARR, occupancies and incremental impact of full year operations of Vivanta by Taj, Dwarka, which commenced operations in March 2015. The Food and Beverage Revenues increased by 13% over the previous year, aided by growth in restaurant sales and banqueting income. Other Operating Income, Management and Operating Fees, Dividend and Interest Income were also higher, compared to the previous year.

Depreciation and Finance Costs

Depreciation for the year was higher at ₹ 127.08 crores as compared to ₹ 117.85 crores for the previous year. Finance costs for the year ended March 31, 2016, net of currency swap gains, of ₹ 88.20 crores were marginally lower by ₹ 1.26 crores as compared to the previous year. Gross interest costs were lower by ₹ 13.10 crores due to retirement of debt during the year, which was however offset by lower currency swap gains in the current year, due to the sustained depreciation of the Indian Rupee against the US Dollar.

Profit Before Tax and Exceptional Items

Profit before Tax and Exceptional Items stood at ₹ 321.89 crores, which represents an increase of 40%, as compared to the previous year.

Exceptional Items

Exceptional Items include foreign exchange loss of ₹ 56.56 crores pertaining to amortization of the exchange loss on the revaluation of External Commercial Borrowing (ECB) and on revaluation of cross currency swap contracts.

Exceptional Items also include ₹ 9.83 crores being expenditure on a project written off and gain of ₹ 56.53 crores on sale of your Company's investment in Tata Projects Limited, which was classified as a long term investment.

In the previous year, your Company had recognised diminution in value of long term investments of ₹ 213.49 crores, along with other items and thus the adverse impact of the Exceptional Items for the current year is lower by ₹ 218.49 crores, as compared to the previous year.

Borrowings

The total borrowings (excluding Compulsorily Convertible Debentures for the previous year) stood at ₹ 2,107.86 crores as at March 31, 2016 as against ₹ 2,209.09 crores as on March 31, 2015, for the standalone entity, representing a decrease of ₹ 101.23 crores due to repayment of debt.

Profit / (Loss) before and after tax

The Profit before Tax for the year was at ₹ 311.68 crores, as compared to ₹ 1.88 crores for the previous year. The Profit after Tax for the year was at ₹ 201.04 crores, as compared to a Loss of ₹ (82.02) crores, for the previous year.

FINANCIAL HIGHLIGHTS - CONSOLIDATED

The consolidated income of your Company for the year ended March 31, 2016 aggregated ₹ 4,706.27 crores as against ₹ 4,287.35 crores for the previous year. The consolidated turnover increased by 9.7% driven by the parent Company's domestic portfolio, as also the revenues earned from the new hotels which commenced operations in the current year.

The Profit before Tax and Exceptional Items of ₹ 169.30 crores significantly improved by 40% over the previous year. The Loss after Tax aggregated to ₹ (60.53) crores for the year has significantly reduced when compared to the Loss after Tax of ₹ (378.10) crores for the previous year.

The consolidated financial results of the previous year were impacted due to Exceptional Items aggregating to ₹ 352.91 crores.

During the year, your Company continued to face a challenging environment not just in the domestic market but also across the key international markets wherein your Company owns / operates hotels and markets that are a source of business for us.

Your Company's hotels in the USA have reported relatively flat turnover and EBITDA compared to the previous year. The renovations undertaken at Sri Lanka and Maldives in recent years have been well received by the guests as is evident from the improved performances from these regions.

APPROPRIATIONS

Dividend

On account of improved performance and Profit After Tax reported by your Company during the current year, the Board of Directors recommend a dividend at ₹ 0.30 per share, out of reserves for the year 2015/16 (previous year Nil per share). The dividend on Equity Shares, if approved by the Members, would involve a cash outflow of ₹ 35.72 crores, including dividend tax.

Conversion of Compulsorily Convertible Debentures

In September, 2014, your Company had allotted 18.18 crores Compulsorily Convertible Debentures (CCDs) on a Rights basis to its existing shareholders, aggregating ₹ 999.91 crores. Each CCD was compulsorily convertible into one Equity Share, fully paid-up of the face value of ₹ 1 per share at a premium of ₹ 54 per share after 18 months from the date of allotment.

Consequently, the CCDs had been converted into 18.18 crores Equity Shares on March 1, 2016, upon expiry of 18 months from the date of allotment. Accordingly, the paid-up Equity Share Capital increased from ₹ 80.75 crores to ₹ 98.93 crores post the conversion.

Debentures

During the year, your Company had redeemed the following Debentures:

Out of the 3000, 2% Secured Non-Convertible Debentures of the face value of ₹ 8,00,000 issued on a private placement basis, 30% of the face value was redeemed on March 23, 2016 for an aggregate value of ₹ 90 crores, along with redemption premium of ₹ 1.72 lakhs per debenture.

Capital Expenditure

During the year under review, your Company incurred ₹ 191.87 crores towards capital expenditure, a majority of which was incurred towards the Vivanta by Taj, Guwahati project as well as on new Information Technology initiatives, renovations and refurbishments of hotels.

Fixed Deposits

The outstanding amount of Fixed Deposits placed with your Company was Nil (Previous year Nil) excluding ₹ 0.81 crore (Previous year ₹ 1.04 crore), which remained unclaimed by depositors as at March 31, 2016. Your Company does not accept and / or renew Fixed Deposits from the general public and shareholders.

Loans, Guarantees or Investments

Your Company is exempt from the provisions of Section 186 of the Companies Act, 2013 ("Act") with regard to Loans and Guarantees. Details of Investments made are given in the notes to the Financial Statements.

STRATEGIC INITIATIVES

Our strategic objective is to build a sustainable organization that remains committed to meet the expectations of our discerning customers, while generating profitable growth for our shareholders and all other stakeholders. In this regard, your Company has unveiled a slew of strategic initiatives, each of which is summarised in the Management Discussion and Analysis.

The Indian Hotels Company Limited

Restructuring of Overseas Investments

In the past, your Company's diverse international investments were distributed across multiple geographies and entities, which led to a complex holding structure, with cross holdings across jurisdictions. This did not facilitate consolidation of value under a single overseas entity, thereby limiting the ability to raise funds or access capital markets while also precipitating taxation inefficiencies and other regulatory exposures.

Recognizing the importance of restructuring its international investments, and based on an approval of the Board of Directors and The Reserve Bank of India, your Company embarked on an international restructuring plan to have a simplified structure with one Apex Holding Company which would consolidate the value of material overseas assets under a single overseas entity. This would enhance the Company's fund raising ability and the value of underlying assets would be appropriately reflected in the Company's books along with achieving efficiency in debt service due to bigger size of holding Company and larger up-streaming to one apex Company.

IHOCO BV, the 100 % offshore subsidiary Company has since become the Company's apex offshore investment holding Company. Holdings in the, USA, UK, Sri Lanka, Maldives hotels and the two London restaurants have been shifted to IHOCO BV. Thus, eight owned hotels (1584 rooms) and two UK restaurants are now being held through IHOCO BV. The conclusion of the restructuring marks a significant milestone in your Company's ability to facilitate potential value creation.

Amalgamation of International Hotel Management Services, LLC

As part of the Company's restructuring plan, at a meeting held on October 19, 2015, the Board of Directors had approved the amalgamation of International Hotel Management Services LLC (formerly known as International Hotel Management Services Inc.), a wholly held subsidiary ("Transferor Company") into the Company, by way of a Scheme of Arrangement amongst the Company, the Transferor Company, and the respective shareholders and creditors (the "Scheme"), as provided under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Act, Section 78 and Sections 100 to 103 of the Companies Act, 1956. The appointed date for the Scheme is January 1, 2016. The intended amalgamation has been approved by the Members at the meeting convened on May 4, 2016, on the direction of the Honourable High Court of Judicature at Bombay ("Bombay High Court") where the application seeking permission for the amalgamation was filed.

Amalgamation of Lands End Properties Private Limited (Sea Rock)

The Sea Rock asset is a marquee site and is key to your Company's ability to drive value through further enhancing its existing portfolio of exclusive assets in Mumbai. Recognizing the importance of reassuming overall control over the Sea Rock asset, your Company has pursued the strategic objective by, firstly, purchasing the balance 80.1% in Lands End Properties Private Limited from the other shareholders and thereafter seeking to amalgamate Lands End Properties Private Limited with itself. This would permit your Company to evaluate and pursue the most value accretive option for this unique asset in a time bound manner.

Consequently, the step down subsidiaries of Lands End Properties Private Limited viz. Skydeck Properties and Developers Private Limited, Sheena Investments Private Limited, Luthria and Lalchandani Hotel and Properties Private Limited and ELEM Hotels and Investments Limited have also become subsidiaries of your Company.

To progress the proposed amalgamation of Lands End Properties Private Limited, at a meeting held on October 19, 2015, the Board of Directors had approved the amalgamation of Lands End Properties Private Limited, a wholly held subsidiary ("Transferor Company") into the Company, by way of a Scheme of Arrangement amongst the Company, the Transferor Company, and the respective shareholders and creditors (the "Scheme"), as provided under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Act, section 78 and Sections 100 to 103 of the Companies Act, 1956. The appointed date for the Scheme is March 31, 2016. The intended amalgamation has been approved by the Members of the Company at the meeting convened on May 4, 2016, on the direction of the Honourable High Court of Judicature at Bombay ("Bombay High Court") where the application seeking permission for the amalgamation has been filed.

The accounting impact of both the above Schemes of Arrangement can only be reflected in the financial statements after receiving the requisite orders of the Bombay High Court sanctioning the Schemes and filing of the orders with the Registrar of Companies, Mumbai. As the orders of the Bombay High Court are awaited, the financial statements as at and for the year ended March 31, 2016 do not include any adjustments that will arise on implementation of the Schemes and the Company's investments in the transferor companies continues to be carried at their previous carrying values.

The Statutory Auditors have drawn attention to the above matter by way of "Matter of Emphasis" in their report.

Proposed Divestment of IHMS (Boston) LLC – Taj Boston Hotel

Due to the onset of the global economic recession which impacted the fortunes of the hospitality sector around the world, and thus the Company's profitability, your Company had been relooking at all options for a course correction in strategy, focusing on growth in high margin markets and evaluating the relevance of some of its existing assets in the portfolio to reduce leverage.

Taj Boston was acquired in November, 2006 and is housed in IHMS (Boston) LLC, a Delaware company, and a step down subsidiary of your Company. Taj Boston has been unable to earn profits since acquisition and your Company has had to consistently fund the losses since it was acquired.

In line with your Company's strategic vision to be asset light and consolidate its portfolio through value unlocking, a decision was taken to divest Taj Boston by way of sale of IHMS (Boston) LLC, the asset owning company.

The Board of Directors has accorded its approval to allow United Overseas Holding Inc (UOH), an indirect Wholly Owned Subsidiary of your Company in the United States, to pursue the option of divestment of the Taj Boston hotel at a consideration not being lower than USD 125 million (US Dollars One Hundred and Twenty Five Million), whilst retaining brand presence on the property through Management Services Agreement. This will be subject to Members and other approvals, as would be necessary, and the Members have been approached to consider, and if deemed fit, grant their approval for the proposed divestment.

CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the initiatives undertaken by your Company on CSR activities during the year are set out in Annexure I of this report in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on the website of your Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in your Company, its compliance with operating systems, accounting procedures and policies at all locations of your Company. Based on the report of the Internal Audit function, 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. The laid down internal financial controls are adequate and were operating effectively during the year.

In addition, during the year 2015/16, as required under Section 143 of the Act, the Statutory Auditors have evaluated and expressed an opinion on the Company's internal financial controls over financial reporting based on an audit. In their 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, 2016.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has adopted a Whistle Blower Policy to provide a mechanism for the Directors and employees to report genuine concerns about any unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations). The Whistle Blower policy can be accessed on your Company's website at the link: <https://www.tajhotels.com/content/dam/thrp/investors/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf>.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 as per Section 92 (3) of the Act are annexed herewith as Annexure II.

AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which forms part of the Annual Report.

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RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and the SEBI Listing Regulations, your Company has formulated a policy on dealing with Related Party Transactions (RPTs) which can be accessed on the Company's website under the link: <https://www.tajhotels.com/content/dam/thrp/investors/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

Prior omnibus approval is obtained for RPT's which are of a repetitive nature and entered in the Ordinary Course of Business and are at Arm's Length. All RPT's are placed before the Audit Committee for review on a quarterly basis.

All RPTs that were entered into during the financial year were in the Ordinary Course of Business and at Arm's Length. For one RPT, where your Company entered into a Hotel Operating Agreement with Taj GVK Hotels and Resorts Limited, where marketing fees and group service costs recovery were at a negotiated rate lower than the approved framework, the requisite approval of the Audit Committee was obtained.

During the year, the Company had entered into one materially significant RPT which was at arms-length basis, for which the necessary Board and Members approval was sought, the details of which are given in Form AOC-2 which is attached as Annexure III to this Report.

RISK MANAGEMENT

Although not mandatory, your Company has constituted a Risk Management Committee as a measure of good governance. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

Your Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, to identify and evaluate business risks and opportunities for mitigation of the same. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting.

Your Company is faced with risks of different types, each of which need varying approaches for mitigation. Details of various risks faced by your Company are provided in the Management Discussion and Analysis.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Consolidated Financial Statements of your Company and its Subsidiaries, Joint Ventures and Associates, prepared in accordance with the relevant Accounting Standards of the Institute of Chartered Accountants of India, duly audited by the Statutory Auditors, form a part of the Annual Report and are reflected in the Consolidated Accounts.

Your Company has 28 Subsidiaries, 8 Joint Ventures and 6 Associates as at March 31, 2016. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of your Company's Subsidiaries, Associates and Joint Ventures in Form AOC-1 is attached to the Financial Statements of your Company.

Pursuant to the provisions of Section 136 of the Act, the financial statements of your Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of your Company.

During the year under review, your Company acquired the balance as the Company 80.1% equity shares in Lands End Properties Private Limited (LEPPL) and thus LEPPL has become a Wholly Owned Subsidiary of the Company. As of result this acquisition, the step down subsidiaries of LEPPL i.e. Skydeck Properties and Developers Private Limited, Sheena Investments Private Limited, Luthria and Lalchandani Hotel and Properties Private Limited and ELEM Hotels and Investments Limited also become subsidiaries of your Company.

Pursuant to the International Restructuring exercise, United Overseas Holdings Inc (UOH) had been incorporated as a Wholly Owned Subsidiary of IHMS Inc on August 25, 2015 and IHMS Inc had been converted into a LLC on October 5, 2015, to aide the proposed amalgamation with your Company which has since been approved by the Members in the Court Convened Meeting held on May 4, 2016.

During the year, Premium Aircraft Leasing Corporation Ltd, incorporated in Ireland as a wholly owned subsidiary of Piem International (HK) Ltd, was dissolved with effect from February 10, 2016.

The policy for determining material subsidiaries can be accessed on your Company's website under the link <https://www.tajhotels.com/content/dam/thrp/investors/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES.pdf>.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company are Mr. Rakesh Sarna, Managing Director & CEO, Mr. Anil P. Goel, Executive Director & CFO, Mr. Mehernosh S. Kapadia, Executive Director – Corporate Affairs and Mr. Beejal Desai, Vice President – Legal & Company Secretary. There has been no change in KMP's during the year.

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act.

During the year, Dr. N. S. Rajan was appointed as an Additional Director of your Company in a Non-Executive capacity effective November 27, 2015 and he holds office upto the date of the forthcoming Annual General Meeting (AGM).

Mr. Anil P. Goel's tenure as a Whole-time Director of the Company ended on March 16, 2016 and that of Mr. Mehernosh S. Kapadia shall end on August 9, 2016. The Company has greatly benefited from their expertise and experience. In view of the same, it is proposed to re-appoint Mr. Anil P. Goel as a Whole-time Director of the Company for a period of five years w.e.f. March 17, 2016 and Mr. Mehernosh S. Kapadia as a Whole-time Director of the Company from August 10, 2016 upto his reaching the age of 65 years i.e. May 22, 2018 (retirement age of Executive Directors as per the Governance Guidelines).

In accordance with the Act and the Articles of Association of your Company, Mr. Cyrus P. Mistry retires by rotation and is eligible for re-appointment.

Your approval for their appointments / re-appointments as Directors has been sought in the Notice convening the AGM of your Company.

BOARD MEETINGS

During the year under review, seven Board Meetings were held and the intervening gap between the meetings did not exceed the period prescribed under the Act, the details of which are given in the Corporate Governance Report.

BOARD EFFECTIVENESS

Your Company has adopted the Governance Guidelines which, inter alia, cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director's term, retirement age and Committees of the Board. They also cover aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, subsidiary oversight, Code of Conduct, Board Effectiveness Review and mandates of Board Committees.

A. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirement as prescribed by the SEBI Listing Regulations.

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

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

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual Directors on the basis of criterias such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspect of his role.

In a separate meeting of independent Directors, performance of non-independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed. Performance evaluation of Independent Director's was done by the entire Board, excluding the Independent Directors being evaluated.

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B. Appointment of Directors and criteria for determining qualifications, positive attributes, independence of a Director

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of your Company. The NRC reviews and meets potential candidates, prior to recommending their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and the SEBI Listing Regulations, 2015 as stated under:

Independence: A Director will be considered as an 'Independent Director' if he / she meets with the criteria for 'Independence' as laid down in the Act, Regulation 16 of the SEBI Listing Regulations and the Governance Guidelines.

Competency: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board comprises a mix of members with different educational qualifications, knowledge and who possess adequate experience in banking and finance, accounting and taxation, economics, legal and regulatory matters, consumer industry, hospitality sector and other disciplines related to the company's businesses.

Additional Positive Attributes:

- The Directors should not have any other pecuniary relationship with your Company, its subsidiaries, associates or joint ventures and the Company's promoters, except as provided under law.
- The Directors should maintain an arm's length relationship between themselves and the employees of the Company, as also with the directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The Directors should not be the subject of proved allegations of illegal or unethical behaviour, in their private or professional lives.
- The Directors should have the ability to devote sufficient time to the affairs of your Company.

C. Remuneration Policy

Your Company had adopted a Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of the Act and the SEBI Listing Regulations.

The key principles governing your Company's Remuneration Policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

- Independent Directors (ID) and Non-Independent Non-Executive Directors (NINED) may be paid sitting fees for attending the meetings of the Board and of Committees of which they may be members and receive commission within regulatory limits, as recommended by the NRC and approved by the Board.
- Overall remuneration should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of your Company, taking into consideration the challenges faced by your Company and its future growth imperatives.
- Remuneration paid should be reflective of the size of your Company, complexity of the sector / industry / Company's operations and your Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The aggregate commission payable to all the NINEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board. The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee Meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- The remuneration payable to Directors shall be inclusive of any remuneration payable for services rendered in any other capacity, unless the services rendered are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Remuneration for Managing Director (MD) / Executive Directors (ED) / Key Managerial Personnel (KMP) / rest of the Employees

- The extent of the overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence, remuneration should be market competitive, driven by the role played by the individual, reflective of the size of your Company, complexity of the sector / industry / Company's operations and your Company's capacity to pay, consistent with recognized best practices and aligned to any regulatory requirements.
- Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience. In addition, your Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. Your Company also provides all employees with a social security net subject to limits, by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death benefits etc. Your Company provides retirement benefits as applicable with the Retirement Policy.
- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, your Company provides MD / EDs such remuneration by way of performance linked bonus, calculated with reference to the net profits of your Company in a particular financial year, as may be determined by the Board, subject to the overall limits stipulated in Section 197 of the Act. The specific amount payable to the MD / EDs would be based on performance as evaluated by the NRC and approved by the Board.
- Your Company provides the rest of the employees a performance linked bonus. The performance linked bonus is driven by the outcome of the performance appraisal process and the performance of your Company and the individual's contribution.

It is affirmed that the remuneration paid to Directors, KMP and all other employees is as per the Remuneration Policy of your Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant material orders were passed by the regulators or courts or tribunals impacting the going concern status and your Company's operations.

STATUTORY AUDITORS

M/s PKF Sridhar & Santhanam, LLP the Joint Auditors of the Company have recently informed the Company of their decision not to continue as Joint Auditors from the conclusion of the 115th AGM, vide their letter dated May 12, 2016. Accordingly, Deloitte Haskins & Sells LLP, Chartered Accountants are proposed to be appointed as the sole Statutory Auditors with effect from August 23, 2016.

At the AGM, the Members will be requested to ratify the re-appointment of Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm No. 117366W / W-100018), as the sole Statutory Auditor from the conclusion of this AGM upto the conclusion of the next AGM and authorise the Board of Directors to fix their remuneration.

The report of the Statutory Auditors along with the notes to Schedules is enclosed to this report and does not contain any qualification, reservation or adverse remark or disclaimer.

SECRETARIAL AUDIT

Pursuant to the provisions of the Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s P.K.Pandya and Associates to undertake the Secretarial Audit of your Company for the financial year 2015/16. The Secretarial Audit Report is annexed herewith as Annexure IV. The report does not contain any qualifications, reservation or adverse remarks.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The details of conservation of energy are given in the Management Discussion and Analysis Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(M) of the Act, read with Rule 8 of the Companies Accounts) Rules, 2014, the information relating to foreign exchange earnings and expenses is set out in notes 40 and 41 of the Notes to the Financial Statements.

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PARTICULARS OF EMPLOYEES / HUMAN RESOURCES

The disclosure required to be furnished pursuant to Section 197 (12) read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure V to this Report.

The particulars of employees required to be furnished pursuant to Section 197 (12) read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Annual Report. However, as per the provisions of Section 136 (1) of the Act, the reports and accounts are being sent to all the Members of your Company excluding the statement of particulars of employees. Any Member interested in obtaining a copy may write to the Company Secretary at the Registered Office of your Company. The full Annual Report including the aforesaid information is available on your Company's website.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the year under review, your Company has received 23 complaints on sexual harassment, and all the complaints have been disposed off and appropriate action taken and no cases remain pending.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by your Company, work performed by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that your Company's internal financial controls were adequate and effective during the financial year 2015/16.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) In the preparation of the accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and that there are no material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that the period;
- (iii) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the Financial Statements for the financial year ended March 31, 2016 on a 'going concern' basis.
- (v) The Directors have laid down internal financial controls for the company which are adequate and are operating effectively.
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively

CORPORATE GOVERNANCE

As required by the SEBI Listing Regulations the report on Management Discussion and Analysis, Corporate Governance as well as the Practising Company Secretary's Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report.

ACKNOWLEDGEMENT

The Directors express their deep sense of appreciation for the contribution made by the employees to the significant improvement in the operations of the Company.

The Directors also thank all the stakeholders including Members, customers, lenders, vendors, business partners and the Government of India for their continued co-operation and support.

On behalf of the Board of Directors

Cyrus P. Mistry
Chairman

Mumbai, May 18, 2016

Registered Office:

Mandlik House,
Mandlik Road,
Mumbai 400 001.
CIN: L74999MH1902PLC000183
Tel.: 022 66395515 Fax: 022 22027442
Email: investorrelations@tajhotels.com
Website: www.tajhotels.com

ANNEXURE I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES – 2015 / 16

1. Your Company has been actively involved in activities for the betterment of the community, long before the CSR norms were instituted in the Companies Act, 2013. Giving back to society and making a sustainable difference in the lives and livelihoods of target communities goes beyond the nature of financial contribution reportable under the Companies Act framework. This philosophy stems from the Tata legacy of recognizing communities as a key stakeholder in the way business is conducted. The Tata Sustainability Group and Tata Affirmative Action Program guide the Tata Group's CSR approach and strategy including that of the Company.

In the previous year, the Company has focused on driving its CSR theme of Building Sustainable Livelihoods through:

- Imparting employment-enhancing vocational skills in hospitality and promoting local enterprise
- Contributing to local neighbourhoods by maintaining public gardens, taking up activities to contribute to Clean India movement and preservation of traditional art and culture
- Undertaking welfare activities encompassing food donations, engagement with local charity homes and educational support to deserving families and other allied initiatives.

These programmes and initiatives were undertaken in association with local partners, including communities, Self Help Groups, Non-Governmental and Governmental bodies in and around the regions of hotel operations.

The Company's CSR Policy outlines key programmes, initiatives and mechanism followed for driving Corporate Social Responsibility which is updated under the 'Policies' section on the website under the link – <https://www.tajhotels.com/content/dam/thrp/investors/CSR-Policy-IHCL.pdf>.

The Company encourages its partner companies across the Taj Group to adopt and deploy the Company's CSR policy, focus areas and approach.

2. The composition of the CSR Committee is as follows:
 - (i) Mr. Rakesh Sarna (Managing Director and CEO Indian Hotels Company Limited) - Chairman
 - (ii) Mr. Nadir Godrej - Independent Director
 - (iii) Ms. Ireena Vittal - Independent Director
3. Average net profit of the Company for last three financial years for the purpose of computation of CSR: ₹ 179.64 crores.
4. The prescribed CSR Outlay (two per cent of the average net profit as per item 3 above) is ₹ 3.59 crores.
5. Details of CSR spend during the financial year:

Total amount to be spent for the financial year: ₹ 3.59 crores

Amount unspent, if any: ₹ 2.67 crores

Some of the planned programmes in the areas of providing livelihood and promotion of traditional art and craft enterprises are multi-year projects and ongoing.

Manner in which the amount spent during the financial year 2015/16 is detailed in the table below:

₹ crores						
Project	Sector in which the Project is covered	Nature of Program	Direct or / and Partnership with NGO	Location	Amount Outlay (budget) project – program-wise	Amount of Money Spent
Livelihoods	Employment Enhancing Vocational Skills / Promotion of Education - Schedule VII (ii)	Support towards skill development and certification and promotion of local enterprise	Direct and Partnership	Mumbai, Calicut, Bangalore and central support for various partner skill centers across India	0.79	0.06
Upkeep of Local Neighborhoods and Preservation of Traditional Art and Culture	Environment Sustainability and Upkeep of Public Facilities and Properties - Schedule VII (iv)	Upkeep of public gardens, Painting the areas around the periphery of the hotel including the local bus stop and public areas, Cleaning of local neighborhoods, peripheries of hotels, bus stops, lakes, beaches, Provision of drinking water facilities etc.	Direct	Delhi, Mumbai, Udaipur, Goa, Chennai, Bangalore, Khajuraho, Calicut and centralized support	1.86	0.35
Education	Donations to CSR partners / projects - Rule 42 (2) of Companies (CSR) Rules, 2014	Educational scholarship, developing a school library, mentorship program, after school support, promoting extra-curricular activities	Partnership and Direct	Khajuraho, Goa, Calicut	0.40	0.01
Welfare*	Donations to CSR partners / projects - Rule 42 (2) of Companies (CSR) Rules, 2014	Food, clothes, blood, medicines, groceries, computer and support in cash, kind and volunteering time	Partnership and Direct	All IHCL hotels and centralized support	0.54	0.50
Total					3.59	0.92

* Welfare includes initiatives involving donations and miscellaneous community welfare activities undertaken based on local needs and requests. This ranges from blood / food / medical / clothing / computer donation, hygiene awareness sessions, supporting charity homes and orphanages in celebrating key events

6. The Company spent ₹ 0.92 crore on its CSR programs that entailed training and certifying less privileged youth in hospitality, promoting of local enterprise, upkeep of local neighbourhoods, education and welfare related programs undertaken on need-basis to meet the local requirements of the communities in and around the areas of our hotel operations. Additionally, the Company conducted an external impact assessment of its CSR Programs, focusing on evaluating the impact made via the skill training programs.

Your Company encourages its partner hotel companies (i.e. joint ventures, management contracts, etc.) to support the local communities in line with its CSR focus areas. Hotels across Taj Group through its CSR programs along with its NGO partners certified and trained over 5000 less privileged youth, supported around 3000 local community members through upkeep of Local Neighbourhoods and Preservation of Traditional Art and Culture, provided educational scholarship to over 400 less privileged children, and supported approximately 10,000 beneficiaries, including less privileged women and children, differently abled and other locally identified communities, through its welfare initiatives.

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7. The Taj Group of hotels is committed towards 'Giving Back to Society' and endeavour to facilitate livelihood opportunities and socio-cultural development in its areas of operations and for target communities. In line with Tata Group's culture and belief in long-term, theme-based societal contribution that goes beyond compliance, hotels have been involved in various skilling and livelihoods promotion initiatives, which involve volunteering, knowledge contribution, pro bono sharing of our hotels' venue for promotions of arts / crafts and indigenous cultures, sourcing products and services for operational use directly from target communities, social enterprises and income generation projects of partner NGOs. The Beyond Compliance CSR initiatives undertaken in 2015/16, across the Taj Group of hotels are detailed in the table below:

Project	Nature of Program	Direct or / and Partnership with NGO	Location	Impact
Traditional Art and Culture Preservation	Providing hotel venue to artisans and craftsmen aimed at conserving and promoting traditional art and craft forms	Direct	Agra, Varanasi, Goa, Aurangabad, Chennai, Ooty, Hyderabad, Kumarakom, Jaipur, Jodhpur among others	Support extended to artisan and craftsmen (about 500 families) across India enabling them to earn an income of ₹ 0.29 crore
Welfare	Supporting NGO partners through donations via the Taj Innercircle - Loyalty Program	Partnership	Mumbai	4 partner organizations working with less privileged women, farmers and cancer patients donated ₹ 1.44 lakh worth of loyalty points
Disaster Relief and Rehabilitation	Education, Pension, Monthly Sustenance, Medical Support	Direct	Uttarakhand, Jammu and Kashmir, Mumbai	Support extended to over 300 victims affected by natural and manmade disasters to the tune of ₹ 1.99 crores through the Taj Public Service Welfare Trust
Livelihoods	Enterprise Development and Skill Training	Direct and Partnership	Hyderabad, Mumbai, Delhi, Kolkatta, Bangalore, Varanasi, Khajuraho, Kumarakom, Goa, Cochin, Coimbatore, Jaipur, Aurangabad among others	Support to over 90 small scale vendors from marginalized communities including SC / ST and OBCs and over 100 less privileged women through responsible sourcing. Over ₹ 7 crores of goods and services procured from these target groups. Additionally, over 1,500 less privileged youth supported through skill training programs at hotel premises with ₹ 1.34 crores spent towards guest lectures, joint certification, on-the-job training as well as stipend provided from training and certification.

Implementing Agencies

Your Company executes its compliance and beyond compliance CSR endeavors in partnership with locally based not profit organizations that understand the needs of the community. Some of the NGOs the Company engages with are Women's India Trust, Cancer Patients Aid Association, Tata Tea Wives Association, ARZ, Pratham, Prem Dan, DEEDS and Mercy Home among others.

Employee Volunteering

Your Company strongly believes that CSR and environmental responsibility are best driven and sustained as a joint endeavor of interested employees and associates of the Company. There is a specific focus on sensitizing employees in the areas of social responsibility, environment management and safety. Throughout the year, the Company has various activities, contests and platforms, which provide associates with opportunities to engage with the community

and undertake environmentally responsible endeavors. In the last year, associates contributed over 6000 hours towards supporting a number of social and environmental initiatives in line with the identified focus areas during Tata Volunteering Week.

8. Going Forward: 2016/17

Your Company intends to make its programs and processes for compliance stronger as we go forward to ensure optimum deployment of available budgets to enhance its outreach to its target communities.

The last quarter has seen the Company set forth a renewed strategic direction in the realm of Corporate Social Responsibility. The Company has devised a CSR framework based on the thematic areas of 'Livelihoods, Neighborhoods and Welfare' from 2016/17 onwards. This update covers all Taj Hotels, Resorts and Palaces across locations in India, as per the prescribed disclosures required by the Companies Act, 2013.

The '**Livelihoods**' thematic area comprises of two sets of initiatives namely **Hospitality Skill Training and Enterprise Development** for less privileged members of our target communities. The Hospitality Skill Training Initiative ongoing since 2008/09, will continue with sharper focus on quality of training and improved incomes for students trained and certified. The Enterprise Development Initiative seeks to support small scale and marginalized vendors, income generation programs of voluntary organizations, farmers and self-help groups through capacity building and direct procurement based on the operational requirements. Going beyond compliance, your Company will strive to support marginalized vendors to seek market access through its networks.

The '**Neighborhoods**' thematic area aims to give back to the destinations in which your Company operates in. Contributing to the cleanliness of the local neighborhoods and towards the maintenance of tourist frequented areas are two integral initiatives of this focus area. Your Company's initiatives range from cleaning of hotel peripheries, beaches, lakes and ghats to public roads, gardens, bus stops and railway stations among others.

The third thematic area, '**Welfare**', is focused on providing relief and rehabilitation support to disaster victims and the armed forces of India.

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

Mumbai, May 18, 2016

Mr. Rakesh Sarna
Managing Director and Chief Executive Officer
Chairman, CSR Committee

ANNEXURE II

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2016

[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: L74999MH1902PLC000183
- ii) Registration Date: April 1, 1902
- iii) Name of the Company: The Indian Hotels Company Limited
- iv) Category: Company Limited by Shares
- v) Sub-Category of the Company: Indian Non- Government Company
- vi) Address of the registered office and contact details: Mandlik House, Mandlik Road, Mumbai- 400001
- vii) Whether listed company: Yes
- viii) Name, Address and Contact details of Registrar and Transfer Agent, if any: The Company has an in-house Share Department at the registered office address.
Tel. No. 022 66395515

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code (Division) of the Product / service	% to total turnover of the Company
1	Short Term Accommodation activities	551	44.1%
2	Restaurants and mobile food service activities	561	40.4%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares Held	Applicable Section
1	TIFCO Holdings Limited Mandlik House, Mandlik Road, Mumbai- 400001	U65910MH1977PLC019873	Subsidiary	100	2 (87)
2	KTC Hotels Limited The Gateway Hotel, Shanmugham Road, Marine Drive, Ernakulam-682011	U55101KL1984PLC004105	Subsidiary	100	2 (87)
3	United Hotels Limited Vivanta by Taj - Ambassador, Sujan Singh Park, New Delhi-110003	U74899DL1950PLC001861	Subsidiary	55	2 (87)
4	Roots Corporation Limited Godrej & Boyce Complex, Gate No. 8, Plant No. 13, Office Building Vikhroli (E), Mumbai-400 079	U55100MH2003PLC143639	Subsidiary	66.93	2 (87)
5	Taj SATS Air Catering Limited Mandlik House, Mandlik Road, Mumbai-400001	U55204MH2001PLC133177	Subsidiary	51	2 (87)
6	Piem Hotels Limited Vivanta by Taj President, 90 Cuffe Parade, Mumbai-400005.	U55101MH1968PLC013960	Subsidiary	51.57	2 (87)
7	Taj Trade and Transport Company Limited Mandlik House, Mandlik Road, Mumbai-400001	U60300MH1977PLC019952	Subsidiary	89.51	2 (87)
8	Inditravel Limited Mandlik House, Mandlik Road, Mumbai-400001	U74999MH1981PLC023924	Subsidiary	96.67	2 (87)
9	Northern India Hotels Limited The Gateway Hotel, Fatehabad Road, Taj Ganj, Agra-282001	L55101UP1971PLC003838	Subsidiary	93.14	2 (87)
10	Lands End Properties Private Limited Mandlik House, Mandlik Road, Mumbai-400001	U70100MH2009PTC197920	Subsidiary	100	2 (87)
11	Skydeck Properties and Developers Private Limited Mandlik House, Mandlik Road, Mumbai-400001	U45200MH1998PTC114881	Subsidiary	100	2 (87)
12	Sheena Investments Private Limited Mandlik House, Mandlik Road, Mumbai-400001	U65990MH1990PTC055375	Subsidiary	100	2 (87)
13	Luthria & Lalchandani Hotel & Properties Private Limited Mandlik House, Mandlik Road, Mumbai-400001	U55100MH2008PTC178963	Subsidiary	87.15	2 (87)
14	ELEL Hotels and Investments Limited Mandlik House, Mandlik Road, Mumbai-400001	U70101MH1969PLC014326	Subsidiary	85.72	2 (87)
15	Taj Enterprises Limited Taj Palace Hotel, Sardar Patel Marg, New Delhi	U55101DL1979PLC009746	Subsidiary	90.59	2 (87)
16	Benares Hotels Limited Nadesar Palace Compound, Varanasi-221002	L55101UP1971PLC003480	Subsidiary	53.70	2 (87)
17	Taj International Hotels (H. K.) limited 42nd floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	Foreign Company	Subsidiary	100	2 (87)

The Indian Hotels Company Limited

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of shares Held	Applicable Section
18	Chieftain Corporation N. V Kaya WFG Mensing 14, PO Box 3895, Willemstad Curacao, Netherlands Antilles	Foreign Company	Subsidiary	100	2 (87)
19	IHOCO BV Teleportboulevard 140, 1043 EJ Amsterdam	Foreign Company	Subsidiary	100	2 (87)
20	St. James Court Hotel Limited Crowne Plaza, St. James, Buckingham Gate, Westminster, London-SW1E6AF	Foreign Company	Subsidiary	89.39	2 (87)
21	Taj International Hotels Limited Crown Plaza London St James, Buckingham Gate, Westminster, London-SW1E6AF	Foreign Company	Subsidiary	100	2 (87)
22	Samsara Properties Limited Trident Chambers, PO Box 146, Road Town, Tortola British Virgin Islands	Foreign Company	Subsidiary	100	2 (87)
23	Apex Hotel Management Services Pte Limited 78, Shenton Way, #26-02A, Singapore- 079 120	Foreign Company	Subsidiary	100	2 (87)
24	Piem International (H. K) Limited 42/F, Central Plaza, 18 Harbour Road, Wanchai, Hongkong	Foreign Company	Subsidiary	100	2 (87)
25	BAHC 5 78 Shenton Way, #26-02A, Singapore-079120	Foreign Company	Subsidiary	100	2 (87)
26	Apex Hotel Management Services (Australia) Pty Ltd Suit 701, Level 7, 120 Connell Street, Sydney NSW 2000	Foreign Company	Subsidiary	100	2 (87)
27	United Overseas Holding Inc 2711 Centerville Road, Suite 400, Wilmington, New Castle Country, Delaware-19808	Foreign Company	Subsidiary	100	2 (87)
28	International Hotel Management Services LLC 13-34, 139th Street, Flushing, New York 11357	Foreign Company	Subsidiary	100	2 (87)
29	Taida Trading and Industries Limited Mandlik House, Mandlik Road, Mumbai-400 001	U13100MH1959PLC011396	Associate	48.74	2 (6)
30	Oriental Hotels Limited Paramount Plaza, Taj Coromandel, 37 M. G. Road, Chennai 600034	L55101TN1970PLC005897	Associate	37.05	2 (6)
31	Taj Madurai Limited Taj Coromandel, 37, M.G. Road, Chennai-600034	U55101TN1990PLC018883	Associate	26	2 (6)
32	TAL Lanka Hotels Plc 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.62	2 (6)
33	Lanka Island Resorts Limited 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.66	2 (6)
34	Bjets Pte Limited 80 Raffles Place, #32-01, UOB Plaza 1, Singapore-048624	Foreign Company	Associate	45.69	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (i.e 01.04.2015)				No. of Shares held at the end of the year (i.e 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt / State Govt (s)	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	30,30,66,224	0	30,30,66,224	37.53	3,84,00,080	0	38,24,00,080	38.65	1.12
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	30,30,66,224	0	30,30,66,224	37.53	38,24,00,080	0	38,24,00,080	38.65	1.12
(2) Foreign									
a) NRIs -	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
b) Other –	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	30,30,66,224	0	30,30,66,224	37.53	38,24,00,080	0	38,24,00,080	38.65	1.12
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	7,06,51,210	1,57,663	7,08,08,873	8.77	11,57,07,286	1,57,663	11,58,64,949	11.71	2.94
b) Banks / FI	8,82,25,351	15,500	8,82,40,851	10.93	10,55,53,386	15,500	10,55,68,886	10.67	(0.26)
c) Central Govt	2,500	0	2,500	0	2,000	0	2,000	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	3,30,47,463	0	3,30,47,463	4.09	3,55,74,173	0	3,55,74,173	3.60	(0.5)
g) FIs	14,80,86,669	19,720	14,81,06,389	18.34	13,33,54,186	19,720	13,33,73,906	13.48	(4.86)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others									
Foreign Financial Institutions / Banks	5,951	0	5,951	0	5,951	0	5,951	0	0
Sub-total (B)(1):-	34,00,19,144	1,92,883	34,02,12,027	42.13	39,01,96,982	1,92,883	39,03,89,865	39.46	(2.67)

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Category of Shareholder	No. of Shares held at the beginning of the year (i.e 01.04.2015)				No. of Shares held at the end of the year (i.e 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,88,89,862	97,345	2,89,87,207	3.59	6,26,02,975	98,360	6,27,01,335	6.34	2.75
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	10,07,05,313	1,53,94,345	11,60,99,658	14.38	11,31,14,588	1,52,83,623	12,83,98,211	12.98	(1.40)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,03,51,111	6,32,240	1,09,83,351	1.36	1,66,09,708	6,32,240	1,72,41,948	1.74	0.38
c) Others (specify)									
i) Trusts	1,04,892	0	1,04,892	0.01	1,19,674	0	1,19,674	0.01	0
ii) Directors and relatives	1,57,225	0	1,57,225	0.02	1,94,806	0	1,94,806	0.02	0
iii) Foreign Nationals and Non-residents	44,72,196	50,280	45,22,476	0.56	46,05,212	52,539	46,57,751	0.47	(0.09)
iv) Clearing members	7,35,287	0	7,35,287	0.09	3,44,293	0	3,44,293	0.03	(0.06)
v) HUF's	24,08,060	0	24,08,060	0.30	28,26,052	0	28,26,052	0.29	(0.01)
Sub-total (B)(2):-	14,78,23,946	1,61,74,210	16,39,98,156	20.31	20,04,17,308	1,60,66,762	21,64,84,070	21.88	1.57
Total Public Shareholding (B)=(B)(1)+(B)(2)	48,78,43,090	1,63,67,093	50,42,10,183	62.44	59,06,14,290	1,62,59,645	60,68,73,935	61.35	(1.10)
Total (A) + (B)	79,09,09,314	1,63,67,093	80,72,76,407	99.98	97,30,14,370	1,62,59,645	98,92,74,015	100.00	0.02
C. Shares held by Custodian for GDRs & ADRs	1,96,380	0	1,96,380	0.02	0	0	0	0	(0.02)
Grand Total (A+B+C)	79,11,05,694	1,63,67,093	80,74,72,787	100	97,30,14,370	1,62,59,645	98,92,74,015	100	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. as on 01.04.2015)			Share holding at the end of the Year (i.e. as on 31.03.2016)			% 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	Lady Tata Memorial Trust	1,77,28,200	2.20	0	1,77,28,200	1.79	0	(0.41)
2	Sir Dorabji Tata Trust	5,02,21,040	6.22	0	5,02,21,040	5.08	0	(1.14)
3	Sir Ratan Tata Trust	1,10,23,220	1.37	0	1,10,23,220	1.11	0	(0.26)
4	Tata Sons Limited	20,20,52,004	25.02	0	27,70,63,351	28.01	0	2.99
5	Tata Investment Corporation Limited	98,94,060	1.23	0	1,33,92,950	1.35	0	0.12
6	Ewart Investments Limited	13,18,543	0.16	0	17,73,088	0.18	0	0.02
7	Tata Chemicals Limited	72,71,666	0.90	0	89,07,790	0.90	0	0
8	Tata Global Beverages Limited	16,87,742	0.21	0	-	-	0	(0.21)
9	Tata Industries Limited	4,52,571	0.06	0	5,54,399	0.06	0	0
10	Tata Capital Limited	12,000	-	0	14,700	0.00	0	0
11	Oriental Hotels Limited	5,11,836	0.06	0	6,26,999	0.06	0	0
12	Taida Trading & Industries Limited	1,27,768	0.02	0	1,56,515	0.02	0	0
13	Taj Madurai Limited	7,65,574	0.09	0	9,37,828	0.09	0	0
	TOTAL	30,30,66,224	37.53	0	38,24,00,080	38.65	0	1.12

(iii) Changes in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e. as on 01.04.2015)		Date	Reason	Increase / Decrease in share holding		Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Lady Tata Memorial Trust	1,77,28,200	2.20	-	-	0	0	1,77,28,200	1.79
2	Sir Dorabji Tata Trust	5,02,21,040	6.22	-	-	0	0	5,02,21,040	5.08
3	Sir Ratan Tata Trust	1,10,23,220	1.37	-	-	0	0	1,10,23,220	1.11
4	Tata Sons Limited	20,20,52,004	25.02	18 March 2016	CCD Conv	7,50,11,347	2.99	27,70,63,351	28.01
5	Tata Investment Corporation Limited	98,94,060	1.23	18 March 2016	CCD Conv	34,98,890	0.12	1,33,92,950	1.35
6	Ewart Investments Limited	13,18,543	0.16	18 March 2016	CCD Conv	4,54,545	0.02	17,73,088	0.18
7	Tata Chemicals Limited	72,71,666	0.90	18 March 2016	CCD Conv	16,36,124	0	89,07,790	0.90

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Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e. as on 01.04.2015)		Date	Reason	Increase / Decrease in share holding		Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8	Tata Global Beverages Limited	16,87,742	0.21	18 March 2016	CCD Conv	3,79,741	0	20,67,483	0
		0	0	18 March 2016	Sale	(11,00,000)	0	9,67,483	0
		0	0	22 March 2016	Sale	(9,67,483)	0	0	0
9	Tata Industries Limited	4,52,571	0.06	18 March 2016	CCD Conv	1,01,828	0	5,54,399	0.06
10	Tata Capital Limited	12,000	0.00	18 March 2016	CCD Conv	2,700	0	14,700	0
11	Oriental Hotels Limited	5,11,836	0.06	18 March 2016	CCD Conv	1,15,163	0	6,26,999	0.06
12	Taida Trading & Industries Limited	1,27,768	0.02	18 March 2016	CCD Conv	28,747	0	1,56,515	0.02
13	Taj Madurai Limited	7,65,574	0.09	18 March 2016	CCD Conv	1,72,254	0	9,37,828	0.09

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

Sl. No.	Name	No. of Shares at the beginning (01.04.15) / end of the year (31.03.16)		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	8,73,45,524	10.82	01 April 2015				
				03 April 2015	0	Nil	8,73,45,524	10.82
				10 April 2015	-8,300	Sale	8,73,37,224	10.82
				17 April 2015	-2,44,168	Sale	8,70,93,056	10.79
				15 May 2015	-91,850	Sale	8,70,01,206	10.77
				15 January 2016	-26,094	Sale	8,69,75,112	10.77
				18 March 2016	1,72,97,847	CCD Conv	10,42,72,959	10.54
2	Reliance Capital Trustee Company Ltd	5,03,95,855	6.24	01 April 2015				
				17 April 2015	15,92,482	Purchase	5,19,88,337	6.44
				24 April 2015	6,86,133	Purchase	5,26,74,470	6.52
				01 May 2015	2,45,819	Purchase	5,29,20,289	6.55
				08 May 2015	4,91,651	Purchase	5,34,11,940	6.61
				15 May 2015	12,51,991	Purchase	5,46,63,931	6.77
				29 May 2015	4,44,804	Purchase	5,51,08,735	6.82
				05 June 2015	6,75,000	Purchase	5,57,83,735	6.91
				12 June 2015	2,91,800	Purchase	5,60,75,535	6.94
				19 June 2015	3,54,000	Purchase	5,64,29,535	6.99
				26 June 2015	8,65,000	Purchase	5,72,94,535	7.10
				30 June 2015	1,39,500	Purchase	5,74,34,035	7.11
				03 July 2015	3,10,676	Purchase	5,77,44,711	7.15
				10 July 2015	5,46,100	Purchase	5,82,90,811	7.22
				17 July 2015	53,920	Purchase	5,83,44,731	7.23
				24 July 2015	95,813	Purchase	5,84,40,544	7.24
				31 July 2015	1,00,400	Purchase	5,85,40,944	7.25
				03 August 2015	71,000	Purchase	5,86,11,944	7.26
				07 August 2015	1,22,100	Purchase	5,87,34,044	7.27
				14 August 2015	8,00,074	Purchase	5,95,34,118	7.37
				21 August 2015	7,28,940	Purchase	6,02,63,058	7.46
				28 August 2015	1,20,100	Purchase	6,03,83,158	7.48
				04 September 2015	1,93,400	Purchase	6,05,76,558	7.50
				11 September 2015	9,09,582	Purchase	6,14,86,140	7.61
				18 September 2015	2,74,000	Purchase	6,17,60,140	7.65
				25 September 2015	6,86,838	Purchase	6,24,46,978	7.73
				30 September 2015	1,28,973	Purchase	6,25,75,951	7.75
				09 October 2015	10,53,536	Purchase	6,36,29,487	7.88
				16 October 2015	1,00,000	Purchase	6,37,29,487	7.89
				23 October 2015	1,00,012	Purchase	6,38,29,499	7.90
				30 October 2015	2,21,477	Purchase	6,40,50,976	7.93
				06 November 2015	15,79,523	Purchase	6,56,30,499	8.13
				13 November 2015	25	Purchase	6,56,30,524	8.13
				11 December 2015	54,919	Purchase	6,56,85,443	8.13
				18 December 2015	69,448	Purchase	6,57,54,891	8.14
				25 December 2015	55,000	Purchase	6,58,09,891	8.15
				31 December 2015	1,15,009	Purchase	6,59,24,900	8.16
				08 January 2016	12,00,000	Purchase	6,71,24,900	8.31
				15 January 2016	1,54,385	Purchase	6,72,79,285	8.33
				22 January 2016	53,800	Purchase	6,73,33,085	8.34
				29 January 2016	1,27,000	Purchase	6,74,60,085	8.35
				05 February 2016	81,400	Purchase	6,75,41,485	8.36
				19 February 2015	9,00,219	Purchase	6,84,41,704	8.48
				26 February 2016	7,00,000	Purchase	6,91,41,704	8.56
				04 March 2015	5,25,815	Purchase	6,96,67,519	8.63
				18 March 2016	1,18,55,319	CCD Conv	8,15,22,838	8.24
3	Government Pension Fund	3,13,83,367	3.89	01 April 2015				
				29 May 2015	-10,68,458	Sale	3,03,14,909	3.75
				05 June 2015	-486,243	Sale	2,98,28,666	3.69
				22 January 2016	-868,506	Sale	2,89,60,160	3.59
				29 January 2016	-22,91	Sale	2,89,57,869	3.59
				05 February 2016	-551	Sale	2,89,57,318	3.59
				19 February 2016	-51,65	Sale	2,89,52,153	3.59
		3,73,61,892	3.78	18 March 2016	84,09,739	CCD Conv	3,73,61,892	3.78

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Sl. No.	Name	No. of Shares at the beginning (01.04.15) / end of the year (31.03.16)		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	ICICI Prudential Life Insurance Company Limited	91,98,592	1.14	01 April 2015				
				10 April 2015	59,089	Purchase	92,57,681	1.15
				24 April 2015	692	Purchase	92,58,373	1.15
				01 May 2015	1,758	Purchase	92,60,131	1.15
				08 May 2015	42,892	Purchase	93,03,023	1.15
				15 May 2015	-8,06,793	Sale	84,96,230	1.05
				22 May 2015	8,89,184	Purchase	93,85,414	1.16
				29 May 2015	19,405	Purchase	94,04,819	1.16
				05 June 2015	18,978	Purchase	94,23,797	1.17
				12 June 2015	5,964	Purchase	94,29,761	1.17
				19 June 2015	39,747	Purchase	94,69,508	1.17
				26 June 2015	21	Purchase	94,69,529	1.17
				03 July 2015	27,208	Purchase	94,96,737	1.18
				10 July 2015	88,468	Purchase	95,85,205	1.19
				17 July 2015	1,33,028	Purchase	97,18,233	1.20
				24 July 2015	57,119	Purchase	97,75,352	1.21
				07 August 2015	21,827	Purchase	97,97,179	1.21
				14 August 2015	66,556	Purchase	98,63,735	1.22
				21 August 2015	23,91,212	Purchase	1,22,54,947	1.52
				28 August 2015	74,12,818	Purchase	1,96,67,765	2.44
				04 September 2015	43,379	Purchase	1,97,11,144	2.44
				11 September 2015	1,71,161	Purchase	1,98,82,305	2.46
				27 November 2015	1,31,402	Purchase	2,00,13,707	2.48
				31 December 2015	7,84,000	Purchase	2,07,97,707	2.58
				08 January 2016	17,50,000	Purchase	2,25,47,707	2.79
				15 January 2016	2,36,000	Purchase	2,27,83,707	2.82
				22 January 2016	1,06,039	Purchase	2,28,89,746	2.83
				29 January 2016	55,362	Purchase	2,29,45,108	2.84
				05 February 2016	29,344	Purchase	2,29,74,452	2.85
				19 February 2016	62,381	Purchase	2,30,36,833	2.85
				26 February 2016	36,347	Purchase	2,30,73,180	2.86
				04 March 2016	9,600	Purchase	2,30,82,780	2.86
				11 March 2016	-1,874	Sale	2,30,80,906	2.86
				18 March 2016	13,88,643	CCD Conv	2,44,69,549	2.47
				25 March 2016	-4,591	Sale	2,44,64,958	2.47
		2,45,01,099	2.48	31 March 2016	36,141	Purchase	2,45,01,099	2.48
5	Franklin Templeton Investment Funds	1,36,38,582	1.69	01 April 2015				
				21 August 2015	89,565	Purchase	1,37,28,147	1.70
				18 March 2016	13,85,272	CCD Conv	1,51,13,419	1.53
6	General Insurance Corporation of India	1,79,65,419	1.82	31 March 2016	28,52,000	Purchase	1,79,65,419	1.82
7	The New India Assurance Company Ltd	1,26,00,160	1.56	01 April 2015				
		1,62,36,460	1.64	18 March 2016	36,36,300	CCD Conv	1,62,36,460	1.64
8	SBI Magnum Balance Fund *	1,14,84,949	1.42	01 April 2015				
		1,51,20,949	1.53	18 March 2016	36,36,000	CCD Conv	1,51,20,949	1.53
9	HDFC Small & Midcap Fund *	6,39,410	0.08	01 April 2015				
				05 February 2016	53,78,709	Purchase	60,18,119	0.75
		79,00,660	0.80	11 March 2016	18,82,541	Purchase	79,00,660	0.80
9	HDFC Small & Midcap Fund *	143	0.00	01 April 2015				
		78,72,743	0.80	19 February 2016	78,72,600	Purchase	78,72,743	0.97

Sl. No.	Name	No. of Shares at the beginning (01.04.15) / end of the year (31.03.16)		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
10	Caisse De Depot Et Placement Du Quebec - Franklin Advisors INC *	39,11,644	0.48	01 April 2015				
				06 November 2016	26,03,289	Purchase	65,14,933	0.81
		76,95,052	0.78	18 March 2016	11,80,119	CCD Conv	76,95,052	0.78
11	Merrill Lynch Capital Markets Espana S.A.S.V.	82,79,989	1.03	01 April 2015				
				10 April 2015	-5,35,000	Sale	77,44,989	0.96
				17 April 2015	-2,05,000	Sale	75,39,989	0.93
				24 April 2015	-6,17,000	Sale	69,22,989	0.86
				01 May 2015	-46,317	Sale	68,76,672	0.85
				08 May 2015	-1,84,683	Sale	66,91,989	0.83
				15 May 2015	-5,57,337	Sale	61,34,652	0.76
				22 May 2015	-54,663	Sale	60,79,989	0.75
				29 May 2015	-57,337	Sale	60,22,652	0.75
				05 June 2015	-4,141	Sale	60,18,511	0.75
				31 July 2015	-10,522	Sale	60,07,989	0.74
				07 August 2015	-66,000	Sale	59,41,989	0.74
				14 August 2015	-8,02,000	Sale	51,39,989	0.64
				21 August 2016	-6,50,000	Sale	44,89,989	0.56
				28 August 2016	-44,89,989	Sale	0	0.00
				04 September 2015	25,000	Purchase	25,000	0.00
				18 March 2016	5,40,000	CCD Conv	5,65,000	0.06
				31 March 2016	-82,100	Sale	4,82,900	0.05
		4,82,900	0.05					
12	Siwa Holdings Limited #	92,78,805	1.15	01 April 2015				
				31 December 2015	-20,22,973	Sale	72,55,832	0.90
				08 January 2016	-68,47,379	Sale	4,08,453	0.05
		0	0.00	15 January 2016	-4,08,453	Sale	0	0.00
13	SAIF III Mauritius Company Limited #	1,31,07,574	1.62	01 April 2015				
				28 August 2015	-21,01,000	Sale	1,10,06,574	1.36
				09 October 2015	-72,00,000	Sale	38,06,574	0.47
		0	0	30 October 2015	-38,06,574	Sale	0	0.00

Ceased to be in the list of Top 10 shareholders as on March 31, 2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2015

* Not in the list of Top 10 shareholders as on April 1, 2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2016.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	No. of Shares at the beginning of the year (i.e. as on 01.04.2015)		Date	Reason	Increase / Decrease in shareholding		Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Cyrus P Mistry	1,05,000	0.01	18 March 2016	CCD Conv	23,625	0.00	1,28,625	0.01
2	Mehernosh S. Kapadia (39,300 shares Jointly held with Villu Mehernosh Kapadia)	50,280	0.01	18 March 2016	CCD Conv	13,200	0.00	63,480	0.01
3	Deepak Parekh (Jointly held with Harsha Parekh)	1,845	0.00	18 March 2016	CCD Conv	716	0.00	2,561	0.00

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V. INDEBTEDNESS

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

₹ crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	790.00	1,419.08	-	2,209.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.08	9.33	-	37.41
Total (i+ii+iii)	818.08	1,428.41	-	2,246.49
Change in Indebtedness during the financial year				
Addition	-	125.00	-	125.00
Reduction	82.45	143.70	-	226.15
Net Change	(82.45)	(18.70)	-	(101.15)
Indebtedness at the end of the financial year				
i) Principal Amount	707.45	1,400.41	-	2,107.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.18	9.29	-	37.47
Total (i+ii+iii)	735.63	1,409.70	-	2,145.33

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ crores

Sl. No.	Particulars of Remuneration	Rakesh Sarna MD & CEO	Anil P. Goel ED & CFO	Abhijit Mukerji ED- Hotel Operations *	Mehernosh S. Kapadia ED- Corporate Affairs	Total Amount
1)	Gross salary:-					
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	6.19	0.92	4.18	0.72	12.01
	(b) Value of perquisites u / s 17(2) Income-Tax Act, 1961	1.40	0.28	0.29	0.23	2.20
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-	-
2)	Stock Options	NIL	NIL	NIL	NIL	NIL
3)	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4)	Commission paid - as % of Profit	-	0.92	-	0.79	1.71
5)	Others	0.33	0.49	0.15	0.29	1.26
	Total (A)	7.92	2.61	4.62	2.03	17.18

* for part of the year upto April 13, 2015

The remuneration to MD and WTDs was within the ceiling as per the Act (@ 10% of Profits calculated under Section 198 of the Companies Act, 2013)

B. Remuneration to other Directors:**Independent Directors**

₹

Sl. no.	Particulars of Remuneration	Nadir Godrej	Gautam Banerjee	Ireena Vittal	Deepak Parekh	K. B. Dadiseth	Vibha Paul Rishi	Jagdish Capoor *	Total Amount
1	Fee for attending Board / Committee meetings	2,50,000	1,90,000	3,90,000	4,20,000	5,00,000	2,20,000	NA	19,70,000
2	Commission	27,08,000	3,79,000	36,22,000	36,22,000	65,54,000	3,79,000	9,37,000	182,01,000
	Total	29,58,000	5,69,000	40,12,000	40,42,000	70,54,000	5,99,000	9,37,000	201,91,000

*retired w.e.f July 1, 2014

The remuneration to ID and NEDs was within the ceiling as per the Act (@ 1% of Profits calculated under Section 198 of the Companies Act, 2013)

Non- Executive Directors

₹

Sl. no.	Particulars of Remuneration	Cyrus Pallonji Mistry	Shapoor Mistry	Dr. NS Rajan #	Guy Crawford **	Total Amount
1	Fee for attending Board / Committee meetings	3,00,000	1,00,000	60,000	-	4,60,000
2	Commission	-	12,12,000	-	5,68,000	17,80,000
	Total	3,00,000	13,12,000	60,000	5,68,000	22,40,000

Appointed w.e.f November 27, 2015

** Resigned w.e.f. September 8, 2014

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	₹ crores
	Mr. Beejal Desai Vice President – Legal & Company Secretary	
1)	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	0.73
	(b) Value of perquisites u / s 17(2) Income-Tax Act, 1961	0.11
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-
2)	Stock Option	
	Sweat Equity	-
	Commission	-
	- as % of Profit	-
	- Others	-
	Others	0.05
	Total	0.89

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VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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)
A. COMPANY (Penalty / Punishment / Compounding)			NIL		
B. DIRECTORS (Penalty / Punishment / Compounding)					
C. OTHER OFFICERS IN DEFAULT (Penalty / Punishment / Compounding)					

ANNEXURE III**FORM NO. AOC - 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any transactions / contracts / arrangements with its Related Parties which is not in the Ordinary Course of Business or not at arm's length during the financial year 2015/16.

- a. Name(s) of the related party and nature of relationship: Not Applicable
- b. Nature of contracts / arrangements / transactions: Not Applicable
- c. Duration of the contracts / arrangements / transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e. Justification for entering into such contracts or arrangements or transactions: Not Applicable
- f. Date(s) of approval by the Board: Not Applicable
- g. Amount paid as advances, if any: Not Applicable
- h. Date on which the Special Resolution was passed in the General Meeting as required under the first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

- a. Name(s) of the related party and nature of relationship: Lands End Properties Private Limited – Wholly Owned Subsidiary
- b. Nature of contracts / arrangements / transactions: Loan to Lands End Properties Private Limited
- c. Duration of the contracts / arrangements / transactions: 1 year
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Loan for an amount of ₹ 655,00,00,000 @ 10% interest p.a
- e. Date(s) of approval by the Board, if any: April 9, 2015 and November 9, 2015
- f. Amount paid as advances, if any: NIL

On behalf of the Board of Directors

Cyrus P. Mistry
Chairman

Mumbai, May 18, 2016

ANNEXURE IV

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
The Indian Hotels Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Indian Hotels Company 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.

Based on our verification of the Company'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 on March 31, 2016 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 the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) Secretarial Standards 1 and 2 relating to Board meetings and general meetings as issued by the Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings and Overseas Direct Investments;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
- (iii) 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;
- (iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have also examined compliance with the applicable clauses of the equity Listing Agreements entered into by the Company with Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited.

Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended on March 31, 2016:

- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (vi) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- (vii) Other laws specifically applicable to the Company:
 - (a) Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011
 - (b) Food Safety and Standards (Packing & Labelling) Regulations, 2011

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 composition of 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 of the Board of Directors are carried through and are captured and recorded as part of the minutes. There were no dissenting views.

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 following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- (i) 1,96,380 Global Depository Receipts of the Company were delisted from London Stock Exchange and the same have been fully converted into Equity Shares as on March 31, 2016.
- (ii) The Company completed the purchase of 80.1% of stake of Lands End Properties Private Limited (LEPPL), which consequently became Wholly Owned Subsidiary (WOS) of the Company.
- (iii) The Company has approached the Honourable High Court of judicature at Bombay for approval of schemes of amalgamation of LEPPL (its WOS) and International Hotel Management Services LLC, which is incorporated in the State of Delaware, United States of America with the Company.
- (iv) Pursuant to the International Restructuring exercise, United Overseas Holdings Inc had been incorporated as a WOS of IHMS Inc and IHMS Inc had been converted into a LLC to aide the proposed amalgamation.
- (v) Samsara Properties Limited, Company's indirect overseas WOS, has sold, through market transactions, 1,270,715 (One million two hundred seventy thousand seven hundred fifteen only) Class A Common Shares of the face value of US\$ 0.01 each of Belmond Limited, representing 1.24% of the total outstanding Class A Common Shares for a net consideration of US\$ 11.96 million. The sale proceeds are being utilized for retirement of debt.

For P. K. Pandya & Co.
Practising Company Secretary

Prakash K. Pandya
FCS No.: 3901
COP No.: 2311

Mumbai, May 18, 2016

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A to Secretarial Audit Report

To,
The Members,
The Indian Hotels Company Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to The Indian Hotels Company Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. 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.

For P. K. Pandya & Co.
Practising Company Secretary

Mumbai, May 18, 2016

Prakash K. Pandya
FCS No.: 3901
COP No.: 2311

ANNEXURE V
Information under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- The ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the financial year.
- The percentage increase in Remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.
- Comparison of the Remuneration of each Key Managerial Personnel against the performance of the Company.

Whole-time Directors and KMP	Remuneration in 2015/2016 (₹ Lakhs)	Remuneration in 2014/2015 (₹ Lakhs)	% Increase of Remuneration in 2016 as compared to 2015	Ratio to median Remuneration	Ratio of 2015 / 16 Remuneration to	
					Revenue	Net Profit
Mr. Rakesh Sarna – MD & CEO*	791.95	617.02	-	216.19	0.33%	3.9%
Mr. Raymond N. Bickson – MD**	-	1242.45	NA	NA	NA	NA
Mr. Anil P. Goel - ED & CFO	260.90	223.40	17%	71.22	0.11%	1.3%
Mr. Mehernosh S. Kapadia - ED Corporate Affairs	202.64	168.00	21%	55.32	0.09%	1.0%
Mr. Abhijit Mukerji - ED – Hotel Operations***	461.71	195.85	136%	126.04	0.19%	2.3%
Mr. Beejal Desai, VP - Legal & Company Secretary	88.77	78.99	12%	24.23	0.04%	0.4%

* Joined with effect from September 1, 2014

** for part of the previous year up to August 31, 2014

*** for part of the year up to April 13, 2015

Non-Executive and Independent Directors	Remuneration in 2015/16 (₹ Lakhs)	Remuneration in 2014/15 (₹ Lakhs)	% Increase of Remuneration in 2016 as compared to 2015	Ratio to median Remuneration
Mr. Cyrus Mistry	3.00	1.8	67%	0.82
Mr. K.B. Dadiseth	70.54	2.6	2613%	19.26
Mr. Deepak Parekh	40.42	1.7	2278%	11.03
Mr. Jagdish Capoor*	9.37	0.9	941%	2.56
Mr. Shapoor Mistry	13.12	0.6	2087%	3.58
Mr. Nadir Godrej	29.58	1.9	1457%	8.07
Mr. Guy Crawford**	5.68	0.6	847%	1.55
Ms. Ireena Vittal	40.12	2.0	1906%	10.95
Mr. Gautam Banerjee#	5.69	0.6	848%	1.55
Dr. NS Rajan***	0.6	NA	NA	0.16
Ms. Vibha Paul Rishi#	5.99	0.6	898%	1.64

* retired with effect from July 1, 2014

** resigned with effect from September 8, 2014

*** appointed with effect from November 27, 2015

appointed with effect from September 10, 2014

Traditionally, the Directors are paid commission each year, after the Annual accounts are approved by the Members at the Annual General meeting of the Company.

The Non-Executive Directors had foregone their Commission for the year 2013/14 as would have been receivable in 2014/15 on account of the financial performance of the Company.

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- d. The percentage increase in the median remuneration of employees in the financial year was 20%. It should be noted that the Company has partially rolled back the bonus payable to executives in 2016/17 and included it as part of salary in 2015/16. The increase reported in the median remuneration is inclusive of this amount. If this rollback amount were to be discounted, then the median percentage increase would be 16%.

- e. The number of permanent employees on the rolls of Company were 5,294 in number.

- f. The explanation towards the relationship between average increase in remuneration and Company performance:

The Company had found that the salary being paid to managers was much below market and there was an urgent need to correct salaries in order to retain and attract good talent. In this year, partial correction in salaries of managers has been done which accounts for the overall increase of 17%. Without accounting for the rollback of bonus amount, the overall percentage increase would be in the range of 12%.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance apart from an individual's performance.

- g. Comparison of the Remuneration of the Key Managerial Personnel (KMP) with regard to the performance of the Company:

Particulars	₹ Lakhs
Aggregate Remuneration of KMP in 2015/16	1,805.97
Full year Revenue	2,38,232
% to revenue	0.76%
Profit before tax	31,168
% to profit before tax	5.8%

- h. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The market capitalisation of the Company as at March 31, 2016 is ₹ 9,823.49 crores as against ₹ 9,437.74 crores as at March 31, 2015, an increase of 4.09% during the year under review.

The last public offer for the shares of the Company was an Offer for Sale made in the year 1970/71, for 11,50,000 Ordinary Shares (Equity Shares) of ₹ 10 each at par. The market quotation (BSE closing) of the Equity Shares of the Company as on March 31, 2016 was ₹ 99.30 per share of face value ₹ 1 each, representing an increase of approximately 9830 % over the period.

- i. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year is 27% and without accounting for the rollback of bonus amount the average percentile increase is 22% and the Managerial Remuneration was lower by 9%.

- j. The key parameters for any variable component of remuneration availed by the Directors:

The Members have at the AGM of the Company held on August 27, 2014, approved payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain committee meetings as well as time spent on operational matters other than at meetings.

- k. The ratio of the Remuneration of the highest paid Director to that of the employees who are not Directors but receive Remuneration in excess of the highest paid Director during the year: Not Applicable

- l. It is affirmed that the Remuneration is as per Remuneration policy for Directors, Key Managerial Personnel and other employees adopted by the Company

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has been reporting consolidated results taking into account the results of its subsidiaries, joint ventures and associates (together referred to as the Group). This discussion, therefore, covers the financial results and other developments during April, 2015 to March, 2016, in respect of the Taj Group. Some statements in this discussion describing the projections, estimates, expectations or outlook may be forward looking. Actual results may, however, differ materially from those stated, on account of various factors such as changes in government regulations, tax regimes, economic developments within India and the countries within which your Company conducts its business, exchange rates and interest rates fluctuations, impact of competition, demand and supply constraints, etc.

GLOBAL ECONOMIC ENVIRONMENT AND OUTLOOK

Major macroeconomic realignments are being witnessed across countries and regions. These include the slowdown and rebalancing in China; a further decline in commodity prices, especially for oil, with sizable redistributive consequences across sectors and countries across the globe, leading to a related slowdown in investment and trade; and declining capital flows to emerging market and developing economies. These realignments, together with a host of noneconomic factors such as geopolitical tensions and political discord, are generating substantial uncertainty. On the whole, they are consistent with a subdued outlook for the world economy—but risks of much weaker global growth have also risen. (Source: IMF: Recent Developments and Prospects, April 2016)

Preliminary data suggest that global growth during the second half of 2015, at 2.8%, was weaker than previously forecast, with a sizable slowdown during the last quarter of 2015. The unexpected weakness in late 2015 reflected to an important extent, softer activity in advanced economies, especially in the United States, Japan and other advanced Asian economies. The picture for emerging markets is quite diverse, with high growth rates in China and most of emerging Asia, but severe macroeconomic conditions in Brazil, Russia and a number of other commodity exporters, resulting in an overall decline in the rate of growth in emerging economies for the fifth consecutive year. (Source: IMF: Recent Developments and Prospects, April 2016; ICRA Bulletin, Money & Finance, April 2016)

Additionally, financial market volatility, which had subsided in October–November, increased again in December and especially in early 2016, amid rising global risk aversion, substantial declines in global equity markets, widening of credit spreads and historically low yields for safe-haven government bonds. These developments were triggered by concerns about lack of policy space in advanced economies to respond to a potential worsening in the outlook, worries about the effects of very low oil prices and questions about the speed at which China's economy is slowing, as well as its authorities' policy intentions. (Source: IMF: Recent Developments and Prospects, April 2016)

Within the emerging economies, India is expected to outperform other economies with GDP growth of 7.3% for 2015, with forecast GDP growth of 7.5% in each of 2016 and 2017. The thrust to the Indian economy is due to a combination of low inflation, depressed commodity prices (with specific emphasis on oil), relatively stable currency and its continued ability to attract capital flows. (Source: IMF: Recent Developments and Prospects, April 2016)

OVERVIEW OF THE GLOBAL AND INDIAN TOURISM INDUSTRY

2015 proved to be a successful year for the Travel & Tourism sector, off the back of a modestly stronger economic environment. As per the United Nations World Tourism Organisation (UNWTO), it is estimated that international tourist arrivals grew by 4.4% in 2015 reaching a total of 1.18 billion.

International tourism receipts were estimated to be US\$1,232 billion (UNWTO world tourism barometer). In addition to income generated from international passenger transport, total receipts stood at US\$ 1.4 trillion.

Demand for international tourism was strongest for destinations in the Americas (+5%), Asia and the Pacific (+5%) while the increase in Europe (+5%), the Middle East (+4%) and Africa (-3%) was at a slightly more modest pace. By sub region, South East Asia and Oceania (+7%) saw the best results, Central America and the Caribbean, all increasing by 7%. China, United States and United Kingdom led outbound tourism last year, fuelled by their strong currencies and economies.

The last few years have seen an upsurge in travellers from Asian countries like China and India. The total contribution of travel and tourism to GDP is expected to be around 3.7% and the forecast is that it would rise to 3.8% pa by 2025. It is estimated that the travel and tourism industry generated about 107,519,000 jobs which is 2% more than last year. The number of jobs added is forecast to grow at 2% annually till 2025. (Source: World Travel & Tourism Council)

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The long term outlook for the Indian hospitality business continues to be positive, both for the business as well as the leisure segments with potential for economic growth, increase in disposable incomes and the burgeoning middle class. 2015/16 saw the supply grow by 3.9% where as demand increased by 10.5% over last year (Source: STR).

The Company is looking at various revenue enhancement and cost containment measures, so that it can take advantage of the upswing, as the business and economy recovers and the demand supply imbalance gets corrected.

Future Trends

In 2016, the industry's contribution to global GDP is expected to grow by 3.3%. In view of the long term trend, the industry is expected to support 370 million jobs by 2026 which would equate to 1 in 9 jobs across the world.

World Travel & Tourism GDP growth estimated at 3.3% thus represents a stronger rate of growth than the global economic growth estimated at 2.9% and this trend in GDP growth is expected in over half of the 184 countries covered by the World Travel & Tourism Council's annual economic impact research. South Asia is expected to experience the highest growth in 2016 at 6.9%, whilst Europe and Latin America are the regions with the lowest forecast growth of 2.4%.

In 2015, Travel & Tourism was 9.5% of total employment (283,578,000 jobs) and this is expected to rise by 2.2% in 2016 (289,756,000 jobs). Investments in 2015 stood at US\$ 774.6 billion or 4.3% of total investment. In 2016, this is expected to rise by 4.7%.

India is expected to be a driving force for the global economy in the foreseeable future. It also makes it a ripe market for travel and tourism. The key drivers for international travel demand growth to India include the easier e-visa regime, Swachh Bharat Abhiyan, Make in India and other similar initiatives which are expected to build a positive global image for the country and will thus have a long term impact for the travel and tourism industry. WTTC predicts that the strong forecast on travel and tourism industry in India will propel it to the 7th spot in terms of travel and tourism GDP by 2026.

Leisure travel spending is expected to grow by 5.9% in 2016 to ₹ 6,297.5 billion and domestic travel spending is expected to grow by 6.6% in 2016 to ₹ 6,284.4 billion. Domestic travel is strong and remains the demand bedrock of the industry; as the economy improves, domestic business, leisure and Meetings, Incentives, Convention, Exhibition (MICE) travel will grow rapidly, spreading over many cities and towns.

INDIAN HOSPITALITY INDUSTRY LANDSCAPE AND OUTLOOK

Across the industry, there are key business, technology and hotel marketing trends that are set to take root and impact the industry as a whole. These range from the rise of the millennial traveller as the dominant consumer group by 2017, to the increased interest in using mobile devices and apps to enable more personalized hotel guest services.

Consumers are shopping on multiple platforms and there is an ever increasing transparency in rates and guest reviews driven by booking brands such as Expedia, Priceline, Booking.com, Make My Trip and Trip Advisor. Consumer behaviour has seen a change which is demonstrated in shorter booking windows and consumers seeking unique experiences which in real time are shared on multiple social media platforms.

Triggered by these developments, the industry has witnessed consolidation on the supply side such as Marriott's acquisition of Starwood and Accor's acquisition of Fairmont, Raffles and Swissotel brands. Additionally, more and more global chains are expected to be attracted to the low penetration combined with high growth rates in the Indian market and this is expected to further spur competition pressures, which will influence the demand supply dynamics.

The foreign visitor shall continue to drive the demand and it is expected that an increase in foreign tourists going forward would result in enhanced foreign visitor spend, which is currently low due to the limited number of foreign tourist arrivals, when compared to other global destinations. However, the domestic tourist, characterized by low value and high volume is expected to drive the total growth in demand as the trend of growth in domestic tourists continues.

Operating in this environment of growing presence of competition, increasing distribution costs and ever evolving customer preferences, your Company looks to the future well equipped to address these challenges and retain its position as a significant hospitality player in the markets it operates in.

STRATEGY

Your Company's strategic objective is to be a company of global repute, as against being an organization with a global footprint. Our portfolio of brands will continue to be the differentiator, delighting our guests, consistently offering unmatched experiences, thereby enabling the desired economic returns to all our stakeholders.

Going into the future, there will be concerted efforts to raise the guest experience across all our hotels under a unique framework which is inspired by Indian hospitality and that will bind all our hotels across destinations. This will be achieved by:

Achieving excellence in service delivery

The experience we will curate for the guests shall reflect “Tajness” in everything we do, through a high level of personalized offerings unique to the Indian hospitality philosophy for which your Company is renowned. The “Tajness” would be an all pervasive theme at every guest touch point, from the rooms, F&B outlets and service quality and which transcends into the digital world through a continuous enrichment of our website by way of destination content, navigation experience and direct visibility on stay experience. The digital journey will also continue to build on the mobile platform with the introduction of an app to better engage with loyalty members and new customers. Further, applying business intelligence and analytics, your Company can increase its personalization and customer need anticipation manifolds to achieve even higher degrees of service excellence.

Growth in Development Pipeline

The hospitality industry is a long term growth business, but which is affected by cyclicity. The hotel business comprises two distinct elements of either the ownership of hotels, which carries a high reward and risks linked to business cycles or the management of hotels in which the risks and rewards are limited through stripping away the business risks. Your Company plans to continue to grow through a judicious mixture of owned and leased hotels, a de-risked model along with its ability to attract management contracts. Your Company’s established and durable strengths such as the Taj brand, the premium rates over competition your Company commands and your Company’s long and successful track record in operating hotels for third party owners will facilitate growth for the future.

Brand positioning and performance

“Tajness” defines everything that your Company does and is the common philosophy which exists on all your Company’s brands and hotels differentiating your Company from the competition. To meet the ever evolving need of your Company’s guests, your Company plans to continuously refine its brand standards to keep on reflecting Tajness and create a distinction in the guest experience through a basket of brands, each of which carries its own identity and brand promise. This would be done through ongoing monitoring of guest needs, feedback received and benchmarking best-in-class practices to enable swift and effective response.

Improved Return on Invested Capital

Your Company’s strategy is to create and deliver profitable growth for all its stakeholders. Your Company’s ability to deliver improved returns on capital would be driven through rigorous asset management, revenue maximization, cost control and reduced leverage and exit from non-core underperforming assets.

Human Capital

Your Company’s employees are its most valuable asset, who deliver a level of service that is among the highest in the hospitality industry. Your Company’s culture and reputation as a leader in the hospitality industry will drive the effort to attract and retain the best available talent, through a combination of talent management strategy combined with a robust and transparent performance management system which leads to an attractive long term compensation philosophy.

In conclusion, our key strategic levers, being the ongoing investment program in technology, building a pipeline that adds to our diverse portfolio of marquee leisure destinations and key commercial centers and deploying development and retention strategies for our talent pool. In addition, your Company is focused on judicious deployment of capital to renovate / refurbish select assets in the off season.

In 2016, your Company has already rolled out some these key initiatives by way of relaunch of the loyalty program, launch of a new website, implementation of a new organization structure which enables more agility in responding to the customer and market situations, standardization of property management system and implementing revenue management systems in key hotels.

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KEY DEVELOPMENTS IN 2015 / 16

Hotel Launches

The Taj Group continued on its expansion path in India as well as in international markets in 2015. Your Company ended the year with a portfolio of 29 Taj Hotels, 40 Vivanta by Taj Hotels & Resorts and 32 Gateway Hotels. New hotel launches and relaunches for renovated properties were ably supported through a high-visibility marketing and PR campaign and a formal launch event. A 360 degree stakeholder outreach is implemented to support the launch of the hotel including print, digital and social campaigns, targeting all relevant customer segments.

Taj Hotels Resorts and Palaces (Luxury Hotels)

- **Launch of Taj Santacruz, Mumbai:** Strategically located just off the Western Express Highway, the hotel offers a vantage point of access, with proximity to the city's financial and entertainment centres. The newest addition in Taj's home city, and the fourth group hotel in the financial capital, Taj Santacruz is a tribute to this historic city and its pulsating cosmopolitan spirit.
- **Launch of Taj Bangalore:** The latest addition to the group's luxury portfolio and the sixth Taj group hotel in the Garden City. Conveniently located minutes from Kempegowda International Airport, Bengaluru, Taj Bangalore will offer guests a world of sophisticated luxury. Through its contemporary, sleek and spacious design, the Taj Bangalore offers a window into the progressive spirit of the Garden City. The melding of indoor and outdoor space and use of natural light is a tribute to the city's temperate climate. In dedicated collaborative work-life zones, guests will be able to work, network, dine and socialize against the backdrop of extensive green lawns and open spaces.
- **Launch of Taj Safaris' Meghauli Serai, Chitwan National Park, Nepal:** The Company announced the opening of its first lodge outside India: Meghauli Serai at UNESCO World Heritage listed Chitwan National Park, Nepal.

Vivanta by Taj Hotels & Resorts (Upper Upscale Hotels)

- **Vivanta by Taj – Guwahati, Assam.** This is the Taj's doorway to the unexplored and magical North East Region of India and had its commercial opening in December 2015. Located on the Guwahati-Shillong highway in the centre of Guwahati's government, business and cultural areas, this urban sanctuary weaves in history with modern style. Almost five acres of manicured greens, interspersed with betel nut trees, water bodies and local flora surround this stylish structure. Design inspirations have been taken from the Rang Ghar, the royal amphitheatre of the mighty Ahom dynasty from which Assam draws its name.

The Gateway Hotels & Resorts (Upscale Hotels)

- **The Gateway Hotel, Hinjawadi, Pune** – Your Company launched its second hotel in Pune and the first Gateway Hotel in Pune, with the commercial opening of the hotel in November, 2015. Located at the heart of the IT action and only minutes away from the industrial hub, The Gateway Hotel Pune is the preferred choice of stay among business travellers as well as leisure seekers.
- **The Gateway Resort, Pushkar Bypass, Ajmer** – Located on the Pushkar Bypass and in close proximity to the city of Ajmer, and situated right in the heart of Rajasthan in a picturesque green oasis, The Gateway Hotel Pushkar Bypass Ajmer is set against the backdrop of the magnificent Aravalli hills invites the weary traveller to experience the rich historical and cultural inspiration behind the sanctuary built for business and leisure travellers.

New Management Contracts

Your Company succeeded in signing three new management contracts and is in active discussions for many more opportunities. The Company has also commenced construction of its 75 key luxury resort Taj Exotica Resort and Spa, Havelock Island in the Andamans, which is expected to open in 2016/17.

Management contracts were signed this year for – a Taj Exotica Resort and Spa, Palm Jumeirah in Dubai, Vivanta by Taj - Jumeirah Lake Towers, Dubai, Vivanta by Taj - Udaipur and the Gateway Hotel at Ajmer which is already operational.

Other management contract opportunities that have been signed earlier are under different stages of execution.

Product Upgrade / Renovation

Your Company is undertaking renovation projects, across various hotels, as per a five year renovation masterplan approved by the Board.

At the flagship hotel Taj Mahal Palace, Mumbai, the guestrooms in the tower wing and the All Day Dining restaurant Shamiana are undergoing renovation which are expected to be reopened in the coming year. The popular Ming Yang restaurant at Taj Lands End which was under renovation has opened earlier this year with positive reviews.

As part of this renovation, redesigning and renovation works continue at Taj Exotica Goa and Vivanta by Taj, Fort Aguada.

In the capital city of New Delhi, Cafe Fontana, the All Day Dining restaurant at Taj Palace has been redesigned and execution works have commenced. Renovation of select guestrooms at Taj West End Bangalore is under execution, amongst others.

Sales and Marketing Initiatives

Driving Demand Growth

- **“Room For More” Campaign:** Based on the success and learnings from the new “Room For More” promotions launched in April, 2014, your Company continued the thrust of providing compelling value proposition to the consumers across hotels worldwide for the period April to September 2015 with an objective to drive total RevPAR during the low demand period and reward loyalty. The focus is on boosting demand, enhancing capacity utilization and ancillary revenues with unique value propositions for the customers. The various initiatives undertaken for this campaign are Bed Breakfast and More, Savers and Stay a Bit Longer. The promotions were supported by comprehensive marketing campaigns across all key markets.
- **“Taj Holidays”** - Your Company continued to drive focus for the resort destinations for domestic travelers through the Taj Holidays platform in line with the strategy to drive domestic dominance. Summer, Monsoon and Winter campaigns were launched to target the domestic leisure segment which has been growing consistently since last year. This was promoted aggressively through a 360 degree sales and marketing plan along with roadshows.
- **Launch of Taj Experiences Gift Card:** Your Company launched the Taj Experiences Gift Card, the new experience gifting option valid at any Taj hotel across India. A global sea-change in consumer behaviour has seen personal experiences move ahead of material items in terms of what gives the receiver the most joy. The anticipation of an experience is the most thrilling part, and even more so when it is a gifted experience tailored to the receiver. Gifting an experience with the Taj Experiences Gift Card allows a flexibility for those giving and receiving; the experiences are specially curated to offer a degree of personalisation for the recipient.

Heads of State

Taj hotels continues its legacy of hosting the world’s premier leaders, royalty and celebrities. Some of the Heads of State welcomed during 2015/16 were as under:

- Prime Minister Narendra Modi of India at the Rambagh Palace – August 2015 & Taj Chandigarh – January 2016
- Prime Minister Shinzo Abe of Japan, at the Taj Palace Hotel New Delhi & Nadesar Palace, Varanasi - December 2015
- President François Hollande of the French Republic, at the Taj Palace New Delhi & Taj Chandigarh - January 2016
- His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, at The Taj Mahal Palace Mumbai, February 2016
- Kathleen Wynne - Ontario Premier, at the Taj Palace New Delhi, Taj Chandigarh, Taj Krishna Hyderabad, The Taj Mahal Palace, Mumbai - January 2016
- Chancellor Dr. Angela Merkel of Germany, at the Taj Mahal Hotel, New Delhi – October 2015
- President Jacob Zuma of South Africa, at the Taj Mahal Hotel, New Delhi – October 2015
- Prime Minister Mr. Mark Rutte of Netherlands, at the Taj Palace, New Delhi, - June 2015
- Prime Minister John Key of New Zealand, at the Taj Samudra Colombo - February 2016,
- President Almazbek Atambayev of Kyrgyzstan, at the Taj Exotica Goa – January / February 2016
- H.E. Mr. Ranil Wickremesinghe - Prime Minister, Sri Lanka, at the Taj Palace, New Delhi September 2015
- President Mr. Uhuru Kenyatta of Kenya, at the Taj Palace, New Delhi - October 2015
- President Mr. Filipe Jacinto Nyusi of Mozambique, at the Taj Palace, New Delhi – August 2015
- President Ólafur Ragnar Grímsson of Iceland, at the Taj Palace, New Delhi February 2016

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- President Mr Salva Kiir Mayardit of South Sudan, at the Taj Palace, New Delhi – October 2015
- President Mr Jose Mario of Guinea Bisou, at the Taj Palace, New Delhi - October 2015
- President Mr. Jakaya Kikwele of Tanzania, at the Taj Palace, New Delhi - October 2015
- President Sir Anerood Jagmath of Mauritius, at the Taj Palace, New Delhi - October 2015
- Prince Jamyang Namgyal of Bhutan, at the Vivanta by Taj – Surajkund, - January 2016
- Prince Constantine Hans Adam II of Liechtenstein, at the Vivanta by Taj Gurgaon – November 2015

Events

Taj has also hosted several prestigious events, including:

- IMF Conference at the Taj Palace New Delhi – March 2016
- India Economic Forum at the Taj Palace New Delhi – November 2015
- FIPIC (Forum for India Pacific Island Cooperation) Summit, at Rambagh Palace & Jai Mahal Palace Jaipur, Taj Mahal & Taj Palace New Delhi – August 2015
- India Africa Summit, at the Taj Palace – October 2015
- CNN Asia Business Forum at the Taj Lands End, Mumbai – February 2016
- Economic Times Awards at Taj Mahal Palace Mumbai – February 2016
- HT Leadership Summit at Taj Palace New Delhi – October 2015
- Christies Auction at Taj Mahal Palace Mumbai – December 2015
- Morgan Stanley India Summit – May 2015
- E&Y Awards at Taj Lands End – February 2016
- SITE Annual Congress at Taj Palace Hotel, New Delhi - October 2015

Tata Business Excellence Model

In your Company's continuous quest for excellence, two focus areas were identified under the guidelines of the Tata Business Excellence Model and in partnership with Tata Quality Managements Services, specially identified teams worked on the following:

1. **Human Resources:** A deep-dive on the Performance Management System. The existing performance management system was revisited and aligned to more sharply drive overall business performance across all locations through systematic implementation.
2. **Customer:** A "Voice of Customer Study" (Qualitative) was conducted for select top accounts of Taj to understand the various elements on how to serve the Customers (Key accounts) better.

Business Excellence Training

Over a 100 of your Company's associates were trained in the use of quality tools and techniques to improve customer facing and heart of the house processes. Some of the initiatives implemented as a result of this training included control of breakages of crockery, creating unique customer experiences for leisure guests and increasing restaurant revenue among others.

GUEST EXPERIENCE AND BRANDS

Taj Luxury Hotels

Taj Luxury hotels continued to focus on honing service offerings for high levels of customer satisfaction.

Your Company continued the thrust on the advertising campaign in India and key global markets this year. The brand campaign celebrates the Associates of the Taj and brings into focus the behind-the-scenes precision and attention that goes to ensure a perfect guest experience. The synergy between communication and brand experience has helped enhance your Company's brand image.

- **Timeless Weddings:** Taj Hotels, Resorts and Palaces make fairy tale weddings nothing less than a heavenly experience. A legendary wedding is a legacy of mindfulness, absolute detailing, magical settings, inspired cuisine and attentive service. Your company showcased the wedding product and partnered with the Vogue Wedding Show to reach out to HNIs.
- **Participation by Taj at Davos:** Taj Hotels Resorts and Palaces partnered with Indian Brand Equity Foundation (IBEF) this year to become the Hospitality Partner for the India Lounge to showcase its range of services at Davos. Attended by over 400 people every day, the India lounge provided a great branding opportunity for the Taj.
- **Mowgli Trails:** To mark the launch of Disney's Jungle Book, and to celebrate the escapades of Mowgli from the children's classic, Taj Safaris has curated two specially tailored 'Mowgli Trails' itineraries at its lodges in Pench and Kanha National Parks, Madhya Pradesh, India. The untamed, timeless beauty of these jungles and the undulating Seoni Hills, were the original inspiration for Kipling's classic.

Vivanta By Taj

Your Company's Vivanta by Taj brand experience is designed around the cosmopolitan, work-hard-play hard traveller seeking a vivacious, reinvigorating hotel experience. It promises a sensorial journey for the urban sophisticate, having its own distinct play on elements of touch, smell, visual idioms, tonality and taste.

- **Project Yantra:** It is a global collaboration project where the band "Maati Baani" will be collaborating digitally with around 30 artists to create 6 music tracks and videos as a part of the Voice of Vivanta 3 series.
- **Vivanta by Taj & Manhattan Short presented the "Vote for India" initiative.** This is an annual initiative, which, over its lifetime will endeavour to enthuse young short film makers in India to participate and try to win the Manhattan Short. This will also be used to promote the genre of short films across audiences. This initiative consists of both digital and on ground activations including a dedicated "Live broadcasting" microsite, on ground screening of short films and a live webcast for real time voting including master classes with film makers.

The Gateway Hotel

The Gateway Hotel is the full service upscale hospitality brand in the Taj Group of Hotels. Your Company's 'Gateway' brand is designed for the 'Millennial Traveler', providing consistent, courteous and crisp service for business and leisure travelers seeking contemporary and refreshing experiences. Your Company's brand 'Gateway' has grown by establishing itself as the preferred choice for the 'Millennial' population.

- **Launch of Gateway Network Campaign:** The Brand Network campaign was launched to showcase the Gateway Footprint. With the launch of the new Gateway Hotels and the Gateway Footprint expanding, these ads were to showcase the Gateway Network.
- **HT Mint Airport Activation:** Focused media campaign launched in June 2015 in association with HT Mint for a period of 20 days, during which 8000 copies with special Gateway jackets were distributed daily across departure and arrival lounges of nine key airports across the country. The campaign targeted the corporate traveller and leisure travellers – the mainstay of your Company's hotels & resorts, with focused Room For More campaign for key city hotels and Holiday packages for key Resort Hotels.

Ginger Hotels

Your Company's subsidiary, Roots Corporation Limited, which operates hotels under the "Ginger" brand, has 34 operational hotels. Two hotels have been added in Thane and Tirupati during the financial year. Further projects are at various stages of execution in Bhubaneswar, Vapi, Cochin and Teli Gali. As of March 31, 2016, Ginger Hotels has 28 owned / leased hotels with an inventory of 2,652 rooms, 6 hotels under management contract with an inventory of 525 rooms and manages two transit guest house with an inventory of 129 rooms.

Taj Safaris

Your Company's joint venture, Taj Safaris Limited which operates four lodges in Madhya Pradesh at Bandhavgarh, Pench, Panna and Kanha National Parks and one lodge in Nepal continue to delight the guests through distinctive experiences in natural surroundings of National Parks and tiger habitat.

The Indian Hotels Company Limited

Jiva Spa

The philosophy of Jiva spas is rooted inherently in India's ancient approach to wellness. The ethos of our carefully recreated treatments is drawn on the rich and ancient wellness heritage of India; the fabled lifestyle and culture of Indian royalty and the healing therapies that embrace Indian spirituality. Jiva is an eco-sensitive spa brand hence all spa products are natural, native to India and contain herbs, pure essential oils, lipids, clays, mud, salts and flower waters - all of a botanical source. Jiva Spa uses organic linen and eco-friendly toxin-free pottery.

In the year 2015/16, your Company launched four new Jiva Spas at Taj Palace, Delhi, Taj Bangalore, Taj Santacruz, Mumbai and Vivanta by Taj – Guwahati, Assam.

As on March 31, 2016, there are 38 Jiva Spas operational across the Group. Jiva Spa also runs on-branded spas i.e. "The Spa" and is operating 19 such spas in various hotels across the Taj Group.

Unique Brand Experiences, Events and Communication

- **Advertising and Promotions:** Your Company continued high visibility media campaigns in India as well as International markets for all Brands in 2015/16. The communication for each brand was suited towards the targeted segment, eg. Launch of new hotels / destinations for all the three brands, special Vivanta experiences like the "Bharat Dekh Campaign", The Gateway Hotel brand campaign and the Taj Holidays Campaign.
- **Digital Transformation** – As a part of the Taj's digital transformation exercise, your Company launched its brand new Website in March, 2016 for all the three brands. The website boasts of an all-new user experience with unique functionalities like destination insights, online table reservations for its restaurants, accuweather widget for weather updates and many more.
- **Relaunch of Taj Innercircle:** In June, 2015, your Company's Loyalty Program – the Taj Innercircle, was revamped to modernise it and bring it at par with global benchmarks. Key changes were the introduction of the new Platinum tier, features like no expiry of points for active members and no blackouts for room redemptions. Post the relaunch, the programme has grown at a rate of over 50% driven by new customer acquisition and is one of the few programmes in the world to offer a BAR linked room redemption. In order to engage members better, a complete overhaul of the campaigns infrastructure was carried out and a new plan for member lifecycle management was introduced which is yielding incremental revenue every month.

The programme also kicked off Circle Series, the events platform for members with events being carried out at our hotels with an aim to make Taj hotels an integral part of a member's social life. Currently, Circle Series organizes 15 events every month across six major cities. The events range from bar nights to Ayurveda dinners and are open to all members through an online booking process.

- **Make in India Week:** A major new national program, designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure, your company partnered with the Government to showcase India in the Make in India week at Mumbai. Taj was an integral part of the design and innovation panel session and was also responsible for the hospitality at the Café. In partnership with Conde Nast Traveller, Taj Mahal Palace, Mumbai also the venue of the launch of the Make in India book by Amitabh Kant. Your company was featured as the only hospitality company in the book.

Brand Standards and Mystery Shopper Audits

Keeping the guest experience uppermost in mind, your Company has given a deep focus to brand standards through continuous improvement. Competition benchmarks are used effectively to measure performance against best in class hotel brands. Audit mechanisms have been improved to ensure better feedback to hotels. Ongoing work on brand standards are to ensure fine tuning and alignment of technical, product, service and emotional standards.

Guest Feedback

Your Company introduced Medallia last year to ensure capture of guest feedback not only during and post stay but also from online agents and social media. The Net Promoter Scores are carefully monitored and improvement opportunities identified to ensure positive guest experience.

ENVIRONMENTAL INITIATIVES

Given the relatively low ecological footprint of the hospitality industry vis-à-vis other larger industries, your Company's key objective in environmental responsibility is to increase the sustainability of its hotels and tourism operations and

optimize resource efficiency. Your Company has an internal EARTH vision, which outlines its commitment to renewing and regenerating the environment, conserving natural resources and endeavoring to extend these actions to products, services, partners, associates, vendors and communities. Your Company focuses on implementing responsible energy management practices aimed at reducing its direct and indirect emissions, increasing use of renewable energy in the overall energy mix being used, water conservation through rain water harvesting, recycling and reuse of water and responsible waste management through composting food and horticulture waste as well as ensuring responsible disposal of hazardous and e-waste.

To ensure that your Company's environment management practices are at par with globally followed norms of those within the industry, your Company has partnered with the renowned tourism and hospitality industry certification agency, EarthCheck™. As a result of this partnership, hotels are monitored and certified based on their environmental performance that is benchmarked against the industry's best. In 2015/16, 50 hotels received the second highest level of certification, Gold with 27 hotels certified as Silver, the third highest level of EarthCheck certification.

Energy Management

To reduce its carbon footprint, your Company has undertaken energy conservation efforts such as sourcing electricity from renewable sources, replacing CFL by LED lighting and incorporating energy efficiency practices at the design stage of new hotels. As a result of these efforts, your Company was able to reduce 41,950,803 kg of CO₂ emissions in the last year.

Waste Management

As a part of waste management endeavors, all hotels implement waste reuse and recycling initiatives and responsible methods of discarding hazardous waste. Initiatives such as composting of food and horticulture waste and recycling of plastic bottles are implemented across a range of hotels. In the last year, 73 hotels have enhanced their systems and now recycle / compost between 80% to 100% of their green waste.

Water Management

Your Company has instituted water management practices such as rain water harvesting and treating waste water before it is reused and / or discharged. In the last year, 77 hotels recycled and reused a total of 22,75,775 KL of water.

Safety

Your Company understands the success of its operational strategy hinges on ensuring the safety of its associates and guests. The three pillars of your Company's safety protocols incorporate guest and associate security, workplace safety and the implementation of food safety standards. Your Company constantly monitors and upgrades defined systems and processes to ensure all round awareness and training. Your Company has instituted a Safety Policy and a Vehicle Safety Policy that has to be adhered to and complied with by all Taj Group of hotels and allied businesses. Both these policies are circulated bilingual. Your Company has also devised a safety manual that provides details on safety management, the safety policy, the procedure to implement the risk assessment and hazard analysis, common workplace hazards and control mechanisms, safety assessment function-wise, safety training, safety consultation mechanism, safety related documentations, emergency management procedure as well as the safety regulations that need to be followed. Your Company has instituted a Safety Committee, headed by the General Manager at each of the hotels. The hotels' Safety Committee evaluates the safety performance on a quarterly basis. This Committee also looks into guest / employee security, workplace safety and food safety.

Your Company conducts annual safety audits by a qualified third party vendor. This audit process is intended to identify the eminent hazards and its control measures. Year on year, more and more hotels undergo safety audits with scores ranging between 75% to 85%. The annual average improvement of safety audit scores across your Company's operational regions was 7% vis-à-vis last year. Additionally, your Company conducts fire safety audits by external domain experts and hygiene audits by a reputed international agency.

HUMAN CAPITAL INITIATIVES

The past year has seen the implementation of some key people initiatives aimed specifically at the retention and development of Key Talent and making Taj an employer of choice within the Hospitality Industry.

The Indian Hotels Company Limited

Rationalization of Job Levels:

In order to enhance the effectiveness, an exercise was undertaken to review the Job Grade system at Taj. The objective was to reduce the number of levels and improve decision making at the front line. The Mercer's Job Evaluation methodology was applied to create a compact five-level structure both at the Hotels and the Corporate Office.

New Pay for Performance Plan:

A new Annual Bonus Plan has been launched which places due emphasis on the key business parameters. The strong linkage to Financial, Customer and Employee variables ensures that annual bonus will have a direct correlation to improved business performance, against set targets. The new plan also takes into account important behavioural elements keeping in mind our values, with 'Mutual Respect' as the cornerstone of the way your Company runs its business.

Compensation Benchmarking for Talent Retention:

A market compensation survey covering more than 240 hotels in India was conducted in order to assess the compensation competitiveness of key positions in our organisation. Structured salary ranges for each level were created, to enable reward policy and retention of talent.

Competency Framework:

Our competency framework has been modified to arrive at six broad-level competencies. This framework is being used to hire talent which best matches the requirement of our values and business imperatives. It is also being used to evaluate the existing talent in the organization and to create career, succession and development planning processes.

Career Planning:

The Career and Succession Planning process has been launched across the organization. The primary objective of this process is to Develop Talent. This process will capture associate's career aspirations, allow for potential assessment by the manager, encourage career and succession planning and creates a culture of coaching and mentoring in the organization. The outcome of this process is the creation of a robust talent pipeline through 'Talent Council Meetings' at the Hotel, Regional, Functional and Global levels.

Assessment and Development Centre:

An internally designed assessment and development centre has been launched for hotel HODs and General Managers. The objective of these centres is to assess the current talent and provide opportunities for further development. Basis the assessment findings and the observations of the centre, Individual Development Plans are created for all the participants.

Emotional Capability Survey in collaboration with INSEAD:

In light of the implementation of the New Strategic Initiatives and ongoing changes in the organization, your Company embarked on a joint Emotional Capability Survey with INSEAD. Emotional Capability refers to the organization's ability to acknowledge, recognize, monitor and attend to the emotions of its employees and is primarily manifested in feelings. Greater emotional capability increases the likelihood for organizations to achieve the required change. Your organization has achieved a high score on the preliminary survey. The research continues in this area.

The Taj Heritage Circle

Your organization created an alumni group amongst retirees to create goodwill and build brand ambassadors for Taj in the outside world. This group consists of select senior leaders of the organization, in retired, who played a very significant role in the organization during their tenure.

COMPLIANCE

A robust internal check process is deployed to prevent and limit risk of non-compliance. The Company approaches compliance from the standpoint of reactive as well as proactive intervention.

RISKS & CONCERNS

Industry Risk

General economic conditions

The hospitality industry is prone to the impact of changes in global and domestic economies, in local market conditions, excess hotel room supply, reduced international or local demand for hotel rooms and associated services, competition in the industry, government policies and regulations, fluctuation in interest rates and foreign exchange rates and other social factors. Since demand for hotels is affected by global economic sentiments, a prolonged global recession could also lead to a downturn in the hotel industry.

Socio-political risks

In addition to economic risks, your Company faces risks from the socio-political environment, internationally as well as within the country, and is affected by events like political instability, conflict between nations, threat of terrorist activities, occurrence of infectious diseases, extreme weather conditions and natural calamities, etc, which may affect the level of travel and business activity.

Company specific Risks

The Company specific risks have been reviewed and few critical risks are as under:

Overseas Investments

The Company has made significant investments in hotel assets, across diverse geographies. Such investments are long term and strategic in nature. Because of a slowdown in the overseas markets as well, such investments will need to be nursed over a longer gestation period.

Geographical concentration

A significant portion of your Company's revenues are realised from hotel properties located in five key cities in India, making it susceptible to domestic socio-political conditions in such markets.

Competition from Global Hotel Chains

The Indian subcontinent, South East Asia and Asia Pacific, with high growth rates have become the focus area of major international chains. Several of these chains have announced their plans to establish hotels in such markets to take advantage of the demand supply imbalance. These entrants are expected to intensify the competitive environment, which may include consolidations and mergers. The success of the Taj Group of Hotels will be dependent upon its ability to compete in areas such as room rates, quality of accommodation, brand pull, service standards, convenience of location and to a lesser extent, the quality and scope of other amenities, including food and beverage facilities along with cost reduction ability.

High Operating Leverage

The industry in general has a high operating leverage which has further increased with on-going renovations, increased staff costs and cost of light, power and fuel. However, it has been observed that your Company has been able to earn higher revenues with acceptance of its products in the market and improved RevPAR (revenue per available room).

Hotels on lease / licence

Some of our hotels operate under lease / licence arrangements with third parties, including government bodies. Such arrangements are subject to various risks including unfavourable terms and conditions on renewal or non-renewal, thereby affecting our business. Your Company has attempted to mitigate such risks by entering into relatively long term arrangements.

Foreign exchange fluctuation risks

Your Company also has a portfolio of foreign currency debt, in respect of which it faces exposure to fluctuations in currency as well as interest rate risks.

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Risk Mitigation Initiatives

Your Company employs various policies, processes and methods to counter these risks effectively, as enumerated below:

- Your Company is continuously evaluating options for improving profitability of overseas assets, including restructuring of operations and arrangements, and exiting from non-performing assets.
- By extensively improving its service standards, as also progressively renovating its properties, across the multi brand portfolio, your Company counters the risk from growing competition and new supply. Further, it gains operating and financial leverage, by expansion through management contracts.
- Foreign currency exposures and hedges are closely monitored by your Company in consultation with its advisors. Net exposures, including those from derivative instruments, are kept at acceptable levels and within overall limits approved by the Board, which are subject to regular reviews.
- Your Company constantly reviews and implements various security measures at all its properties, to counter the security / terrorism risk.

Internal control systems and their adequacy

Your Company has in place an adequate system of internal controls, with documented procedures covering all corporate functions and hotel operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies and procedures issued by the Management covering all critical and important activities viz. Revenue Management, Hotel Operations, Purchase, Finance, Human Resources, Safety, etc. These policies and procedures are updated from time to time and compliance is monitored by Group Internal Audit. The Company continues its efforts to align all its processes and controls with global best practices.

The internal audit process, through its unique 'Taj Positive Assurance Model', which is an objective methodology of providing a positive assurance based on the audits of operating units and corporate functions, is a convergence of Process Framework, Risk and Control Matrix and a Scoring Matrix. A framework developed for each functional area identified on the basis of an assessment of risk & control as also providing a score, allowing the Unit to improve on high risk areas.

The effectiveness of internal controls is reviewed through the internal audit process, which is undertaken for every operational unit and all major corporate functions under the direction of the Group Internal Audit department. The focus of these reviews is as follows:

- Identify weaknesses and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes
- Compliance with the Tata Code of Conduct

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the compliance reports submitted to them.

The Statutory Auditors of your Company have opined in their report that your Company has adequate internal controls over financial reporting.

OTHER INITIATIVES

Taj Public Service Welfare Trust

Your Company established the Taj Public Service Welfare Trust in December 2008, immediately post the 26/11 terror attack to provide relief to individuals and families affected by terror attacks, natural calamities and other tragic events in the future. The Taj Public Service Welfare Trust has extended support to victims affected by 26/11, 13/7, the disaster in the Sundarbans as well as the Unsung Heroes of the Indian Army, amongst others. In the last year, your Company through the

Taj Public Service Welfare Trust supported 349 beneficiaries through monthly sustenance, pension support, education and medical reimbursement and hospitalization costs, livelihood support and support to pursue vocational training.

Management Discussion and Analysis of Operating Results and Financial Positions

The Annual Report contains Financial Statements of your Company, both on a stand-alone and consolidated basis. An analysis of the financial affairs is discussed below under summarized headings.

Results of Operations for the year ended March 31, 2016

Standalone Financial Results

The following table sets forth financial information for your Company for the year ended March 31, 2016

₹ crores

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Income		
Sales & Other Operating Income	2,273.70	2,024.38
Other Income	108.62	79.22
Total Income	2,382.32	2,103.60
Expenditure		
Consumption of Raw Materials	209.82	181.88
Employee Benefits Expense	615.98	531.37
License Fees	146.87	128.39
Fuel, Power and Light	179.98	174.27
Depreciation / Amortisation	127.08	117.85
Other Expenditure	692.50	649.80
Total Expenditure	1,972.23	1,783.56
Profit before Finance Cost and Tax	410.09	320.04
Finance Costs	88.20	89.46
Profit before Tax and Exceptional Items	321.89	230.58
Exceptional Items	(10.21)	(228.70)
Profit / (Loss) before Tax	311.68	1.88
Provision for Tax (including for earlier years)	110.64	83.90
Profit (loss) after tax	201.04	(82.02)

Revenues

The summary of total Income is provided in the table below:

₹ crores

Particulars	Year Ended		% Change
	March 31, 2016	March 31, 2015	
Room Income	1,002.33	908.34	10
Food, Beverage & Banqueting Income	918.20	813.42	13
Other Operating Income	353.17	302.62	17
Non-Operating Income	108.62	79.22	37
Total Income	2,382.32	2,103.60	13
Statistical Information			
Average Room Rate (₹)	9562	9562	-
Occupancy (%)	66	64	2%

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- Room sales increased by 10% compared to the previous year driven by improved occupancy across hotels.
- Food & Beverages income increased by 13% over the previous year, driven by increase in restaurant sales and banqueting business by ₹ 43.0 crores ₹ 61.8 crores, respectively.
- Other Operating Income primarily comprises income from Management Fees, Laundry, Spa & Health Club, Telephone, Business Centre Rents, etc. Other Operating Income increased by 17% compared to the previous year. The increase was driven by an increase in Car Hire Income (₹ 20.8 crores), Spa and health club income (₹ 7.8 crores), Epicure Membership fee (₹ 10.8 crores) and Management & operating fee (₹ 11.2 crores).
- Non-Operating Income increased by ₹ 29.4 crores over the previous year, on account of an increase in Interest Income and Dividend Income due to deployment of funds raised from the Rights Issue, in Fixed Deposits and Mutual Funds and increased dividend received from Investment Companies.

Operating Expenses

The operating expenses increased by 11% from ₹ 1,783.56 crores to ₹ 1,972.23 crores.

The increase in variable operating costs was essentially on account of growth in occupancies along with an increase in business volumes, new hotel at Guwahati and the full year impact of Vivanta by Taj, Dwarka.

Payroll expenses were higher than the previous year due to annual increments, new capacity addition and impact of actuarial valuation on statutory benefit liability.

Fuel, Power and Light expenses and Depreciation were higher than the previous year due to full year operation of hotel at Dwarka.

Repairs and Maintenance expenses were higher due to increased preventive maintenance, adherence to safety and security measures and upkeep undertaken at the hotels.

Rates and Taxes were higher on account of rental of the new corporate office. License Fees is largely linked to turnover of properties and commensurate with the increase in turnover of the relevant properties.

Finance Costs

Finance costs for the year ended March 31, 2016, at ₹ 88.20 crores, net of currency swap gain, were marginally lower than the preceding year by ₹ 1.26 crores. Whilst the gross interest costs were lower by ₹ 13.10 crores due to retirement of debt during the year, this was offset by lower currency swap gains due to the sustained depreciation of the Indian Rupee vis-à-vis the US Dollar through the year.

Profit Before Tax & Exceptional Item

Profit before Tax & Exceptional Item at ₹ 321.89 crores was 40% higher than the previous year primarily on account of improved EBITDA from operations and higher treasury income.

Exceptional Items

Exceptional Items includes items as under:

₹ crores

Particulars	Year Ended	
	March 31, 2016	March 31, 2015
Exceptional Items - Exchange Loss		
Exchange Gain / (Loss) on long term borrowings / assets	(56.56)	(24.75)
Exceptional Items - Investment		
Profit / (Loss) on sale of Investment	56.53	(2.02)
Provision for Diminution in value of long term investments	(0.35)	(213.49)
Exceptional Items - Others		
Expenditure on a discontinued project charged off for commercial reasons	(9.83)	-
Provision for contingency of an Associate no longer required written back		11.56
Total	(10.21)	(228.70)

Profit before Tax

The Profit before Tax for the year was at ₹ 311.68 crores, as compared to the previous year's profit of ₹ 1.88 crores.

Profit (Loss) after Tax

The Profit after Tax for the year was at ₹ 201.04 crores, as compared to the previous year's loss of ₹ (82.02) crores.

Cash Flow Data

₹ crores

Particulars	Year Ended	
	March 31, 2016	March 31, 2015
Net Cash from operating activities	431.95	400.55
Net Cash used for investing activities	(345.09)	(418.96)
Net Cash from / (used for) financing activities	(349.69)	261.96
Net Increase / (Decrease) in cash and cash equivalents	(262.83)	243.55

Operating Activities

Net cash generated from operating activities was ₹ 431.95 crores compared to ₹ 400.55 crores for the previous year.

Investing Activities

During the year under review, your Company incurred ₹ 191.87 crores towards capital expenditure, a majority of which was towards the Vivanta by Taj, Guwahati, project as well as the new IT initiatives and ongoing renovations at certain hotels.

Your Company advanced a short term loan of ₹ 655 crores to its wholly owned subsidiary to enable the latter to repay the outstanding debt in its books. This was largely funded by your Company from cash generated from operating activities, treasury income and the available liquidity at the beginning of the year.

As at March, 31, 2016, ₹ 135.87 crores were invested in Liquid Mutual Funds.

Financing Activities

During the year, your Company repaid long term borrowings of ₹ 384 crores through a combination of cash generated from operating activities and fresh borrowings.

Particulars	Year Ended	
	March 31, 2016	March 31, 2015
Financial Ratios for Standalone Financials		
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	0.35	0.35
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	0.53	0.53

Consolidated Financial Results

Your Company has consolidated its Financial Statements with those of its Subsidiaries, Joint Ventures and Associates (together referred as 'Group Companies' or 'Group') in accordance with Generally Accepted Accounting Principles prevailing in India. The Consolidated Statements include the financial position of Subsidiaries on line by line basis, Jointly Controlled Entities on a line by line basis to the extent of proportionate holding and Associates by applying equity method of accounting.

The Indian Hotels Company Limited

The following table sets forth the Consolidated Financial results for the year ended March 31, 2016.

₹ crores

Particulars	Year Ended	
	March 31, 2016	March 31, 2015
Income		
Sales & Other operating income	4,590.92	4,188.64
Other Income	115.35	98.71
Total Income	4,706.27	4,287.35
Expenditure		
Consumption of Raw Materials	504.48	443.09
Employee Benefits Expense	1,609.71	1,462.46
License Fees	232.99	209.61
Fuel, Power & Light	322.90	320.43
Depreciation	316.67	291.29
Other Expenditure	1,304.26	1,264.47
Total Expenditure	4,291.01	3,991.35
Profit Before Finance Cost and Tax	415.26	296.00
Finance Costs	245.96	175.57
Profit before Tax and Exceptional Items	169.30	120.43
Exceptional Items	(67.16)	(352.91)
Profit / (Loss) before Tax	102.14	(232.48)
Provision for Tax (incl. for earlier years)	140.07	114.60
Loss after Tax before Minority Interest and Share of Associates	(37.93)	(347.08)
Profit / (Loss) attributable to Minority Interest	(25.45)	(30.98)
Share of Profit / (Loss) of Associates	2.85	(0.04)
Loss after Tax, Minority Interest and Share of Associates	(60.53)	(378.10)

Revenues

Your Company, its Subsidiaries and its Jointly Controlled Entities (the Group) are primarily engaged in the business of Hoteliering.

₹ crores

Particulars	Year Ended	
	March 31, 2016	March 31, 2015
Hoteliering	4,235.38	3,902.54
Others	355.54	286.10
Unallocable Income	115.35	98.71
Total Revenue	4,706.27	4,287.35

- Hotel revenue increased during the year due to marginal improvement in ARR's in both domestic as well as international portfolio. Un-allocable Income represents dividend income, interest income, profit of sale of investments and exchange gain.

Operating expenses

The operating expenses were commensurate to the scale of business and increased capacity due to addition of new hotels during the year. There has been an increase in staff cost commensurate to industry trends as also an increase in other expenses linked to business activities. The depreciation charge for the year was higher in the current year due to new hotel opened in domestic portfolio and renovations, etc.

Consolidated Profits Before Finance Cost, Tax and Exceptional Items:

Profit before Finance Costs, Tax and Exceptional items at ₹ 415.26 crores as compared to ₹ 296 crores was substantially higher than the previous year.

Finance Costs

Finance cost, net of currency swap gains, at ₹ 245.96 crores was higher than the Finance cost of the preceding year by ₹ 70.39 crores mainly due to acquisition of LEPL (now a 100% subsidiary) which owns the erstwhile Sea Rock Hotel and had a debt of ₹ 1403 crores, out of which of ₹ 693 crores has been repaid during the year by the Group.

Exceptional Items

Exceptional Items includes the following:

₹ crores

Particulars	Year Ended	
	Mar 31, 2016	Mar 31, 2015
Exchange Gain / (Loss) on long term borrowings / assets	(63.21)	(51.07)
Profit on sale of a long term investment	56.53	-
Profit on sale of an international subsidiary	-	27.97
Profit on sale of certain domestic subsidiaries	-	18.55
Impairment of goodwill by a jointly controlled entity	-	(16.00)
Provision for diminution in value of long term investments	-	(306.51)
Settlement / provision arising out of financial exposure in an Associate	-	(25.85)
Project written off for commercial reason	(25.06)	-
Loss on sale of a long term investment by a wholly owned subsidiary	(35.42)	-
Total	(67.16)	(352.91)

Loss after Tax, Minority Interest and Share of Associates:

Loss after tax, Minority Interest and Share of Associates for the year was lower at ₹ (60.53) crores as compared to ₹ (378.10) crores for the preceding year.

Cash Flow Data

The following table sets forth selected items from the consolidated cash flow statements:

₹ crores

Particulars	Year Ended	
	March 31, 2016	March 31, 2015
Net Cash from operating activities	659.08	494.77
Net Cash used in investing activities	285.86	(725.79)
Net Cash from financing activities	(1,182.06)	491.05
Net Increase / (decrease) in cash and cash equivalents	(237.13)	260.03

Operating Activities

Net Cash from operating activities was higher at ₹ 659.08 crores as compared to ₹ 494.77 crores in the previous year, mainly due to robust improvement in EBITDA for the year from ₹ 587.29 crores to ₹ 731.94 crores.

Investing Activities

During the year, the Group incurred ₹ 402.36 crores towards capital expenditure, which was essentially on the Group's projects covering, Vivanta by Taj- Guwahati, Vivanta by Taj - Amritsar and ongoing renovations at certain hotels of the Group.

The Group has redeemed ₹ 382 crores from mutual funds and other liquid investment, for repayment of debts as also to fund the capital expenditures.

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Financing Activities

As mentioned earlier, the company had acquired LEPL and its step down subsidiaries during the year as a result of which the Company had to consolidate the debt in the LEEPL group of ₹ 1,403 crores. Out the total debt, the Group had repaid ₹ 693 crores and the balance was refinanced from the same lenders on better terms. Apart from this, the Group has also repaid current maturity of long term borrowings in some of the companies.

Financial Ratios for Consolidated Financials:

Particulars	Year Ended	
	March 31, 2016	March 31, 2015
Net Debt to Total Capital (total debt less cash and cash equivalents divided by the sum of net debt and net worth)	0.59	0.53
Net Debt to Equity (total debt less cash and cash equivalents divided by Equity and Reserves)	1.43	1.13

AWARDS AND ACCOLADES

Taj Hotels Resorts & Palaces

- Awarded Best Business Hotel Chain in India at the UK Business Traveller Awards 2015
- Featured on the list of 10 of the World's Best Luxury Hotel Brands by Forbes magazine
- Named the Best Hotel Group in India at the Travel + Leisure India & South Asia's Best Awards 2014

The Taj Mahal Palace, Mumbai

- Voted as the winner in the Best Hotel in Mumbai category in the Destin Asian Reader's Choice Awards 2015
- Featured on the Condé Nast Traveler Gold List 2016: Our Favorite Hotels in the World
- Awarded Favourite Indian Business Hotel at the Conde Nast Traveller Readers' Travel Awards 2015
- Ranked 5th with a score of 89.456 in the Top 20 Hotels in India & the Himalayas category in the Conde Nast Traveller Readers' Choice Awards 2015
- Awarded Best Business Hotel in Mumbai at the Business Traveller Asia-Pacific Awards 2015
- Ranked second in the Best Overseas Business Hotel category in the Conde Nast Traveller UK Readers' Travel Awards 2015
- Recognized by Robb Report in the Top 100 Hotels 2015: Asia and the Pacific

Taj Falaknuma Palace, Hyderabad

- Featured on the Condé Nast Traveler Gold List 2016: Our Favorite Hotels in the World
- Recognized as number one in the Best Palace Hotels in the World 2015 category by TripAdvisor
- Ranked 15th on the list of World's Best Hotels in Asia & the Indian Subcontinent in the Conde Nast Traveller UK Readers' Travel Awards 2015.
- Named the Best Heritage Hotel in India at the Travel + Leisure India & South Asia's Best Awards 2014

Taj Lake Palace, Udaipur

- Ranked 5th on the list of Top 25 Luxury hotels in India in the TripAdvisor Travellers' Choice Awards 2016
- Featured on the Condé Nast Traveler Gold List 2016: Our Favorite Hotels in the World
- Ranked 2nd with a score of 91.432 in the Top 20 Hotels in India & the Himalayas category in the Conde Nast Traveller Readers' Choice Awards 2015

- Ranked 6th on the list of World's Best Hotels in Asia & the Indian Subcontinent in the Conde Nast Traveller UK Readers' Travel Awards 2015
- Awarded the Best Stay for Indian Luxury at the Lonely Planet Magazine India Travel Awards 2015

Umaid Bhavan Palace, Jodhpur

- Awarded as the Best Hotel in the World, in Asia and in India in the TripAdvisor Travellers' Choice Awards 2016
- Featured on the Condé Nast Traveler Gold List 2016: Our Favorite Hotels in the World
- Featured on the list of Best Classic Hotels in The Town & Country Travel 100: The Best Hotels in the World

Rambagh Palace, Jaipur

- Ranked 7th on the list of Top 25 Hotels in India in the TripAdvisor Travellers' Choice Awards 2016
- Ranked 9th on the list of World's Best Hotels in Asia & the Indian Subcontinent in the Conde Nast Traveller UK Readers' Travel Awards 2015.

Taj Mahal Hotel, New Delhi

- Ranked 14 with a score of 83.827 in the Top 20 Hotels in India & the Himalayas category in the Conde Nast Traveller Readers' Choice Awards 2015 and awarded Best Business Hotel in New Delhi at the Business Traveller Asia-Pacific Awards 2015

Taj Safari Lodges

- Mahua Kothi, Bandhavgarh has featured on the list of Best Remote Hotels in The Town & Country Travel 100: The Best Hotels in the World
- Banjaar Tola, Kanha has featured on the list of Best Remote Hotels in The Town & Country Travel 100: The Best Hotels in the World

Taj Campton Place, San Francisco

- Awarded a second Michelin Star in the Michelin Guide 2016

The Pierre, A Taj Hotel, New York

- Ranked 17th with a score of 86.869 in the Best Hotels in NYC category in the Conde Nast Traveller Readers' Choice Awards 2015

Taj Cape Town

- Awarded in the Trip Advisor Travellers' Choice Awards 2015

Taj 51 Buckingham Gate Suites and Residences, London

- Ranked 17th on the list of Top 25 Hotels in United Kingdom in the TripAdvisor Travellers' Choice Award 2016
- Ranked 12th on the list of Top 25 Luxury Hotels in United Kingdom in the TripAdvisor Travellers' Choice Award 2016

Taj Exotica Resort & Spa, Maldives

- Ranked 6th on the list of top 25 Hotels in Maldives in the TripAdvisor Travellers' Choice Award 2016
- Ranked 9th on the list of Top 25 Service Hotels in Asia and 2nd on the list of Top 25 Service Hotels in Maldives in the TripAdvisor Travellers' Choice Award 2016
- Ranked 11th on the list of Top 25 Luxury Hotels in Asia and 3rd on the list of Top 25 Luxury Hotels in Maldives in the TripAdvisor Travellers' Choice Award 2016

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Taj West End, Bangalore

- Ranked 16 with a score of 82.284 in the Top 20 Hotels in India & the Himalayas category in the Conde Nast Traveller Readers' Choice Awards 2015

Taj Tashi, Thimphu, Bhutan

- Featured on the Condé Nast Traveler Gold List 2016: Our Favorite Hotels in the World
- Ranked 8th with a score of 87.010 in the Top 20 Hotels in India & the Himalayas category in the Conde Nast Traveller Readers' Choice Awards 2015

Nadesar Palace, Varanasi

- Recognized by Robb Report in the Top 100 Hotels 2015: Asia and the Pacific

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

Your Company's philosophy on Corporate Governance is laid on a foundation of Integrity, Excellence and Ethical values which have been in practice since its inception. Strong leadership and effective corporate governance practices have been the Company's inherited values from the Tata culture and ethos.

Your Company continues to lay great emphasis on the highest standards of Corporate Governance which are an integral part of all Company activities to ensure efficient conduct of the affairs of the Company, without compromising its core values. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairness and independence in its decision making.

Your Company's corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the Tata Code of Conduct and the Company's Code of Conduct for prevention of Insider Trading.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") your Company has executed fresh Listing Agreements with the Stock Exchanges.

The Company has complied with the requirements of Corporate Governance as stipulated under Clause 49 of the erstwhile Listing Agreements and those specified under the SEBI Listing Regulations, as applicable, the details of which are as under:

The Board of Directors:

1. The Board of Directors comprises Executive, Non-Executive as well as Independent Directors. Two thirds of the Board of Directors comprises Non-Executive Directors, with the Chairman being a Non-Executive Director, with half of the Board comprising Independent Directors of which two are Woman Directors. The Directors possess experience in diverse fields including banking, finance, real estate, marketing, consumer industry and hoteliering to social service. The skill and knowledge of the Directors have proved to be of immense value to the Company. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ("Act") The details of Directors seeking re-appointment have been attached along with the Notice of the Annual General Meeting ("AGM").
2. "Independent Directors" i.e. Directors who apart from receiving Directors' remuneration, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its holding company, its subsidiaries and associates, which may affect the independence of the Director. During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.
3. The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Act. The terms and conditions of appointment are disclosed on the website of the Company. All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and the SEBI Listing Regulations.
4. None of the Directors hold directorships in more than twenty Companies including ten public limited companies. Further, none of them serve as Members of more than ten Committees nor are any of them serving as Chairman of more than five Committees, as per the requirements of the SEBI Listing Regulations. "Committees" for this purpose include the Audit Committee and the Stakeholders Relationship Committee as per the SEBI Listing Regulations.
5. None of the Directors serve as Independent Directors in more than seven listed companies and none of the Whole-time Directors of any listed company serve as Independent Directors in more than three listed companies.
6. During the year under review, the Board of Directors of the Company met seven times and the period between any two meetings did not exceed 120 days. The Board Meeting dates were: April 9, 2015, May 29, 2015, August 12, 2015, October 19, 2015, November 9, 2015, January 15, 2016 and March 23, 2016. The necessary quorum was present for all the meetings. A detailed explanation, in the form of a table illustrating the above matters is given on page no. 81 for ready reference.

As required under the SEBI Listing Regulations, all the necessary information was placed before the Board from time to time.

7. None of the Directors are related to each other, except Mr. Cyrus P. Mistry and Mr. Shapoor P. Mistry who are related to each other, being brothers.
8. Video / tele conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.

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9. During the year, a separate meeting of Independent Directors was held on March 23, 2016 to review the performance of Non-Independent Directors, Chairman of the Company and the Board as a whole, which was attended by all the Independent Directors. The process for evaluation of Board performance, Non-Independent Non-Executive Directors and the Board Chairman is detailed in the Board's Report.
10. The Company has an appropriate induction programme for new Directors and an ongoing familiarisation programme, with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of the familiarisation programme are disclosed on the Company's website under the weblink: <https://www.tajhotels.com/content/dam/thrp/investors/FAMILIARIZATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS.pdf>
11. The Non-Executive Directors of the Company are paid, in addition to commission, sitting fees @ ₹ 30,000 per meeting for attending meetings of the Board of Directors, Audit Committee, Independent Directors, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.
12. The Company has adopted a Code of Conduct for its Non-Executive Directors (Code) and also adopted the Tata Code of Conduct (TCOC) for all its employees including the Managing Director and Executive Directors. All Non-Executive Directors and Independent Directors have affirmed compliance with the said Code for the financial year ended March 31, 2016 and all Senior Management of the Company have affirmed compliance with the TCOC. The Code of Conducts are also displayed on the Company's website. The Annual Report of the Company contains a Certificate duly signed by the Managing Director and CEO in this regard.
13. Other than the transactions entered into in the normal course of business, the Company has not entered into any materially significant related party transactions during the year, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and / or relatives. The Executive Directors and Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and/ or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large.

Committees of the Board

The mandatory Committees constituted by the Board of Directors of the Company are as under:

1. Audit Committee:

The Company's Audit Committee comprises entirely of Independent Directors, viz. Mr. K. B. Dadiseth (Chairman), Mr. Deepak Parekh, Ms. Ireena Vittal and Mr. Nadir Godrej who was appointed as a Member of the Committee w.e.f. April 29, 2016. Each Member of the Committee has the relevant experience in the field of finance, banking and accounting, with a majority of the Members being Chartered Accountants. The Committee has, inter alia, the following terms of reference:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Examination of the financial statement and the auditors' report thereon;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Reviewing the following matters in terms of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (Code) adopted by the Company:
 - To approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code
 - To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer
 - To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.

Mr. Anil P. Goel, Executive Director & CFO was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Code.

The Committee met six times during the period under review, the details of attendance are on page no. 81. The necessary quorum was present for all the meetings.

Audit Committee meetings are attended by invitation by the Managing Director & CEO, Executive Director & CFO, Group Internal Audit and the Statutory Auditors. The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee was present at the last AGM.

2. Nomination and Remuneration Committee:

The Company has a Nomination and Remuneration Committee ("NRC") required as per the SEBI Listing Regulations and the Act. The Committee consists of four Non-Executive Directors. In addition to the Chairman, Mr. K. B. Dadiseth, who is an Independent Director, the Committee comprises Mr. Cyrus P. Mistry, Mr. Nadir Godrej and Ms. Vibha Paul Rishi who was inducted as Member on March 23, 2016. The Committee is governed by a NRC Charter which has been adopted by the Board. The broad terms of reference of the Committee inter alia, include the following:

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- i. Recommend to the Board the set up and composition of the Board and its Committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a Director". The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- ii. Recommend to the Board the appointment or re-appointment of Directors.
- iii. Devise a policy on Board diversity.
- iv. Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- v. Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. This shall include "formulation of criteria for evaluation of Independent Directors and the Board".
- vi. Recommend to the Board the remuneration policy for Directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- vii. On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to the executive team or key managerial personnel of the Company.
- viii. Oversee familiarisation programmes for Directors.
- ix. Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, Key Managerial Personnel and executive team).
- x. Provide guidelines for remuneration of directors on material subsidiaries.
- xi. Recommend to the Board on voting pattern for appointment and remuneration of Directors on the boards of its material subsidiary companies.
- xii. Performing such other duties and responsibilities as may be consistent with the provisions of the Committee charter

During the year, the Committee met four times the details of attendance are on page no. 81. The necessary quorum was present for all the meetings.

Remuneration Policy:

As recommended by the NRC, the Board has adopted a Remuneration Policy for Directors, Key Managerial Personnel and other Employees. The Policy envisages payment of remuneration according to qualification, experience and performance and is based on the commitment of fostering a culture of leadership with Trust. The remuneration of the Whole-time Director(s), is recommended by the NRC based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry, performance/ track record of the Whole-time Director(s) which is decided by the Board of Directors. Remuneration comprises a fixed component viz. salary, benefits, perquisites and allowances and a variable component viz. performance linked bonus / commission. The NRC also recommends the annual increments (which are effective April 1 annually) within the salary scale approved by the Members as also the performance linked incentive payable to the Whole-time Director(s) on determination of profits for the financial year, within the ceilings prescribed under the Act.

The commission payable to Non-Executive Directors is recommended by the NRC to the Board upto 1% of the net profits of the Company calculated in accordance with provisions of Sections 196 and 197 of the Act and is distributed based on a number of factors, including attendance and contribution at Board and Committee meetings, as well as time spent on operational matters other than at meetings. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the meetings.

The details of the Policy are further highlighted in the Board's Report.

Service Contract, Notice Period and Severance Fees of the Managing Director and the Executive Directors

Mr. Rakesh Sarna's contract as Managing Director and Chief Executive Officer of the Company is for a period of five years from September 1, 2014 upto August 31, 2019 terminable by 6 months' notice on either side. In addition to the aforesaid, Mr. Sarna has been appointed as an employee of UOH Inc. (erstwhile International Hotel Management Services Inc., USA), a wholly-owned subsidiary of the Company, for a period of five years from September 1, 2014 upto August 31, 2019, to be in charge of the overall management of the Company's US/ International Hotels' business portfolio. The Agreement entered into between Mr. Sarna and UOH Inc is co-terminus with the Agreement between

Mr. Sarna and the Company.

Mr. Anil P. Goel's contract as a Whole-time Director of the Company is for a period of five years, commencing from March 17, 2016, upto and including March 16, 2021, terminable by 6 months' notice on either side, subject to approval of the Members.

Mr. Mehernosh Kapadia's contract as a Whole-time Director of the Company is for a period of five years, commencing from August 10, 2011, up to and including August 9, 2016, terminable by 6 months' notice on either side. Thereafter, Mr. Kapadia's contract would be renewed from August 10, 2016 upto and including May 22, 2018 (i.e. upon his reaching 65 years of age which is the date of retirement of Executive Directors as per the Tata Governance Guidelines) terminable by 6 months' notice on either side, subject to approval of the Members.

The Company does not have any Employee Stock Option Scheme.

3. Stakeholders' Relationship Committee :

The Company's Stakeholders' Relationship Committee comprises Mr. K. B. Dadiseth, Mr. Rakesh Sarna and Mr. Anil P. Goel, who was inducted as a Member on March 23, 2016. Mr. K. B. Dadiseth, Non- Executive Independent Director, is the Chairman of the Committee. The brief terms of reference of the Committee include resolving grievances of all the security holders of the Company including complaints related to transfer or credit of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. and all other security-holders security related matter.

The Committee met once during the period under review, and was attended by all the Members.

Share transfers are processed weekly and approved by the Committee. Investor grievances are placed before the Committee. There were no pending investor complaints which remained unresolved. The Company has also cleared all complaints received through SEBI Complaints Redress System (SCORES) - a centralised web based complaints redress system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports(ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status. All valid share transfers lodged upto March 31, 2016, have been processed by the Committee. The status of the complaints received (inclusive of SCORES) from Members from 01.04.2015 to 31.03.2016 is as under:

Complaints received **Pending as on March 31, 2016**

6

Nil

Amounts Transferred to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 205A and 205C and other applicable provisions if any, of the Companies Act, 1956, all unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits as applicable, remaining unclaimed / unpaid for seven years from the date they first became due for payment, in relation to the Company have been transferred to IEPF established by the Central Government.

Given below are the proposed dates for transfer of the unclaimed dividend to the IEPF by the Company: -

Financial Year	Date of declaration of Dividend	Proposed Date of transfer to IEPF*
2008-09	August 3, 2009	October 7, 2016
2009-10	August 5, 2010	October 10, 2017
2010-11	August 5, 2011	October 10, 2018
2011-12	August 3, 2012	October 8, 2019
2012-13	August 2, 2013	October 5, 2020

* Indicative dates, actual dates may vary

It may be noted that no claims will lie against the Company nor the IEPF in respect of the said unclaimed amounts transferred to the Fund.

During the year the Company made renewed attempts to establish contact with those Members who had not claimed dividend(s). Special mailer was sent to the Members, as a result, of which the Company made a payment for a sum of ₹ 8,54,261. The Company transferred the following amounts to IEPF of the Central Government during the financial year 2015/16:

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Particulars	₹
Amounts transferred upto March 31, 2015 (a)	3,94,57,187.67
Amounts transferred during financial year 2015-16:	
Unpaid / unclaimed dividend with the Company	42,29,849.00
Unpaid / unclaimed application money with the Company	3,46,850.00
Unpaid / unclaimed matured deposits with the Company	30,000.00
Interest accrued on the unpaid matured deposits	24,799.00
Interest accrued on the unpaid matured debentures	-
Total (b)	46,31,498.00
Amount transferred upto March 31, 2016 (a+b)	4,40,88,685.67

Compliance Officer

Mr. Beejal Desai

Vice President - Legal & Company Secretary

The Indian Hotels Company Limited

Address: Mandlik House, Mandlik Road, Mumbai – 400 001

Phone : 022-6639 5515

Fax : 022-2202 7442

E-mail: investorrelations@tajhotels.com

4. Other Committees:

i. Corporate Social Responsibility (CSR) Committee

In accordance with the provisions of Section 135 of the Act, the Company has constituted a CSR Committee comprising Mr. Rakesh Sarna, Chairman, Mr. Nadir Godrej and Ms. Ireena Vittal. The broad terms of reference of the CSR Committee are as under:

- Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company.
- Recommending the amount of expenditure to be incurred on the aforesaid activities and
- Reviewing and Monitoring the CSR Policy of the Company from time to time.

During the year, the Committee met once and was attended by Mr. Rakesh Sarna and Ms. Ireena Vittal.

ii. Risk Management Committee

The Board of Directors have constituted a Risk Management Committee to frame, implement and monitor the risk management plan of the Company. The Committee comprises entirely of Independent Directors, viz. Mr. K. B. Dadiseth (Chairman), Mr. Deepak Parekh and Ms. Ireena Vittal. The Committee has formulated a Risk Management Policy, which lays down a vigorous and active process for identification and mitigation of risks. The Committee reviews and monitors the risk management and mitigation plan from time to time.

The terms of reference of the Risk Management Committee inter alia, includes the following:

- To review the Risk Management Plan / Policy and its deployment within the Company.
- To monitor the effectiveness of the Risk Management Plan /Policy
- To decide the maximum risk taking ability of the Company to guide the Board in making new investments.
- To review the major risks of the Company and advise on its mitigation to the Board
- Such other functions as may be delegated by the Board from time to time

During the year, the Committee met once and was attended by all the Members.

Details of Equity shares of the Company held by the Non-Executive Directors as on March 31, 2016, are as under:

Mr. Deepak Parekh	2,561
Mr. Cyrus P. Mistry	1,28,625

Details on General Meetings:

Location, date, time and Special Resolutions passed at the Annual General Meetings held in the last three years are as under:

Location	Date	Time	Special Resolutions passed
Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020	August 10, 2015	} 3.00 P.M.	• Creation of Charge
	August 27, 2014		• Authority to borrow in excess of the paid-up capital and free reserves.
	August 2, 2013		• Commission to Directors other than the Managing Director and Whole-time Director(s) of the Company • Re-appointment of Mr. Anil P. Goel as a Whole-time Director of the Company • Re-appointment of Mr. Abhijit Mukerji as a Whole-time Director of the Company

All Special Resolutions passed in the previous three Annual General Meetings of the Company were passed with requisite majority.

No Extra-ordinary General Meetings or Court-convened Meetings were held during the last three years.

Postal Ballot

During the financial year 2015/16, the Company had obtained Members approval through Postal Ballot for the following Special Resolution as stated in the table below. A snap shot of the voting results are as follows:

Name of the Resolution	Type of Resolution	Number of valid Postal Ballot forms received	Votes cast in favour of the Resolution		Votes against the Resolution	
			No. of votes cast	%	No. of votes cast	%
To create security over the shares of EDEL Hotels and Investments Limited for securing the obligations of Skydeck Properties and Developers Private Limited	Special	535,395,802	532,768,851	99.232	2,626,951	0.489

Mr. Shreepad M. Korde, Practicing Company Secretary, was appointed as the Scrutinizer for carrying out the Postal Ballot in a fair and transparent manner.

Procedure for Postal Ballot:

- In compliance with Section 110 and other applicable provisions of the Act read with the related Rules, the Company provided e-voting facility to all its members. The Company had engaged the services of Central Depository Services (India) Limited (CDSL) for providing the voting facility to the members.
- The Members had the option to vote electronically or through physical ballot forms.
- The Company dispatched the Postal Ballot notices and forms along with the self-addressed, postage pre-paid envelope to all the Members whose name appeared in the Register of members/ list of beneficiaries as on the cut-off date.
- The Company also published the notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.
- The voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date.
- Members exercising their votes through Postal Ballot were requested to send the duly completed and signed Postal Ballot form not later than after 5:00 p.m. IST on January 14, 2016. Postal Ballots received after 5:00 p.m. IST on January 14, 2016 were considered as invalid.
- The Postal Ballot forms had been kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such Postal Ballot forms.
- The Scrutinizer submitted his report to the Chairman after completion of the scrutiny and the consolidated results of the voting by Postal Ballot were announced by the Chairman on January 16, 2016 at the Registered Office of the Company as per the Scrutinizer's Report. The result was also uploaded on the Company's website besides being communicated to the Stock Exchanges and the Depositories.

The Indian Hotels Company Limited

During the current financial year, the Company has commenced the process of obtaining Members' approval through Postal Ballot for the sale of 100% of the issued and outstanding LLC interest in IHMS (Boston) LLC, a limited liability company owned by United Overseas Holdings Ltd. (an indirect wholly owned subsidiary of the Company) by way of a Special Resolution for sale of the Taj Boston Hotel. The results of the same will be announced on July 7, 2016.

Disclosures

- i. All transactions entered into with Related Parties as defined under the Act and the SEBI Listing Regulations during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Act.

During the year, the Company had entered into one material Related Party Transaction which was exceeding 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company for which the Company had obtained the Members approval vide Postal Ballot dated January 16, 2016 as per Regulation 23 of the SEBI Listing Regulations, the details of which are as under:

- a) Provision of loan to Lands End Properties Private Limited a Wholly Owned Subsidiary of the Company for an amount of ₹ 655,00,00,000

The Policy for dealing with Related Party Transactions has been uploaded on the Company's website at the following link: <https://www.tajhotels.com/content/dam/thrp/investors/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf>. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

- ii. The Company has followed the Accounting Standards laid down by the Ministry of Corporate Affairs in the preparation of its Financial Statements.
- iii. The Board of Directors receive, from time to time, disclosures relating to financial and commercial transactions from Key Managerial Personnel of the Company, where they and / or their relatives have personal interest.
- iv. The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India / Statutory Authorities on all matters relating to capital markets, during the last three years.
- v. In accordance with requirement of the Act as well as the SEBI Listing Regulations, the Company has adopted the Whistle Blower Policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest by approaching the Ethics Counsellor or Chairman of the Audit Committee. The policy has been disclosed on the website of the Company under the link: <https://www.tajhotels.com/content/dam/thrp/investors/WHISTLE-BLOWER-POLICY-AND-VIGIL-MECHANISM.pdf>
- vi. The Company has also adopted the policy on determination of Materiality for Disclosures (<https://www.tajhotels.com/content/dam/thrp/investors/Draft%20IHCL%20Materiality%20Policy.pdf>), Website Archival Policy (<https://www.tajhotels.com/content/dam/thrp/investors/Archival%20Policy.pdf>) and Policy for Preservation of Documents.
- vii. In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director & CEO and the Executive Director & CFO have issued a certificate to the Board, for the year ended March 31, 2016.

Subsidiary Companies

During the year under review, the Company has identified four material unlisted subsidiaries, viz. ELEL Hotels and Investments Limited (ELEL), Piem Hotels Limited, Roots Corporation Limited and Taj SATS Air Catering Limited. The Audit Committee reviews the financial statements of the Company's unlisted subsidiary companies. The Minutes of the subsidiary companies along with a report on significant developments are periodically placed before and reviewed by the Board of Directors of the Company.

Besides ELEL, the Company has appointed its Independent Directors on the Board of the other material unlisted subsidiaries as per the requirements of the SEBI Listing Regulations. The Company is in the process of appointing the Independent Director on the Board of ELEL shortly.

The Company has formulated a policy for determining 'material' subsidiaries which has been disclosed on the website of the Company under the link <https://www.tajhotels.com/content/dam/thrp/investors/POLICY-FOR-DETERMINING-MATERIAL-SUBSIDIARIES.pdf>

During the year, the shares of ELEL had been pledged for creation of security in favour of the lenders of Skydeck Properties and Developers Private Limited for which the approval of the Members had been sought vide Postal Ballot dated January 16, 2016 as per Regulation 24 of the SEBI Listing Regulations.

Names	Category	Remuneration paid ₹			No. of outside Directorships as at March 31, 2016		No. of outside Committee Positions Held		No. of Board Meetings attended	No. of Audit Committee Meetings attended	No. of NRC Committee Meetings attended	Attendance at the last AGM
		Salary & Perks 2015-2016	Sitting Fees 2015-2016	Commission/Bonus 2014-2015	Indian	Foreign	as Member	as Chairman				
Mr. Cyrus Mistry (Chairman)	Promoter Non-Executive	-	3,00,000	-	9	5	-	-	7	-	4	Y
Jagdish Capoor#	Non-Executive Independent	-	-	9,37,000	NA	NA	NA	NA	NA	NA	NA	NA
Mr. K. B. Dadiseth	Non-Executive Independent	-	5,00,000	65,54,000	9	1	6	2	6	5	3	Y
Mr. Deepak Parekh	Non-Executive Independent	-	4,20,000	36,22,000	8	4	3	2	7	6	-	Y
Mr. Shapoor Mistry	Non-Executive	-	1,00,000	12,12,000	5	2	-	-	4	-	-	Y
Mr. Nadir Godrej	Non-Executive Independent	-	2,50,000	27,08,000	9	5	2	1	4	-	4	Y
Mrs. Ireena Vittal	Non-Executive Independent	-	3,90,000	36,22,000	6	1	6	-	6	5	-	Y
Mr. Gautam Banerjee	Non-Executive Independent	-	1,90,000	3,79,000	1	7	-	-	6	-	-	Y
Ms. Vibha Paul Rishi	Non-Executive Independent	-	2,20,000	3,79,000	8	-	4	-	7	-	-	Y
Dr. N. S. Rajan**	Non-Executive	-	60,000	-	1	-	-	-	2	-	-	NA
Mr. Guy Crawford\$	Non-Executive	-	-	5,68,000	NA	NA	NA	NA	NA	NA	NA	NA
Mr. Rakesh Sarna^	Executive	791,94,814	-	-	7	7	-	-	7	-	-	Y
Mr. Anil P. Goel	Executive	1,68,50,006	-	92,40,000	9	13	5	3	7	-	-	Y
Mr. Mehernosh S. Kapadia	Executive	1,23,43,620	-	79,20,000	6	2	2	-	6	-	-	Y
Abhijit Mukherji	Executive	4,61,70,976	-	-	NA	NA	NA	NA	NA	NA	NA	NA

** Appointed as Director with effect from November 27, 2015

\$ Resigned on September 8, 2014

Retired on July 1, 2014

^ Mr. Sarna also received remuneration of \$ 691,996 from UOH Inc.

Traditionally, the Directors are paid commission each year after the annual accounts are approved by the Member at the Annual General Meeting

The Indian Hotels Company Limited

Means of Communication:

Quarterly, half-yearly and annual results of the Company were published in leading English and vernacular newspapers viz. Financial Express and Loksatta. Additionally, the results and other important information are also periodically updated on the Company's website viz. www.tajhotels.com, which also contains a separate dedicated section "Investor Relations".

Further, the Company also holds an Analysts' Meet after the half-yearly and Annual Financial Statements have been adopted by the Board of Directors, where information is disseminated and analysed. Presentations made at the Analyst Meet are also displayed on the Company's website under the "Investor Relations" section. Moreover, the Company also gives important Press Releases from time to time.

NSE Electronic Application Processing System (NEAPS) and BSE Online Portal:

All communications, disclosures and periodic filings are made electronically on BSE's online portal BSE Corporate Compliance and Listing Centre and on NSE's electronic application Processing System (NEAPS).

Extensive Business Reporting Language (XBRL)

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No. 8/2012 dated May 10, 2012 (as amended on June 29, 2012), had mandated certain companies to file their Annual Accounts vide this mode. The Company has filed its Annual Accounts on MCA through XBRL.

Ministry of Corporate Affairs (MCA)

The Company has periodically filed all the necessary documents with the MCA.

SEBI Complaints Redress System (SCORES)

A centralized web based complaints redress system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

Letters

Letters reminding the investors to claim their pending / unclaimed dividends and interest are regularly despatched to investors before they are transferred to IEPF.

Annual Report

The Annual Report containing inter alia the Audited Standalone and Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and Analysis forms part of the Annual Report. Pursuant to the Green Initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members who have registered for the same.

The Annual Reports are also available in the Investor Relations section on the Company's web site www.tajhotels.com.

Compliance with non-mandatory requirements

1. The Board : The Non-Executive Chairman has a separate office in his capacity as the Group Chairman at the Tata Group headquarters at Bombay House, 24, Homi Mody Street, Mumbai - 400 001 and hence a separate office is not maintained.
2. The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
3. Audit qualifications: For the financial year 2015/16, there are no audit qualifications to the Company's financial statements.
4. The Internal Auditor reports to the Chairman of the Audit Committee of the Board.

As regards the other non-mandatory requirements, the Board has taken cognisance of the same and shall consider adopting the same as and when necessary.

General Shareholder Information

Annual General Meeting

Date and Time	August 23, 2016 at 3 p.m.
Venue	Birla Matushri Sabhagar 19, Sir Vithaldas Thackersey Marg Mumbai 400 020
Registered Office	Mandlik House Mandlik Road Mumbai 400 001
Telephone No.	91- 22- 6639 5515
Facsimile No.	91- 22- 2202 7442
Website	www.tajhotels.com
Dedicated E-mail	investorrelations@tajhotels.com
Book Closure	August 17, 2016 to August 23, 2016

Financial Calendar

Financial reporting for:

• Quarter ending 30th June, 2016	August 2016
• Quarter ending 30th September, 2016	November 2016
• Quarter ending 31st December, 2016	February 2017
• Quarter ending 31st March, 2017	May 2017

Listing

Equity Shares	BSE Limited National Stock Exchange of India Limited
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The Global Depository Receipts of the Company have been delisted from the London Stock Exchange with effect from June 29, 2015

Share Transfer Agent	The Company has been granted Certificate of Permanent Registration as Category II Share Transfer Agent by SEBI
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SEBI Registration No.	INR000003746
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The Company has paid annual listing fees to each of the above Stock Exchanges in respect of the financial year 2015-2016.

Stock Codes

STOCK EXCHANGE	STOCK CODE
BSE Limited	500850
National Stock Exchange of India Limited	INDHOTEL EQ

Particulars of Debenture Trustees

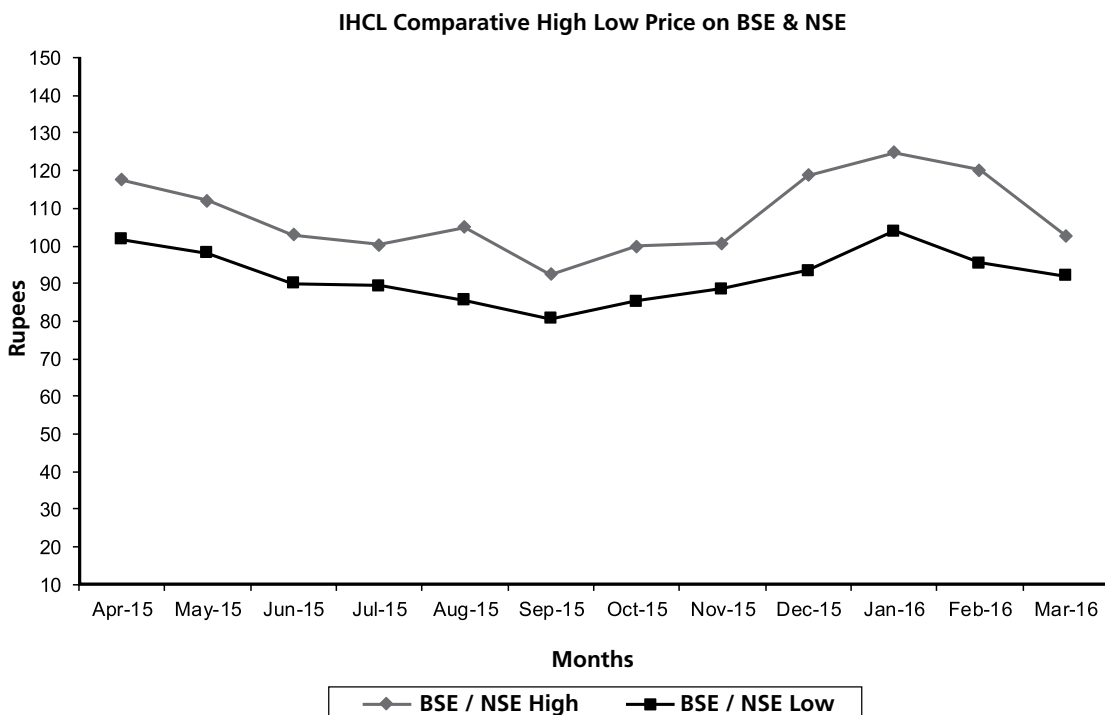
1. CENTBANK FINANCIAL SERVICES LIMITED Regd. Office: Central Bank of India MMO Building, 3rd floor (East Wing) 55 Mahatma Gandhi Road, Fort Mumbai- 400001. Tel: 022 22616217 Fax: 022 22616208 Email: info@cfsl.in Website: www.cfsl.in CIN: U67110MH1929G01001484	2. CENTRAL BANK OF INDIA Chandermukhi, 9th floor, Nariman Point, Mumbai- 400021 Tel: 66387818, 66387777 Fax: 22626887 Email: dtcbi@centralbank.co.in Website: www.centralbankofindia.co.in
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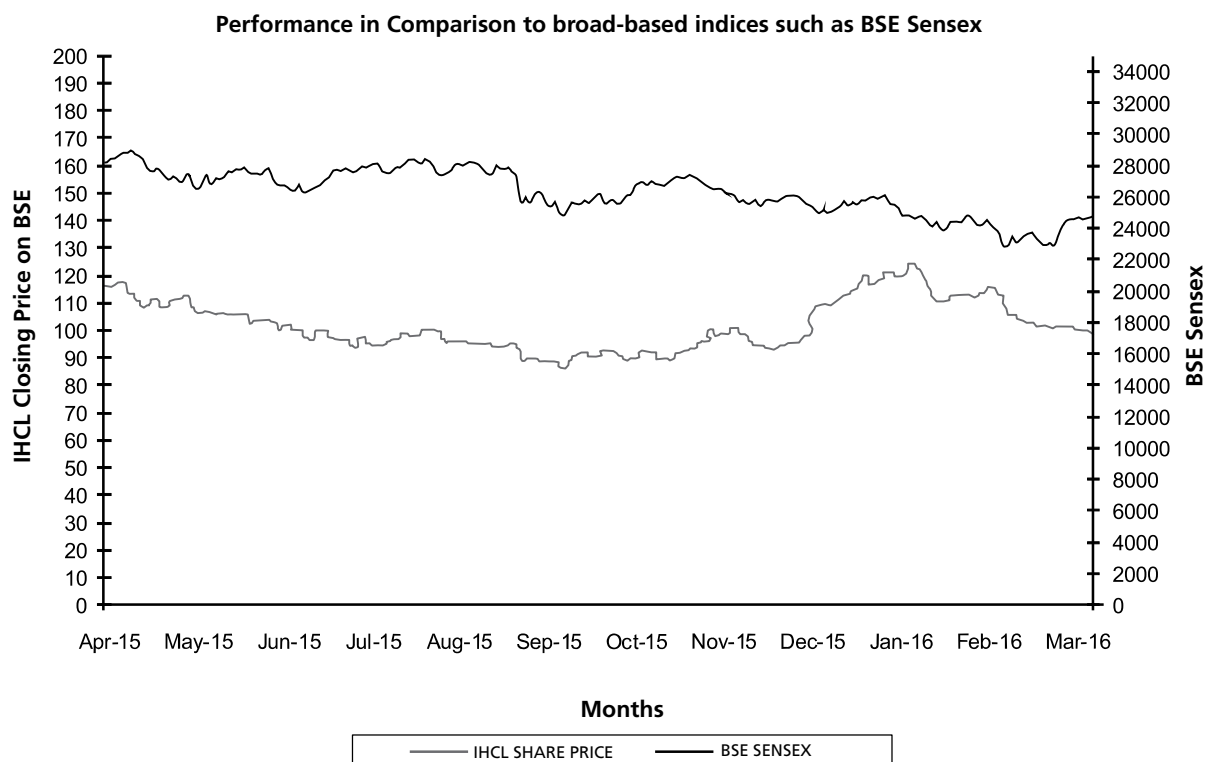
The Indian Hotels Company Limited

Market Price Data: High, Low during each month in last financial year

Months	BSE High	BSE Low	No. of Shares traded	NSE High	NSE Low	No. of Shares traded
Apr-15	117.50	101.70	12,92,740	118.00	101.55	72,60,824
May-15	112.00	98.10	13,50,779	111.50	97.00	76,51,047
Jun-15	103.00	90.05	7,75,210	103.30	89.90	86,04,867
Jul-15	100.35	89.30	9,67,658	100.75	89.00	77,26,510
Aug-15	105.00	85.55	33,33,901	97.40	85.20	1,64,39,200
Sep-15	92.40	80.75	6,62,127	92.60	81.00	65,19,363
Oct-15	99.90	85.30	1,00,23,664	99.95	85.30	1,56,79,760
Nov-15	100.75	88.50	9,72,729	100.80	88.25	42,52,759
Dec-15	118.70	93.50	26,77,200	120.20	93.55	2,38,06,823
Jan-16	124.80	104.00	28,43,569	124.65	104.10	2,04,75,156
Feb-16	120.05	95.50	12,60,848	115.65	95.15	1,06,15,514
Mar-16	102.80	92.00	12,01,355	102.95	91.75	1,59,95,432

Source: www.bseindia.com and www.nseindia.com





Share Transfer System

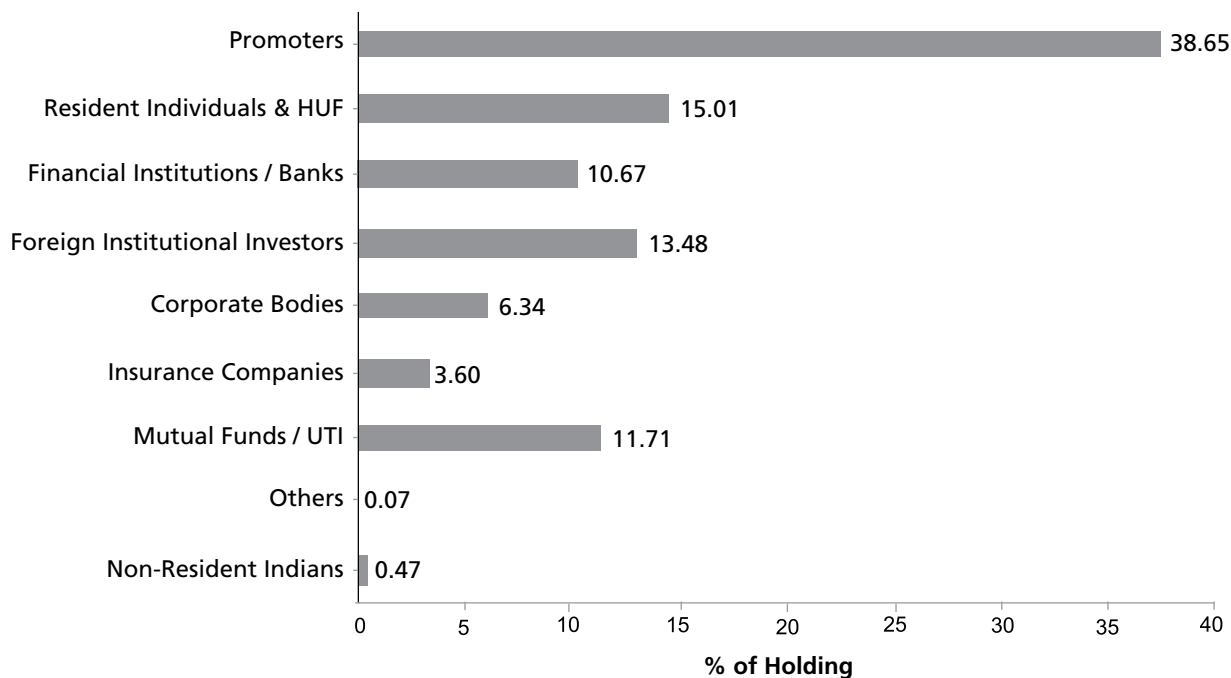
All shares have been transferred and returned within 15 days from the date of lodgement, provided the necessary documents were in order.

The Indian Hotels Company Limited - Distribution of Shareholding as on March 31, 2016

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	38,24,00,080	38.65
Resident Individuals & HUF	14,84,66,211	15.01
Financial Institutions / Banks	10,55,68,886	10.67
Foreign Institutional Investors	13,33,73,906	13.48
Corporate Bodies	6,27,01,335	6.34
Insurance Companies	3,55,74,173	3.60
Mutual Funds / UTI	11,58,64,949	11.71
Others	6,66,724	0.07
Non-Resident Indians	46,57,751	0.47
Total	98,92,74,015	100.00

The Indian Hotels Company Limited

Shareholding pattern of the Company as on March 31, 2016



Note: "Others" include Trusts, Clearing Members, Directors & their Relatives, Central / State Governments and Foreign Banks.

Distribution Schedule of The Indian Hotels Company Limited as on March 31, 2016			
No. of Shares held	Total Members	Total Shares	Total % to Paid up Capital
Upto 100	60,078	26,36,272	0.27
101 to 1000	56,481	2,18,70,224	2.21
1001 to 2500	13,051	2,11,90,361	2.14
2501 to 5000	5,731	2,05,65,540	2.08
5001 to 10000	3,454	2,43,96,759	2.47
10001 to 20000	1,691	2,34,46,833	2.37
20001 to 30000	403	97,47,114	0.99
30001 to 40000	166	57,50,743	0.58
40001 to 50000	102	45,86,262	0.46
50001 to 100000	163	1,13,33,229	1.15
100001 & above	248	84,37,50,678	85.29
Total	1,41,568	98,92,74,015	100.00

Reconciliation of Share Capital Audit

In keeping with the requirements of the SEBI and the Stock Exchanges, a Reconciliation of Share Capital Audit by a practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued / paid – up capital tallies with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Unclaimed Suspense Account maintained under Regulation 39 of the SEBI Listing Regulations

As per the provisions of Regulation 39 of the SEBI Listing Regulations, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company. Accordingly unclaimed shares lying with the Company have been transferred and dematerialized in a 'Unclaimed Suspense Account' of the Company. This Account is being held by the Company purely on behalf of the shareholders entitled for these shares. It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said 'Unclaimed Suspense Account' and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares. Shareholders who have not yet claimed their shares are requested to immediately approach the Share Department of the Company by forwarding a request letter duly signed by all the shareholders furnishing their complete postal address along with PIN code, a copy of PAN card and proof of address, and for delivery in demat form, a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the Suspense Account as on March 31, 2016 is as under:

Sl. No.	Particulars	No. of shareholders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	47	4,734
2	Number of shareholders who approached the Company (with complete documentation) for transfer of shares from the Unclaimed Suspense Account during the year	-	-
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year;	-	-
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	47	4,734

Dematerialisation of Shares & Liquidity

As of the end of March 31, 2016, shares comprising approximately 98.36% of the Company's Equity Share Capital have been dematerialised.

Status on Dematerialised shares (Equity ISIN No. INE053A01029)

Shares held through	Percentage of Holding
NSDL	96.05
CDSL	2.31
Physical	1.64
Total	100.00

Report on Corporate Governance

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance electronically through the online portal of the BSE & NSE. A certificate from a practising Company Secretary on Corporate Governance is attached as an annexure to this Report.

Outstanding GDRs/Warrants, conversion date and likely impact on equity

All the outstanding GDRs of the Company have been fully converted into equity shares of the Company as on March 31, 2016

Investor Correspondance

For any queries, investors are requested to get in touch with the Company's share department at Mandlik House, Mandlik Road, Mumbai 400 001. A dedicated e-mail i.d. investorrelations@tajhotels.com has been set up for investor complaints.

The Indian Hotels Company Limited

DECLARATION BY THE MANAGING DIRECTOR & CEO UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have confirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2016.

For The Indian Hotels Company Limited

Rakesh Sarna
Managing Director & CEO

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CHAPTER IV OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) 2015

To,
The Members,
The Indian Hotels Company Limited

1. We have examined the compliance of the conditions of Corporate Governance by THE INDIAN HOTELS COMPANY LIMITED for the financial year ended March 31, 2016, as stipulated in:
 - (i) Clause 49 {excluding clause 49 (VII) (E)} of the Listing Agreement of the Company with the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited) for the period April 1, 2015 to November 30, 2015,
 - (ii) Clause 49 (VII) (E) of the Listing Agreement of the Company with the said Stock Exchanges for the period April 1, 2015 to September 1, 2015,
 - (iii) Regulation 23(4) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ('SEBI Listing Regulations') for the period September 2, 2015 to March 31, 2016; and
 - (iv) Regulations 17 to 27 {excluding Regulation 23(4)}, clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V to the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given and representations made to us by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective period of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
4. 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 P.K.Pandya & Co.
Practising Company Secretary

Mumbai, May 18, 2016

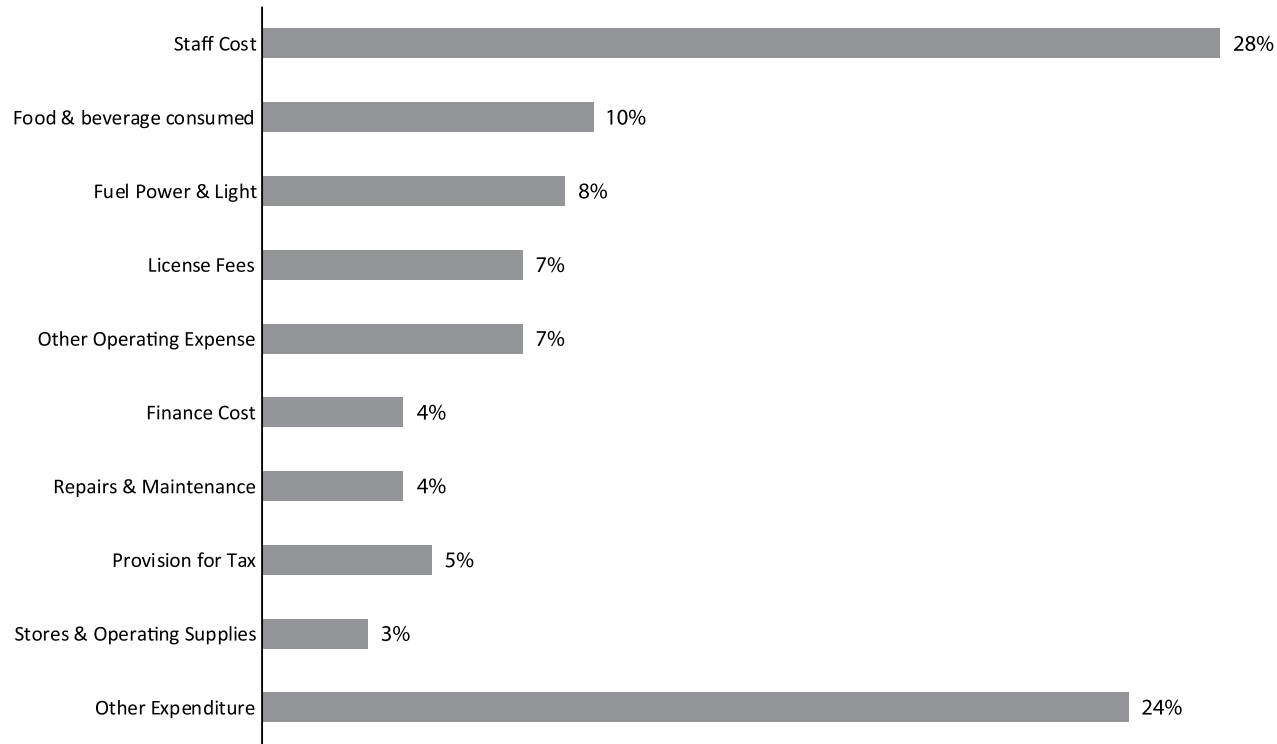
Prakash. K .Pandya
FCS No.: 3901
C P No.: 2311

COMPANY-WISE LIST OF HOTELS/UNITS

Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms
The Indian Hotels Company Limited		Subsidiary Companies		Joint Venture Companies	
Taj Mahal Palace, Mumbai	550	Roots Corporation Limited		Taj GVK Hotels & Resorts Limited	
Taj Lands End, Mumbai	493	Ginger Hotel - Agartala	99	Taj Krishna, Hyderabad	260
Taj Wellington Mews, Mumbai	78	Ginger Hotel - Ahmedabad	93	Vivanta by Taj - Begumpet , Hyderabad	181
The Taj Mahal Hotel, New Delhi	292	Ginger Hotel - Bangalore (Whitefield)	101	Taj Banjara - Hyderabad	122
Taj Palace, New Delhi	403	Ginger Hotel - Bangalore (Inner Ring Road)	87	Taj Deccan, Hyderabad	151
Taj Bengal, Kolkata	229	Ginger Hotel - Bhubaneshwar	101	Taj Club House, Chennai	220
Taj West End, Bangalore	117	Ginger Hotel - Chennai (IITM)	85	Taj Chandigarh, Chandigarh	149
Taj Lake Palace, Udaipur	83	Ginger Hotel - Chennai (Vadapalani)	79		
Taj Falaknuma Palace, Hyderabad	60	Ginger Hotel - Faridabad	91	Taj Kerala Hotels & Resorts Limited	
Taj Exotica, Goa	140	Ginger Hotel - Goa	135	Vivanta by Taj - Kumarakom , Kerala	28
Vivanta by Taj - Aurangabad, Maharashtra	63	Ginger Hotel - Guwahati	70	The Gateway Hotel - Marine Drive, Ernakulam	108
Vivanta by Taj - Connemara, Chennai	150	Ginger Hotel - Indore	95	The Gateway Hotel - Janardhanapuram, Varkala	30
Vivanta by Taj - Dwarka, New Delhi	250	Ginger Hotel - Jaipur	103		
Vivanta by Taj - Fort Aguada, Goa	145	Ginger Hotel - Jamshedpur	94	Kaveri Retreats and Resorts Limited	
Vivanta by Taj - Guwahati, Guwahati	150	Ginger Hotel - Mangalore	79	Vivanta by Taj - Madikeri , Coorg	63
Vivanta by Taj - Holiday Village, Goa	142	Ginger Hotel - Mumbai (Andheri East)	116		
Vivanta by Taj - Hari Mahal, Jodhpur	93	Ginger Hotel - Mysore	98	Taj Karnataka Hotels & Resorts	
Vivanta by Taj - Whitefield, Bangalore	199	Ginger Hotel - Nashik	92	The Gateway Hotel- KM Road , Chikmagalur	29
Vivanta by Taj - Yeshwantpur, Bangalore	327	Ginger Hotel - Delhi (Rail Yatri Niwas - IRCTC)	109		
Jai Mahal Palace, Jaipur	100	Ginger Hotel - East Delhi	81	Taj Safaris Limited	
Usha Kiran Palace, Gwalior	40	Ginger Hotel - Noida	83	Mahua Kothi - Bandhavgarh	12
The Gateway Hotel - Residency Road, Bangalore	98	Ginger Hotel - Pantnagar	98	Banjaar Tola - Kanha	18
The Gateway Hotel - Beach Road , Calicut	74	Ginger Hotel - Pondicherry	94	Pashan Garh - Panna	12
Hotel Chandela, Khajuraho	90	Ginger Hotel - Pune (Wakad)	128	Baghvan - Pench	12
Hotel Savoy, Ooty	40	Ginger Hotel - Pune (Pimpri)	97		
		Ginger Hotel - Surat	98	Meghauli Serai, Taj Safari Lodge, Chitwan	29
		Ginger Hotel - Thane	46		
		Ginger Hotel - Trivandrum	101	Taj Madras Flight Kitchen	
		Ginger Hotel - Vadodara	99	Chennai	-
Managed Properties		Managed Properties - Ginger		IHMS (SA) Pty Limited	
Umaid Bhawan Palace, Jodhpur	64	Ginger Hotel - Chandigarh	102	Taj Cape Town, South Africa	166
Rambagh Palace, Jaipur	78	Ginger Hotel - Gurgaon (Manesar)	61		
Taj Santacruz, Mumbai	279	Ginger Hotel - Katra, Jammu	80		
Taj Bangalore	154	Ginger Hotel - Tirupati	119	TAL Maldives Resorts Private Limited	
Vivanta by Taj - Bekal, Kerala	66	Ginger Hotel - Tirupur	91	Taj Exotica, Maldives	64
Vivanta by Taj - Dal View, Srinagar	83	Ginger Hotel - Vizag	72	Vivanta by Taj - Coral Reef, Maldives	62
Vivanta by Taj - Gurgaon , NCR	208				
Vivanta by Taj - Kovalam, Kerala	59				
Vivanta by Taj - Panaji, Goa	170				
Vivanta by Taj - Sawai Madhopur	36				
Vivanta by Taj - Surajkund	286	Piem Hotels Limited		Associate Companies	
The Gateway Resort - Pushkar Bypass Ajmer	81	Vivanta by Taj - President, Mumbai	287		
The Gateway Hotel - Akota Gardens, Vadodara	86	Vivanta by Taj - Blue Diamond, Pune	110	Oriental Hotels Limited	
The Gateway Hotel - Athwalines ,Surat	206	Vivanta by Taj - Gomti Nagar, Lucknow	110	Taj Coromandel, Chennai	212
The Gateway Hotel - Damdama Lake Gurgaon	78	Vivanta by Taj - M G Road, Bangalore	167	Vivanta by Taj - Fisherman's Cove, Chennai	152
The Gateway Hotel - EM Bypass, Kolkata	79	The Gateway Hotel - Ambad, Nashik	148	Vivanta by Taj - Malabar, Cochin	95
The Gateway Hotel - Gir Forest ,Junagadh	28	The Gateway Hotel - Fatehabad Road ,Agra	100	Vivanta by Taj - Surya, Coimbatore	178
The Gateway Hotel - GE Road, Raipur	95			Vivanta by Taj - Trivandrum, Kerala	137
The Gateway Hotel - Hinjawadi ,Pune	150	United Hotels Limited		The Gateway Hotel - Beach Road ,Visakhapatnam	95
The Gateway Hotel - IT Expressway ,Chennai	200	Vivanta by Taj - Ambassador, New Delhi	88	The Gateway Hotel - Church Road ,Coonoor	32
The Gateway Hotel - Lakeside Hubli	92			The Gateway Hotel - Old Port Road, Mangalore	96
The Gateway Hotel - M G Road ,Vijayawada	108	Beneras Hotels Limited		The Gateway Hotel - Psumalai, Madurai	63
The Gateway Hotel - Ramgarh Lodge ,Jaipur	14	Nadesar Palace - Varanasi	10		
SMS Hotel, Jaipur	27	The Gateway Hotel - Ganges, Varanasi	130	TAL Lanka Hotels PLC	
		The Gateway Hotel - Balaghat Road, Gondia	34	Taj Samudra, Colombo	300
Taj Dubai	296			Lanka Island Resorts Limited	
Taj Pamodzi - Zambia	193	Taj SATS Air Catering Limited		Vivanta by Taj - Bentota, Sri Lanka	160
Taj Tashi, Thimpu, Bhutan	66	Bangalore	-		
Vivanta by Taj - Reebak Island, Langkawi	94	Delhi	-		
The Gateway Hotel - Airport Garden, Colombo	208	Goa	-		
		Kolkata	-		
		Mumbai	-		
		United Overseas Holdings Inc			
		The Pierre, New York	189		
		Taj Boston, Boston	273		
		Taj Campton Place, San Francisco	110		
		St James Court Hotels Limited			
		Taj 51 Buckingham Gate , London	85		
		St. James' Court, A Taj Hotel, London	338		
		Taj International Hotels Limited			
		Bombay Brasserie Restaurant	-		
		Quilon Restaurant	-		

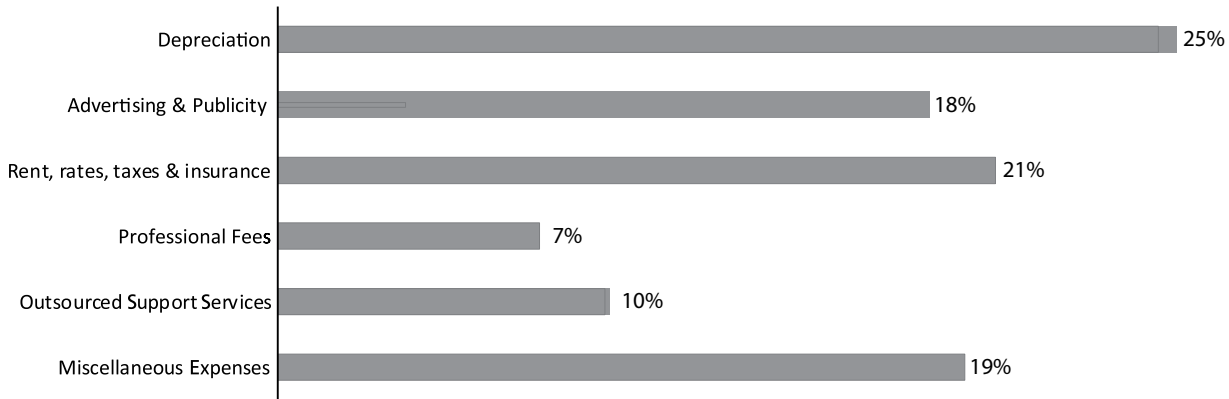
The Indian Hotels Company Limited

BREAK UP OF TOTAL EXPENSES



Footnote : Excludes Exceptional Items of ₹ 10.21 crores.

BREAK UP OF OTHER EXPENDITURE



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INDIAN HOTELS COMPANY LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE INDIAN HOTELS COMPANY LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to note no. 45 to the financial statements which explains that the accounting impact of two Schemes of Arrangement (the "Schemes") approved by shareholders, enabling the amalgamation of International Hotel Management Services LLC (formerly known as International Hotel Management Services Inc.) and Lands End Properties Private Limited, with effect from January 1, 2016 and March 31, 2016, respectively, could not be given in the financial statements as at and for the year ended March 31, 2016, as the orders from the Honourable High Court of Judicature at Bombay sanctioning the Schemes are awaited.

Our opinion is not qualified in respect of this matter.

The Indian Hotels Company Limited

Report on Other Legal and Regulatory Requirements

1. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- refer Note 31 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts and as at the year end, the Company did not have any derivative contracts for which there were any material foreseeable losses – refer Notes 2(f) and 5 (vi) to the financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company – refer Note 11(i) to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

MUMBAI, May 18, 2016

For PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

(Firm's Registration No. 003990S / S200018)

S. Ramakrishnan

Partner

(Membership No. 18967)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **THE INDIAN HOTELS COMPANY LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to

The Indian Hotels Company Limited

the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2016, 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 DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

MUMBAI, May 18, 2016

For PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

(Firm's Registration No. 003990S / S200018)

S. Ramakrishnan

Partner

(Membership No. 18967)

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except in respect of one plot of leasehold land carried at ₹ 1.91 crore which is in physical possession of the Company and the settlement of the lease deed in favour of the Company is being processed.

The Company also holds immovable properties ("buildings") that have been built on land taken on lease which are disclosed as a part of the fixed assets of the Company in the financial statements. The lease agreements in these cases are in the name of the Company except in one instance where the matter is being contested before the High Court of Delhi.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, , Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

Notes to Financial Statements for the year ended March 31, 2016

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (₹ In crore)	Amount Unpaid (₹ In crore)
Central Sales Tax Act, 1956 and Sales Tax / Value Added Tax Act of various states	VAT and Sales Tax	Central Excise and Service Tax Appellate Tribunal	Financial Year 2002-2004	9.51	8.21
		Deputy Commissioner of Commercial Taxes	Financial Year 2004-2005, 2011-2012 to 2012-2013	0.09	0.09
		High Court	Financial Year 1997-98, 2003-04, 2007-09 and 2013-14	1.10	0.71
		Joint Commissioner (Commercial Taxes)	Financial Year 2012-13 to 2013-14	0.23	0.19
		Joint Commissioner of Sales Tax	Financial Year 2003-04 to 2004-05	0.08	0.06
		Joint Commissioner of Sales Tax (Appeals)	Financial Year 1999- 00 to 2004-05	5.79	4.36
		Tribunal, Appellate & revision board	Financial Year 1992-93 and 2005-06 to 2012-13	0.69	0.69
Finance Act , 1994 and Service Tax Laws	Service Tax	Central Board of Excise and Customs	Financial Year 2009-10 to 2013-14	1.14	1.14
		Central Excise and Service Tax Appellate Tribunal	Financial Year 2004-05 to 2010-11	0.71	0.61
		Commissioner of Central Excise, Bhopal	Financial Year 2010-11 to Financial Year 2012-13	0.12	0.12
		Commissioner of Service Tax (Additional / Assistant / Joint)	Financial Year 2002-03 to 2012-13	0.81	0.61
		Commissioner (Appeals), Jodhpur	Financial Year 2005-06 to 2012-13	0.20	0.10
		Supreme Court	Financial Year 2005-06 to 2012-13	1.05	1.05
		The Commisioner of Central Excise (Appeals)	Financial Year 2006-07 to 2010-11	0.35	0.30
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals), Panaji, Goa	Financial Year 2005-06 to 2007-08	0.29	0.29
		Income Tax Appellate Tribunal	Financial Year 2011-12 (Assessment Year 2012-13).	0.28	0.28
		Income Tax Appellate Tribunal	Financial Year 2009-10 (Assessment Year 2010-11)	19.25	2.49

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer / further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

Notes to Financial Statements for the year ended March 31, 2016

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

MUMBAI, May 18, 2016

For PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

(Firm's Registration No. 0039905 / S200018)

S. Ramakrishnan

Partner

(Membership No. 18967)

The Indian Hotels Company Limited

Balance Sheet as at March 31, 2016

	Note	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	98.93	80.75
Reserves and Surplus	4	3,786.67	2,534.40
		<u>3,885.60</u>	<u>2,615.15</u>
Non-current Liabilities			
Long-term Borrowings	5	1,558.06	2,898.10
Deferred Tax Liabilities (net)	6	303.03	191.06
Other Long-term Liabilities	7	484.83	585.47
Long-term Provisions	8	48.67	27.31
		<u>2,394.59</u>	<u>3,701.94</u>
Current Liabilities			
Short-term Borrowings	9	7.45	0.99
Trade Payables	10		
- Micro and Small Enterprises		1.84	1.48
- Others		201.55	164.01
Other Current Liabilities	11	941.99	638.36
Short-term Provisions	12	129.10	76.45
		<u>1,281.93</u>	<u>881.29</u>
Total		<u><u>7,562.12</u></u>	<u><u>7,198.38</u></u>
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	2,114.61	1,988.60
Intangible Assets	14	41.36	23.20
Capital Work-in-Progress		55.23	140.46
Intangible Assets Under Development		0.35	1.40
		<u>2,211.55</u>	<u>2,153.66</u>
Non-current Investments	15	2,781.16	2,546.14
Long-term Loans and Advances	16	1,437.44	1,438.31
Other Non-current Assets	17	1.96	3.28
		<u>6,432.11</u>	<u>6,141.39</u>
Current Assets			
Current Investments	18	135.87	431.82
Inventories	19	45.08	43.16
Trade Receivables	20	161.20	138.88
Cash and Cash Equivalents	21	22.30	355.83
Short-term Loans and Advances	22	716.86	54.48
Other Current Assets	23	48.70	32.82
		<u>1,130.01</u>	<u>1,056.99</u>
Total		<u><u>7,562.12</u></u>	<u><u>7,198.38</u></u>
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 49		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No.
117366W / W-100018

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.
0039905 / S200018

For and on behalf of the Board

Cyrus P. Mistry
Rakesh Sarna
Anil P. Goel
Mehernosh S. Kapadia

Chairman
Managing Director & CEO
Executive Director & CFO
Executive Director - Corporate Affairs

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

S. Ramakrishnan
Partner
Membership No. 18967

Deepak Parekh
Nadir Godrej
Gautam Banerjee
Vibha Paul Rishi
Ireena Vittal
Dr. N. S. Rajan

}

Directors

Mumbai, May 18, 2016

Beejal Desai

Vice President - Legal & Company Secretary

Statement of Profit and Loss for the year ended March 31, 2016

	Note	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Income			
Rooms, Restaurants, Banquets and Other Income from Operations	24	2,273.70	2,024.38
Other Income	25	108.62	79.22
Total		2,382.32	2,103.60
Expenses			
Food and Beverages Consumed	26	209.82	181.88
Employee Benefit Expense and Payment to Contractors	27	615.98	531.37
Finance Costs	28	88.20	89.46
Depreciation and Amortisation		127.08	117.85
Other Operating and General Expenses	29	1,019.35	952.46
Total		2,060.43	1,873.02
Profit Before Tax and Exceptional Items		321.89	230.58
Exceptional Items	30	(10.21)	(228.70)
Profit Before Tax		311.68	1.88
Tax Expenses			
Current Tax		51.89	41.37
Deferred Tax		111.97	83.90
Minimum Alternate Tax Credit		(51.89)	(41.37)
Excess Provision of Tax Earlier Years		(1.33)	-
Total		110.64	83.90
Profit / (Loss) After Tax		201.04	(82.02)
Earnings Per Share -	48		
Basic - (₹)		2.44	(1.02)
Diluted - (₹)		2.03	(1.02)
Face Value per Equity share - (₹)		1.00	1.00
Summary of Significant Accounting Policies	2		
The accompanying notes form an integral part of the Financial Statements	1 - 49		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No.
117366W / W-100018

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.
003990S / S200018

For and on behalf of the Board

Cyrus P. Mistry
Rakesh Sarna
Anil P. Goel
Mehernosh S. Kapadia

Chairman
Managing Director & CEO
Executive Director & CFO
Executive Director - Corporate Affairs

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

S. Ramakrishnan
Partner
Membership No. 18967

Deepak Parekh
Nadir Godrej
Gautam Banerjee
Vibha Paul Rishi
Ireena Vittal
Dr. N. S. Rajan

}

Directors

Mumbai, May 18, 2016

Beejal Desai

Vice President - Legal & Company Secretary

The Indian Hotels Company Limited

Cash Flow Statement for the year ended March 31, 2016

	Note	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Cash Flow From Operating Activities			
Profit Before Tax		311.68	1.88
Adjustments For :			
Depreciation and Amortisation		127.08	117.85
Amortisation of borrowing costs		1.36	1.31
Provision for Doubtful Debts and Advances		5.27	6.64
(Profit) / Loss on sale of investments		(56.53)	2.02
Loss on sale of assets		1.41	0.23
Dividend Income		(55.25)	(34.59)
Interest Income		(40.63)	(28.94)
Interest Expense		86.84	88.15
Exchange Loss on Long-term Borrowings / Assets (Net)		55.06	25.47
Expenditure on project written off		9.83	1.89
Advances written off		-	1.39
Provision for Contingent Claims		18.48	18.10
Provision for Diminution in value of long term Investments		0.35	213.49
Provision for Obligation of an Associate		-	(11.56)
Provision for Loyalty Programmes (net of Redemptions)		1.27	0.37
Provision for Employee Benefits		18.54	7.20
		<u>173.08</u>	<u>409.02</u>
Cash Operating Profit before working capital changes		484.76	410.90
Adjustments for (increase) / decrease in operating assets:			
Inventories		(1.92)	(2.98)
Trade Receivables		(26.47)	(16.46)
Long and advances		(17.61)	2.53
Other Current Assets		(6.17)	8.01
		<u>(52.17)</u>	<u>(8.90)</u>
Adjustments for increase / (decrease) in operating liabilities:			
Trade Payables		37.90	(7.99)
Other Liabilities		26.15	3.26
		<u>64.05</u>	<u>(4.73)</u>
Cash Generated from Operating Activities		496.64	397.27
Direct Taxes (Paid) / Refunded		(64.69)	3.28
Net Cash From Operating Activities (A)		<u>431.95</u>	<u>400.55</u>
Cash Flow From Investing Activities			
Purchase of Fixed Assets		(191.87)	(137.65)
Sale of Fixed Assets		1.03	2.38
Purchase of current Investments		(2,072.24)	(1,325.63)
Sale of current Investments		2,368.19	893.81
Purchase of long-term investment		(266.40)	-
Sale of Investment in Joint Venture		72.29	-
Sale of Investment in an Associate		39.44	-
Sale of Investment in Other Companies		56.71	-
Interest Received		31.26	28.70
Dividend Received		55.25	34.59
Long-term Deposits repaid by Subsidiaries		984.41	153.84
Long-term Deposits repaid by a Joint Venture		9.81	-
Long-term Deposits placed with a Subsidiary		(844.80)	-
Carried over		243.08	(349.96)

Cash Flow Statement for the year ended March 31, 2016 (Contd.)

	Note	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Brought over		243.08	(349.96)
Short-term Deposits placed with a Subsidiary		(555.00)	-
Short-term Deposits placed with entities that became Subsidiaries during the year		(104.00)	-
Bank Balances not considered as Cash and Cash Equivalents		70.83	(69.00)
Net Cash Used In Investing Activities (B)		(345.09)	(418.96)
Cash Flow From Financing Activities			
Loan Issue Costs and conversion costs of compulsorily convertible debentures into equity shares		(1.50)	(5.38)
Interest Paid		(88.70)	(93.79)
Repayment of long-term borrowings / settlement of cross currency swaps		(383.95)	(477.68)
Proceeds from long-term borrowings		125.00	999.91
Short-term loans repaid		-	(160.60)
Unclaimed Dividend paid		(0.08)	(0.16)
Unclaimed Dividend / Deposits / Interest transferred to IEPF		(0.46)	(0.34)
Net Cash Generated / (Used) In Financing Activities (C)		(349.69)	261.96
Net Increase / (Decrease) In Cash and cash equivalents (A + B + C)		(262.83)	243.55
Cash and Cash Equivalents - Opening		281.82	38.27
Cash and Cash Equivalents - Closing (Refer Note 21, page 123)		18.99	281.82

Footnote :

Reconciliation of Cash and Cash Equivalents with the Balance Sheet

Cash and Cash equivalents as above	18.99	281.82
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Add : Other Bank balances

Short-term deposits with original maturity exceeding 3 months	0.43	70.33
Deposits pledged with others	0.64	0.62
Margin money deposits	0.70	0.99
Earmarked balances	2.54	3.20

Cash and Bank as per the Balance Sheet

Less : Classified as Non-Current (Refer Note 17, page 121)	1.00	1.13
Cash and Cash Equivalents classified as Current (Refer Note 21, page 123)	22.30	355.83

Summary of Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements 1 - 49

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No.
117366W / W-100018

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No.
003990S / S200018

For and on behalf of the Board

Cyrus P. Mistry
Rakesh Sarna
Anil P. Goel
Mehernosh S. Kapadia

Chairman
Managing Director & CEO
Executive Director & CFO
Executive Director - Corporate Affairs

Sanjiv V. Pilgaonkar
Partner
Membership No. 39826

S. Ramakrishnan
Partner
Membership No. 18967

Deepak Parekh
Nadir Godrej
Gautam Banerjee
Vibha Paul Rishi
Ireena Vittal
Dr. N. S. Rajan

}

Directors

Mumbai, May 18, 2016

Beejal Desai

Vice President - Legal & Company Secretary

Notes to Financial Statements for the year ended March 31, 2016

Note 1 : Corporate Information

The Indian Hotels Company Limited ("IHCL" or the "Company"), is a listed public limited company incorporated in 1902. It is promoted by Tata Sons Ltd., which holds a significant stake in the Company. The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

Note 2 : Significant Accounting Policies

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years.

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could, however, differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:-

(a) Revenue recognition :

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management and operating fees. Rebates and discounts granted to customers are reduced from revenue.

Interest

Interest income is accrued on a time proportion basis having regard to the amount outstanding and the rate applicable.

Dividend

Dividend income is recognised when the Company's right to receive the amount is established.

(b) Employee Benefits (other than for persons engaged through contractors):

i. Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the year. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the minimum rates of return prescribed by the Central Government and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the Company.

Notes to Financial Statements for the year ended March 31, 2016

ii. Gratuity Fund

The Company makes annual contributions to Gratuity fund administered by the trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment. The Company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iii. Post-Retirement Pension Scheme and Medical Benefits

The net present value of the Company's obligation towards post retirement pension scheme for select existing and retired whole time directors and post employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

iv. Superannuation

The Company has a defined contribution plan, wherein it annually contributes a sum equivalent to the eligible employee's annual basic salary to a fund administered by the trustees. The Company recognises such contributions as an expense in the year in which the corresponding services are received from the employee.

The Company also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Company accounts for the net present value of its obligations therein, based on an independent actuarial valuation, carried out as at the Balance Sheet date, determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

v. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation using the projected unit credit method, carried out at the Balance Sheet date.

vi. Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the entitlement thereof.

(c) Fixed Assets:

i. Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation / amortisation and impairment losses, if any. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(l), page 107). Trade discounts, rebates and benefits arising from utilisation of duty free scrips are deducted in determining the cost of purchase. Projects under which the tangible fixed assets are not yet ready for their intended use are carried as capital work-in-progress at cost determined as aforesaid. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated over their estimated useful life.

Notes to Financial Statements for the year ended March 31, 2016

ii. Intangible Fixed Assets

Intangible fixed assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

- the technical feasibility and Company's intention and ability of completing the project;
- the probability that the project will generate future economic benefits;
- the availability of adequate technical, financial and other resources to complete the project; and
- the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Also refer Note no. 2(l), page 107 below for the policy on capitalisation of borrowing costs.

(d) Depreciation / 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 had been re-assessed as under based on technical evaluation, taking into the 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.

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Buildings	60 to 80 years
Plant and Equipment	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Assets costing less than ₹ 5000	4 years

In respect of Leasehold Land acquired, any consideration paid is amortised from the date the land is put to use for commercial operations, over the balance period of the lease.

In respect of Leasehold Buildings, the depreciation on buildings on leased property is based on the tenure which is lower of the life of the buildings or the expected lease period.

Improvements to buildings are depreciated on the basis of their estimated useful lives.

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

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years

Notes to Financial Statements for the year ended March 31, 2016

(e) Impairment of Assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount on these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flow to their present value based on an appropriate discount factor. When there is indication that factors that caused an impairment loss to be recognised for an asset in prior accounting periods, no longer exist or that the intensity of impairment loss may have decreased, the impairment loss, to the extent no longer necessary to hold, is reversed.

(f) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. With respect to long-term foreign currency monetary items that have not been hedged, from April 1, 2011 onwards, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance useful life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long-term asset / liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

Translation of Foreign Operations

Exchange differences on a monetary item that is receivable from or payable to foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future which, in substance, forms a part of the Company's net investment in that foreign operation, are accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. Upon disposal, such accumulation in the Foreign Currency Translation Reserve is recognised as income or as expense in the Statement of Profit and Loss. The financial statements of an integral foreign operation are translated using the principles and procedures as if the transactions of the foreign operation are those of the Company itself.

Hedge Accounting

In accordance with its risk management policy, the Company has entered into cross currency swap contracts with a view to convert its Indian Rupee borrowings into Foreign Currency borrowings in order to hedge the foreign exchange spot retranslation risk of its net investment in a non-integral foreign operation. The Company applied net investment hedge accounting such that the gains and losses on the foreign currency borrowings, to the extent effective, are

Notes to Financial Statements for the year ended March 31, 2016

recognised in the "Foreign Currency Translation Reserve" ("FCTR") under "Reserves and Surplus" (Refer Note 4, page 109). The exchange gains and losses on retranslating the net investments in the non-integral foreign operation are also recognised in the FCTR (The ineffective portion of the hedge is recognised immediately into the Statement of Profit and Loss). Hedge Accounting is discontinued when such swap contracts (hedging instrument) expire or are exercised or cancelled or no longer qualify for hedge accounting. Hedge accounting of net investment in a non-integral foreign operation has been applied prior to the revision of Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates" by notification no.G.S.R.914(E) dated 29th December, 2011.

The gains or losses recognised in FCTR as aforesaid, are reclassified to the Statement of Profit and Loss, on disposal of the non-integral foreign operation.

(g) Assets taken on lease:

Operating lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight-line basis over the lease term, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease.

(h) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost includes the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits arising from utilisation of duty free scrips are deducted in determining the cost of purchase.

(i) Investments:

- i. Long term investments are carried at cost. Provision is made for diminution in value, other than temporary, on an individual basis.
- ii. Current investments are carried at the lower of cost and fair value, determined on an individual basis.

(j) Taxes on income:

- i. Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws. The differences between the taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of timing differences is recognised as a deferred tax asset or deferred tax liability. The tax effect is calculated on accumulated timing differences at the end of the accounting year, based on tax rates substantively enacted by the Balance Sheet date.
- ii. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.
- iii. Deferred tax assets, other than on unabsorbed depreciation, carried forward losses and items relating to capital losses, are recognised only if there is reasonable certainty that they will be realised in the future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. In situations where the Company has unabsorbed depreciation, carried forward losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence, that the same can be realised against future taxable profits. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Notes to Financial Statements for the year ended March 31, 2016

- iv. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(k) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised, when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not recognised in the financial statements.

(l) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Debenture issue / conversion costs are adjusted against the available Securities Premium Reserve Account in accordance with the provisions of section 52 of the Companies Act, 2013. All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

Interest on Interest Rate Swap Contracts entered into, to manage interest risks on borrowings, is accounted in the period in which it accrues as these contracts are intended to be held till the maturity of the underlying borrowings.

(m) Cash and Cash Equivalent (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(n) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

(o) Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

The Indian Hotels Company Limited

Notes to Financial Statements for the year ended March 31, 2016

Note 3 : Share Capital

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Authorised Share Capital		
Equity Shares		
200,00,00,000 (Previous year - 200,00,00,000) Equity Shares of ₹ 1 each	200.00	200.00
	<u>200.00</u>	<u>200.00</u>
Issued Share Capital		
98,93,07,472 (Previous year - 80,74,89,291) Equity Shares of ₹ 1 / - each	98.93	80.75
	<u>98.93</u>	<u>80.75</u>
Subscribed and Paid Up		
98,92,74,015 (Previous year - 80,74,72,787) Equity Shares of ₹ 1 / - each, Fully Paid (Refer Footnote (v))	98.93	80.75
	<u>98.93</u>	<u>80.75</u>

Footnotes :

- (i) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended March 31, 2016, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 0.30 / - (Previous year ₹ Nil).

- (ii) On September 1, 2014 ,the Company had allotted 18,18,01,228 Compulsorily Convertible Debentures ("CCDs") of ₹ 55 each aggregating to ₹ 999.91 crores on a "rights" basis (Each CCD was convertible into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share after 18 months from the date of allotment of the CCD). The CCDs have been converted into 18,18,01,228 Equity shares of ₹ 1 each on March 1, 2016 as per the terms of allotment and ₹ 981.73 crores has been transferred to Securities Premium Reserve account.

- (iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2016		March 31, 2015	
	No. of shares	₹ crores	No. of shares	₹ crores
As at the beginning of the year	80,74,72,787	80.75	80,74,72,787	80.75
Add : CCDs converted to Equity shares during the year	18,18,01,228	18.18	-	-
As at the end of the year	<u>98,92,74,015</u>	<u>98.93</u>	<u>80,74,72,787</u>	<u>80.75</u>

- (iv) Shareholders holding more than 5% shares in the Company :

	March 31, 2016		March 31, 2015	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Tata Sons Limited	27,70,63,351	28.01	20,20,52,004	25.02
Life Insurance Corporation of India	8,10,06,874	8.19	6,57,52,493	8.14
Sir Dorabji Tata Trust	5,02,21,040	5.08	5,02,21,040	6.22

- (v) 33,457 (Previous year - 16,504) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.
- (vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (Previous year Nil)
- (vii) As at the Balance Sheet date, the Company has NIL (Previous year 196,380) outstanding Global Depository Receipts (GDRs) which were represented by equity shares of ₹ 1 each included in above. The GDRs have been delisted from the London Stock Exchange and subsequently converted during the year.

Notes to Financial Statements for the year ended March 31, 2016

Note 4 : Reserves and Surplus

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Capital Reserve		
Opening and Closing Balance	43.91	43.91
Reserve on Common Control Equity Transaction		
Opening Balance	-	-
Add : Profit on Transfer of shares to subsidiary (Refer Footnote (ii))	79.38	-
Closing Balance	79.38	-
Capital Redemption Reserve		
Opening and Closing Balance	1.12	1.12
Securities Premium Reserve		
Opening Balance	2,091.45	2,095.00
Add : Premium on conversion of CCD's into shares (Refer Note 3, Footnote (ii), page 108)	981.73	-
Less : Issue expenses written off (net of tax ₹ Nil, Previous year ₹ 1.82 crores) :	1.00	3.55
Closing Balance	3,072.18	2,091.45
Debenture Redemption Reserve		
Opening and Closing Balance	305.97	305.97
Foreign Currency Translation Reserve		
Opening Balance	112.41	392.19
Add : Exchange translation difference on investment in non-integral foreign operation (Net)	10.92	3.45
Less: Transfer from Hedge Reserve	-	(283.23)
Closing Balance	123.33	112.41
Foreign Currency Monetary Item Translation Difference Account (Refer Note 36, page 131)		
Opening Balance	(43.01)	(46.44)
Add : Exchange translation difference for the year	(33.21)	(21.32)
Less : Transfer to Statement of Profit and Loss on amortisation	49.13	24.75
Closing Balance	(27.09)	(43.01)
General Reserve		
Opening Balance	494.05	484.61
Add : Transfer from Investment Reserve	-	5.00
Add : Transfer from Investment Allowance Utilised Reserve	-	4.03
Add : Transfer from Export Profits Reserve	-	0.41
Less : Proposed Dividend	29.68	-
Less : Tax on Dividend	6.04	-
Closing Balance	458.33	494.05
Deficit in Statement of Profit and Loss		
Opening Balance	(471.50)	(389.48)
Add : Profit / (Loss) for the year	201.04	(82.02)
Closing Balance	(270.46)	(471.50)
	3,786.67	2,534.40

Notes to Financial Statements for the year ended March 31, 2016

Footnotes :

- (i) An amount of US\$ 148.57 million due from Taj International Hotels (H. K.) Limited ("TIHK", a wholly owned subsidiary) which was construed as the Company's net investment in a non-integral operation, has been repaid during the year. The exchange differences until the date of the refund has been retained in the Foreign Currency Translation Reserve, as TIHK remains a subsidiary of the Company as at the reporting date. Upon receipt of the refund, the exchange differences arising from spot translation of the cross currency swap contracts as at the year end of ₹ 7.44 crores has been charged to the Statement of Profit and Loss.
- (ii) As a part of the Company's initiative to restructure and hold its investments in overseas assets through IHOCO BV ("IHOCO", a wholly owned subsidiary of the Company), the Company transferred 34,375,640 shares in TAL Lanka Hotels PLC ("TAL Lanka") and 1,329,778 shares in TAL Hotels & Resorts Ltd. ("TAL Hotels") to IHOCO. The total consideration payable by IHOCO of ₹ 111.73 crores was based on market value of shares of TAL Lanka and the fair value of TAL Hotels as determined by an independent valuer. As the funds for the acquisition of the above shares were sourced from the Company, the gain on transfer of ₹ 79.38 crores has been recorded within Reserve on Common Control Equity Transaction.

Note 5 : Long-term Borrowings

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Debentures		
a) Non Convertible Debentures		
Secured	550.00	700.00
Unsecured	450.00	586.00
	1,000.00	1,286.00
b) Compulsorily Convertible Debentures		
Unsecured	-	999.91
	-	999.91
Term Loans from Banks		
Unsecured	334.82	394.50
	334.82	394.50
Loans and advances (Unsecured)		
From Related Party	4.11	3.86
Liability on currency swap contracts	219.13	213.83
	223.24	217.69
	1,558.06	2,898.10

Footnotes :

- (i) Current and Non-Current components of Long-term Borrowings as at:

	March 31, 2016 ₹ crores		March 31, 2015 ₹ crores	
	Non-Current	Current	Non-Current	Current
Non-Convertible Debentures (NCDs)				
Secured (Refer Footnote (ii))				
a) 10.10% Non-Convertible Debentures	300.00	-	300.00	-
b) 9.95% Non-Convertible Debentures	250.00	-	250.00	-
c) 2% Non-Convertible Debentures	-	150.00	150.00	90.00
	550.00	150.00	700.00	90.00
Unsecured (Refer Footnote (iii))				
a) 2% Non-Convertible Debentures	250.00	-	250.00	-
b) 9.90% Non-Convertible Debentures	-	136.00	136.00	-
c) 2% Non-Convertible Debentures	200.00	-	200.00	-
	450.00	136.00	586.00	-
Carried over	100.00	286.00	1286.00	90.00

Notes to Financial Statements for the year ended March 31, 2016

	March 31, 2016		March 31, 2015	
	₹ crores		₹ crores	
	Non-Current	Current	Non-Current	Current
Brought over	100.00	286.00	1286.00	90.00
Compulsorily Convertible Debentures (CCDs)				
Unsecured (Refer Footnote (iv))	-	-	999.91	-
	-	-	999.91	-
Term Loan from Banks (Unsecured) (Refer Footnote (v))				
Foreign Currency Term Loan From Banks	209.82	209.82	394.50	197.25
Term Loan From Bank	125.00	-	-	-
	334.82	209.82	394.50	197.25
Loans and advances (Unsecured)				
From Related Party (Refer Note 44)	4.11	-	3.86	-
Liability on currency swap contracts (Refer Footnote (vi))	219.13	46.53	213.83	22.65
	223.24	46.53	217.69	22.65
	<u>1,558.06</u>	<u>542.35</u>	<u>2,898.10</u>	<u>309.90</u>

(ii) Non Convertible Debentures - Secured include:

- 3,000, 10.10% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on November 18, 2011 are repayable at par on November 18, 2021 i.e at the end of 10th year from the date of allotment.
- 2,500, 9.95% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on July 27, 2011 are repayable at par on July 27, 2021 i.e at the end of 10th year from the date of allotment.
- 3,000, 2% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on March 22, 2010 were repayable in 3 annual instalments commencing at the end of 5th, 6th & 7th year from the date of allotment along with redemption premium of ₹ 6.13 lakhs per debenture. The company had repaid the first instalment of ₹ 60 crores on March 23, 2015. During the year, the Company has repaid the second instalment of ₹ 90 crores on March 22, 2016. The last instalment of ₹ 150 crores due on March 22, 2017 has been classified under current maturities of long term borrowings.

All the Secured Non-Convertible Debentures are rated, listed and secured by a pari passu first charge created on all the fixed assets of the Company, both present and future.

(iii) Non Convertible Debentures - Unsecured include:

- 2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on December 9, 2009 are repayable on December 9, 2019 i.e at the end of the 10th year from the date of allotment, along with redemption premium of ₹ 12.43 lakhs per debenture.
- 1,360, 9.90% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 136 crores, allotted on February 24, 2012 are repayable on February 24, 2017 i.e at the end of the 5th year from the date of allotment. This has been classified under current maturities of long term borrowings.
- 2,000, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 23, 2012 are repayable on April 23, 2017, i.e at the end of the 5th year from the date of allotment along with redemption premium of ₹ 4.71 lakhs per debenture.

(iv) Compulsorily Convertible Debentures - Unsecured:

18,18,01,228 Unsecured Compulsorily Convertible Debentures (CCDs) of ₹ 55 each aggregating ₹ 999.91 crores, were allotted on September 01, 2014 on a rights basis and were convertible into equity after 18 months from the date of allotment. Accordingly, each CCD has been converted into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share on March 1, 2016.

Notes to Financial Statements for the year ended March 31, 2016

(v) Term Loan from Banks (Unsecured) include:

- a) External commercial borrowing of US \$ 95 million was taken on November 23, 2011. The loan is repayable at the end of 50th, 60th, and 72nd month from November 23, 2011 in equal instalments to achieve the average maturity of 5.05 years and carries an interest which is based on a spread over LIBOR. The first instalment of US \$ 31.67 million has been repaid during the year. The second instalment of US \$ 31.67 million (₹ 209.82 crores) due on November 23, 2016, has been classified under current maturities of long term borrowings. The last instalment of US \$ 31.66 million is due on November 22, 2017.
- b) Unsecured term loan from a bank of ₹ 125 crores carrying interest rate of 9.50% p.a. was taken during the year which is repayable at the end of 18 months from the date of first drawdown. The loan was drawn in 2 tranches of ₹ 60 crores and ₹ 65 crores on February 9, 2016 and March 21, 2016 respectively.

- (vi)** The Company has entered into cross currency swap contracts as a part of its risk management strategy to convert Indian Rupee borrowings into Foreign Currency borrowings which are used to hedge net investment in a non-integral foreign operation. At the reporting date, the notional amounts are restated at the closing exchange rates. As at March 31, 2016, the difference aggregating ₹ 265.66 crores (Previous Year ₹ 236.48 crores) on restatement represents a liability which is classified as "unsecured loans and advances". The notional amount due within twelve months of ₹ 46.53 crores has been classified under current maturities of long term borrowings.

(vii) Maturity Profile of Debentures :

₹ crores				
a) Non-Current				
Non-Convertible Debentures (NCDs)				
Secured				
a) 10.10% Non-Convertible Debentures	November 18, 2021	300.00	-	300.00
b) 9.95% Non-Convertible Debentures	July 27, 2021	250.00	-	250.00
		550.00	-	550.00
Unsecured				
a) 2% Non-Convertible Debentures	December 9, 2019	250.00	310.84	560.84
b) 2% Non-Convertible Debentures	April 23, 2017	200.00	94.23	294.23
		450.00	405.07	855.07
		1000.00	405.07	1405.07
b) Current				
Non-Convertible Debentures (NCDs)				
Secured				
a) 2% Non-Convertible Debentures (3rd instalment)	March 22, 2017	150.00	105.25	255.25
		150.00	105.25	255.25
Unsecured				
a) 9.90% Non-Convertible Debentures	February 24, 2017	136.00	-	136.00
		136.00	-	136.00
		286.00	105.25	391.25

Notes to Financial Statements for the year ended March 31, 2016

Note 6 : Deferred Tax Liabilities (net)

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Deferred tax liabilities:		
Depreciation on fixed assets	446.28	400.23
Unamortised borrowing costs	0.90	1.20
Total (A)	447.18	401.43
Deferred tax assets:		
Provision for doubtful debts	3.82	2.61
Premium on redemption of Debentures	66.51	94.50
Provision for Employee Benefits	23.08	14.26
Unused tax Losses	21.74	79.99
Others	29.00	19.01
Total (B)	144.15	210.37
Net Deferred tax liabilities (A-B)	303.03	191.06

Footnote:

The Company has deferred tax liabilities on account of depreciation and unamortised borrowing costs, the reversal of which is virtually certain. Also, it has in the past, executed projects entitling it to a deduction of the capital cost incurred (under section 35AD of the Income Tax Act, 1961) which converted the book profits into taxable losses. There are no such projects which have been planned or in the process of being executed in the current year or in the foreseeable future. In the absence of unfavourable evidence and given that the Company has been able to earn profits which, without the deduction for eligible capital costs (excluding land and goodwill) on hotel projects as aforesaid, would result into future taxable income, there is no reason to believe that the situation will not continue. Therefore, this is regarded as convincing evidence of future taxable income, enabling the Company to recognise deferred tax assets on unabsorbed depreciation and carried forward business losses. As no investment has been identified for sale in the near term, the deferred tax asset on capital losses brought forward has not been recognised. In the previous year, the Company had identified one investment for sale and the buyer for that investment, the estimated profits for which had formed the basis for recognising deferred tax asset on capital losses. That transaction fructified in the current financial year.

Note 7 : Other Long-term Liabilities

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Creditors for capital goods and services	0.52	0.03
Deposits from others		
Secured (Refer Note 15 Footnote (v), page 121)	71.10	71.10
Unsecured	3.47	2.33
	74.57	73.43
Premium on Redemption of Debentures (Refer Note 5 Footnote (vii)(a), page 112)	405.07	510.32
Employee Benefits	4.67	1.69
	484.83	585.47

Note 8 : Long-term Provisions

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Provision For Employee Benefits		
Compensated absences	20.76	13.79
Gratuity	6.47	3.84
Post-employment medical benefits	4.53	2.83
Post-retirement pension	16.91	6.85
	48.67	27.31

Notes to Financial Statements for the year ended March 31, 2016

Note 9 : Short-term Borrowings

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Loans repayable on demand		
From Bank		
Secured (Refer Footnote (i))	7.45	-
Unsecured	-	0.99
	7.45	0.99

Footnotes :

- (i) Secured loan from Bank consists of overdraft facilities. These are secured by hypothecation of operating supplies, stores, food and beverages and receivables.

Note 10 : Trade Payables

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Trade Payables		
Micro and Small Enterprises (Refer Footnote (i) and (ii))	1.84	1.48
Others:		
Vendor Payables	85.27	72.78
Accrued expenses and others	116.28	91.23
	201.55	164.01
	203.39	165.49

Footnotes :

- (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. This has been relied upon by the auditors.
- (ii) The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	1.77	1.43
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	0.07	0.05
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	0.02	0.02
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.07	0.05
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.02	0.02

- (iii) For related party balances refer Note 44., page 137 to page 143

Notes to Financial Statements for the year ended March 31, 2016

Note 11 : Other Current Liabilities

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Current maturities of long-term borrowings (Refer Note 5, Footnote (i), page 110)		
Debentures	286.00	90.00
Term Loans	209.82	197.25
Liability on currency swap contracts	46.53	22.65
	542.35	309.90
Payables on Current Account dues :		
Related Parties	6.40	3.85
Others	6.23	11.73
	12.63	15.58
Premium on redemption of Debentures (Refer Note 5 Footnote (vii)(b), page 112)	105.25	51.50
Deposits (Unsecured)	24.02	24.35
Interest accrued but not due on borrowings	37.47	37.41
Income received in advance	26.14	17.98
Advances collected from customers	39.23	31.42
Creditors for capital expenditure	21.40	18.85
Unclaimed dividend (Refer Footnote (i))	2.07	2.57
Unclaimed Share Application Money (Refer Footnote (i))	-	0.05
Unclaimed Matured Deposits and interest accrued thereon (Refer Footnote (i))	1.10	1.35
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous Year - ₹ 25,153) (Refer Footnote (i))	-	-
Other Liabilities (Refer Footnote (ii))	130.33	127.40
	941.99	638.36

Footnotes :

- (i) A sum of ₹ 0.46 crore (Previous year ₹ 0.34 crore) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.
- (ii) Other liabilities include accruals related to employee benefits ₹ 68.28 crores (Previous Year ₹ 70.82 crores). For related party balances refer Note 44, page 137 to 143.

Note 12 : Short-term Provisions

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Provision For Employee Benefits		
Compensated absences	17.22	19.80
Post-employment medical benefits	0.23	0.26
Post-retirement pension	0.71	0.92
	18.16	20.98
Carried over	18.16	20.98

Notes to Financial Statements for the year ended March 31, 2016

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Brought over	18.16	20.98
Provision - Others		
Provision for Contingencies (Refer Footnote (i))	59.97	41.49
Proposed Dividend	29.68	-
Tax on Dividend	6.04	-
Loyalty Programmes (Refer Footnote (ii))	15.25	13.98
	110.94	55.47
	129.10	76.45

Footnotes :

(i) Provision for Contingencies include provisions for the following:

	Opening Balance ₹ crores	Addition / (Deletion) ₹ crores	Closing Balance ₹ crores
Disputed claims for taxes, levies and duties	39.91	19.38	59.29
	21.99	17.92	39.91
Disputes on Contractual matters	0.41	-	0.41
	29.43	(29.02)	0.41
Disputes in respect of Employee benefits	1.17	(0.90)	0.27
	1.23	(0.06)	1.17
Total	41.49	18.48	59.97
	52.65	(11.16)	41.49

a) The above matters are under litigation / negotiation and the timing of the cash flows cannot be currently determined.

b) Figures in italics are in respect of previous year.

(ii) Details of Provision for Loyalty Programmes :

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Opening Balance	13.98	18.18
Less : Redeemed during the year	4.52	12.06
	9.46	6.12
Add : Provision during the year	5.79	7.86
Closing Balance	15.25	13.98

Notes to Financial Statements for the year ended March 31, 2016

Note 13 : Tangible Assets (Owned)

	Freehold Land	Leasehold Land	Buildings (Refer Footnote (i) & (ii))	Plant and Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Gross Block at Cost								
At April 1, 2014	137.21	11.83	1,181.99	1,000.07	431.22	85.47	14.49	2,862.28
Additions	-	-	250.12	124.58	37.36	11.11	1.51	424.68
Adjustment	(0.34)	0.34	-	7.72	(7.72)	(1.05)	-	(1.05)
Disposals	-	-	0.52	7.58	2.82	1.89	1.65	14.46
At March 31, 2015	136.87	12.17	1,431.59	1,124.79	458.04	93.64	14.35	3,271.45
Additions	0.07	-	113.57	102.70	21.36	11.31	0.29	249.30
Adjustments	1.00	(4.57)	2.04	-	-	(0.58)	-	(2.11)
Disposals	-	-	1.25	13.64	3.15	5.37	0.39	23.80
At March 31, 2016	137.94	7.60	1,545.95	1,213.85	476.25	99.00	14.25	3,494.84
Depreciation (Refer Footnote (ii))								
At April 1, 2014	3.88	1.26	254.21	552.27	298.69	66.22	8.10	1,184.63
Charge for the year	-	0.10	29.45	54.27	18.58	7.88	1.42	111.70
Adjustments	-	-	-	0.55	(0.57)	(0.73)	-	(0.75)
Disposals	-	-	0.21	6.82	2.47	1.79	1.44	12.73
At March 31, 2015	3.88	1.36	283.45	600.27	314.23	71.58	8.08	1,282.85
Charge for the year	-	0.11	36.27	55.24	19.51	7.31	1.15	119.59
(Refer Footnote (iii))								
Adjustments	-	-	-	-	-	(0.33)	-	(0.33)
Disposals	-	-	0.62	12.43	3.11	5.33	0.39	21.88
At March 31, 2016	3.88	1.47	319.10	643.08	330.63	73.23	8.84	1,380.23
Net Block								
At March 31, 2015	132.99	10.81	1,148.14	524.52	143.81	22.06	6.27	1,988.60
At March 31, 2016	134.06	6.13	1,226.85	570.77	145.62	25.77	5.41	2,114.61

Footnotes :

- (i) Gross Block includes improvements to buildings constructed on leasehold land - ₹ 959.59 crores; (Previous year - ₹ 857.66 crores).
- (ii) Accumulated Depreciation includes adjustment for impairment made in earlier years of ₹ 6.61 crores (Previous year - ₹ 6.61 crores), including ₹ 3.88 crores (Previous year ₹ 3.88 crores) on Freehold Land.
- (iii) Depreciation charge for the year includes ₹ NIL (Previous year ₹ 0.03 crores) which is capitalised during the year.

Notes to Financial Statements for the year ended March 31, 2016

Note 14 : Intangible Assets (Acquired)

	Website Development Cost	Software and Licenses	Service & Operating Rights	Total
	₹ crores	₹ crores	₹ crores	₹ crores
Gross Block at Cost				
At April 1, 2014	4.81	31.91	11.27	47.99
Additions	0.67	9.33	0.20	10.20
Adjustments	-	0.15	0.90	1.05
Disposals	-	1.36	-	1.36
At March 31, 2015	5.48	40.03	12.37	57.88
Additions	13.41	12.10	0.41	25.92
Adjustments	-	0.58	-	0.58
Disposals	4.76	0.46	-	5.22
At March 31, 2016	14.13	52.25	12.78	79.16
Amortisation				
At April 1, 2014	2.99	17.04	8.20	28.23
Charge for the year	0.97	4.44	0.77	6.18
Adjustments	-	-	0.75	0.75
Disposals	-	0.48	-	0.48
At March 31, 2015	3.96	21.00	9.72	34.68
Charge for the year	0.84	6.07	0.58	7.49
Adjustments	-	0.33	-	0.33
Disposals	4.32	0.38	-	4.70
At March 31, 2016	0.48	27.02	10.30	37.80
Net Block				
At March 31, 2015	1.52	19.03	2.65	23.20
At March 31, 2016	13.65	25.23	2.48	41.36

Notes to Financial Statements for the year ended March 31, 2016

Note 15 : Non-current Investments (at cost)

		March 31, 2016		March 31, 2015	
	Face Value	Holdings As at	₹ crores	Holdings As at	₹ crores
Trade Investments :					
Fully Paid Unquoted Equity Instruments					
Investments in Subsidiary Companies					
International Hotel Management Services LLC. *	US \$ 1	100	2,002.03	100	2,002.03
(includes ₹ 1,990.70 crores (Previous year ₹ 1,990.70 crores) by way of additional paid-in capital)					
KTC Hotels Ltd.	₹ 10	6,04,000	0.70	6,04,000	0.70
Roots Corporation Ltd.	₹ 10	5,10,00,000	51.00	5,10,00,000	51.00
Taj International Hotels (H.K.) Ltd.	US \$ 1	23,00,00,000	1,111.05	23,00,00,000	1,111.05
IHOCO BV (21,00,000 shares purchased during the year)	US \$ 1	21,00,000	252.76	-	-
Taj SATS Air Catering Ltd.	₹ 10	88,74,000	61.82	88,74,000	61.82
TIFCO Holdings Ltd.	₹ 10	8,15,00,000	81.50	8,15,00,000	81.50
United Hotels Ltd.	₹ 10	25,18,320	1.11	25,18,320	1.11
Piem Hotels Ltd.	₹ 10	9,86,760	61.12	9,86,760	61.12
Inditravel Ltd.	₹ 10	2,40,004	0.24	2,40,004	0.24
Taj Enterprises Ltd.	₹ 100	7,000	0.07	7,000	0.07
Taj Trade & Transport Co. Ltd.	₹ 10	12,54,000	2.67	12,54,000	2.67
Lands End Properties Pvt. Ltd. ** (80,10,000 shares purchased during the year) (Refer Footnote (iv))	₹ 10	1,00,00,000	17.12	-	-
			<u>3,643.19</u>		<u>3,373.31</u>
Investments in Jointly Controlled Entities					
IHMS Hotels (SA) (Proprietary) Ltd. (₹ 3,052)	ZAR 1	-	-	500	-
(8,67,39,458 shares were allotted during the year against the share application money and 8,67,39,958 shares were transferred during the year)					
Share application money with IHMS Hotels (SA) (Proprietary) Ltd. pending for allotment			-		57.09
Taj Karnataka Hotels & Resorts Ltd.	₹ 10	5,00,000	0.50	5,00,000	0.50
Taj Kerala Hotels & Resorts Ltd.	₹ 10	1,41,51,663	15.67	1,41,51,663	15.67
Taj Madras Flight Kitchen Pvt. Ltd.	₹ 10	79,44,112	8.56	79,44,112	8.56
Taj Safaris Ltd.	₹ 10	59,16,667	7.92	59,16,667	7.92
TAL Hotels & Resorts Ltd. (13,29,778 shares transferred during the year)	US\$ 1	-	-	13,29,778	13.63
Kaveri Retreats and Resorts Ltd.	₹ 10	20,00,000	6.80	20,00,000	6.80
			<u>39.45</u>		<u>110.17</u>
Investments in Associate Companies					
BJETS Pte Ltd., Singapore	US\$ 1	2,00,00,000	102.59	2,00,00,000	102.59
Taida Trading & Industries Ltd.	₹ 100	26,912	0.27	26,912	0.27
Taj Madurai Ltd.	₹ 10	9,12,000	0.95	9,12,000	0.95
			<u>103.81</u>		<u>103.81</u>
Investments in Other Companies					
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000)	₹ 50	20	-	20	-
Kumarakruppa Frontier Hotels Private Limited	₹ 10	96,432	0.94	96,432	0.94
Lands End Properties Pvt. Ltd. **	₹ 10	-	-	19,90,000	1.99
Taj Air Ltd.	₹ 10	1,47,060	0.15	1,47,060	0.15
Tata Projects Ltd. (90,000 shares sold during the year)	₹ 100	-	-	90,000	0.17
Tata Services Ltd.	₹ 1,000	421	0.03	421	0.03
Tata Sons Ltd.	₹ 1,000	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote (v))	₹ 10	7,11,00,000	71.10	7,11,00,000	71.10
			<u>97.22</u>		<u>99.38</u>
Carried over			3,883.67		3,686.67

The Indian Hotels Company Limited

Notes to Financial Statements for the year ended March 31, 2016

	Face Value	March 31, 2016		March 31, 2015	
		Holdings As at	₹ crores	Holdings As at	₹ crores
Brought over			3,883.67		3,686.67
Fully Paid Quoted Equity Investments :					
Investments in Subsidiary Companies					
Benares Hotels Ltd.	₹ 10	2,93,000	0.69	2,93,000	0.69
			<u>0.69</u>		<u>0.69</u>
Investments in Jointly Controlled Entities					
Taj GVK Hotels & Resorts Ltd.	₹ 2	1,60,00,000	40.34	1,60,00,000	40.34
			<u>40.34</u>		<u>40.34</u>
Investments in Associate Companies					
TAL Lanka Hotels PLC (3,43,75,640 shares transferred during the year)	Sri Lankan Rupees 10	-	-	3,43,75,640	18.72
Oriental Hotels Ltd.	₹ 1	3,37,64,550	28.73	3,37,64,550	28.73
			<u>28.73</u>		<u>47.45</u>
Investment in Other Companies					
Tourism Finance Corporation of India Ltd.	₹ 10	50,000	0.10	50,000	0.10
India Tourism Development Corporation Ltd.	₹ 10	67,50,275	44.58	67,50,275	44.58
			<u>44.68</u>		<u>44.68</u>
Total Trade Investment			<u>3,998.11</u>		<u>3,819.83</u>
Non-trade Investments					
Investment in Equity Instruments					
HDFC Bank Ltd. (quoted) (₹ 5,000)	₹ 2	2,500	-	2,500	-
Investment in Preference Shares					
Central India Spinning Weaving & Manufacturing Co. Ltd. (10% unquoted Cumulative Preference Shares) (₹ 27,888)	₹ 500	50	-	50	-
Investment in Others					
National Savings Certificate (₹ 45,000)			-		-
			<u>-</u>		<u>-</u>
Total Non-current Investments - Gross			3,998.11		3,819.83
Less : Provision for Diminution in value of Investments (Refer Footnote (iii))			1,216.95		1,273.69
Total Non-current Investments - Net			<u>2,781.16</u>		<u>2,546.14</u>

* converted to LLC with effect from October 5, 2015

** became a subsidiary with effect from October 14, 2015

Footnotes :

(i)	Aggregate of Quoted Investments - Gross	: Cost	114.44	133.16
		: Market Value	367.53	333.39
(ii)	Aggregate of Unquoted Investments - Gross	: Cost	3,883.67	3,686.67
	Less: Provision for Diminution in value of Investments	: Diminution	1,216.95	1,273.69
	Net value	: Net	2,666.72	2,412.98

Notes to Financial Statements for the year ended March 31, 2016

- (iii) As a part of the Company's initiative to restructure and hold its investments in overseas assets through IHOCO BV ("IHOCO", a wholly owned subsidiary of the Company), the Company transferred 34,375,640 shares in TAL Lanka Hotels PLC ("TAL Lanka") and 1,329,778 shares in TAL Hotels & Resorts Ltd. ("TAL Hotels") to IHOCO. The total consideration payable by IHOCO of ₹ 111.73 crores was based on market value of shares of TAL Lanka and the fair value of TAL Hotels as determined by an independent valuer. Additionally, the investment in IHMS Hotels (SA) (Proprietary) Ltd has also been transferred to IHOCO at a nominal value and the corresponding diminution, other than temporary of ₹ 57.09 crores has been adjusted. Also refer footnote (ii) to Note 4 page 109.
- (iv) The Company has acquired the balance 80.1% equity stake in Lands End Properties Private Limited ("LEPPL"), the holding Company of ELEL Hotels and Investment Limited ("ELEL") which is the licensee of the erstwhile hotel Sea Rock site. Post the acquisition, LEPPL has now become a wholly owned subsidiary of the Company.
- (v) Transfer of shares is restricted due to option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. for repurchase of the shares at par value. Tata Realty and Infrastructure Ltd. has deposited a sum of ₹ 71.10 crores (Previous Year ₹ 71.10 crores) as Option Deposit, which shall be adjusted upon exercise of the option or refunded.

Note 16 : Long-term Loans and Advances

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Capital advances	11.76	12.18
Long-term security deposits placed for Hotel Properties		
External parties	114.20	117.67
Subsidiary companies (Refer Note 44, page 137 to 143)	3.50	3.50
	117.70	121.17
Deposits with Public Bodies and Others		
Considered good	70.28	62.45
Considered doubtful	0.02	-
	70.30	62.45
Less: Provision for doubtful deposits	0.02	-
	70.28	62.45
Loans and advances to related parties (Refer Note 44, page 137 to 143)		
Subsidiary Companies (net)	1,051.94	1,112.39
Jointly Controlled Entities	5.35	14.70
Associates - considered doubtful	3.17	3.17
	1,060.46	1,130.26
Less: Provision for advances doubtful of recovery	3.17	3.17
	1,057.29	1,127.09
Other loans and advances		
Advance Income Tax paid (net)	47.40	33.27
MAT credit entitlement	126.57	74.68
Others	6.44	7.47
	180.41	115.42
	1,437.44	1,438.31

Note 17 : Other Non-current Assets

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Deposits with Banks (Refer Note 21, page 123)	1.00	1.13
Unamortised borrowing costs (Refer Note 23, page 124)	0.96	2.15
	1.96	3.28

Notes to Financial Statements for the year ended March 31, 2016

Note 18 : Current Investments

	March 31, 2016		March 31, 2015	
	Holdings		Holdings	
	As at	₹ crores	As at	₹ crores
Investments in Mutual Fund Units (Unquoted)				
Tata Money Market Fund - Daily Dividend	13,56,679	135.87	1,25,837	12.60
Franklin India TMA - Daily Dividend	-	-	9,57,763	95.95
Franklin India TMA - Super Institutional Plan - Daily Dividend	-	-	3,84,693	38.50
IDFC Cash Fund - Daily Dividend	-	-	3,51,699	35.19
JM High Liquidity - Daily Dividend	-	-	2,13,88,157	22.31
JM High Liquidity - Daily Dividend	-	-	2,50,23,711	26.10
Kotak Floater - ST - Daily Dividend	-	-	84,180	8.51
LIC Nomura MF Liquid Fund - Daily Dividend	-	-	5,71,094	62.71
HDFC Cash Mgmt Fund - Savings Plan - Daily Dividend	-	-	1,78,71,081	19.01
ICICI Prudential Liquid - Daily Dividend	-	-	43,49,927	43.52
ICICI Prudential Money Market Fund - Daily Dividend	-	-	38,00,558	38.06
Religare Invesco Liquid Fund - Daily Dividend	-	-	2,93,358	29.36
TOTAL		135.87		431.82

Footnotes :

- (i) Basis of valuation : Current Investments are carried at the lower of cost and fair value, determined on individual basis.
- (ii) Aggregate of Unquoted Investments - Gross : Cost 135.87 431.82
: NAV 135.87 431.82

Note 19 : Inventories (At lower of cost and net realisable value)

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Food and Beverages	22.32	19.97
Stores and Operating Supplies	22.76	23.19
	45.08	43.16

Notes to Financial Statements for the year ended March 31, 2016

Note 20 : Trade Receivables

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
(Unsecured) (Refer Footnote)		
Outstanding over six months from the date they were due for payment:		
Considered good	14.66	19.19
Considered doubtful	9.53	7.51
	24.19	26.70
Others :		
Considered good	146.54	119.69
Considered doubtful	1.52	0.04
	148.06	119.73
	172.25	146.43
Less : Provision for Debts doubtful of recovery	11.05	7.55
	161.20	138.88

Footnotes :

- Trade Receivables include debts due from Directors - ₹ 2,79,161 (Previous year - ₹ 2,26,884) in the ordinary course of business.
- For related party balances refer Note 44, page 137 to 143

Note 21 : Cash and Cash Equivalents

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Cash and Cash equivalents		
Cash on hand	1.75	1.79
Cheques, Drafts on hands	6.16	2.40
Balances with bank in current account	11.08	12.60
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	-	265.03
Cash and Cash equivalents as per Accounting Standard (AS) 3 on Cash Flow Statement	18.99	281.82
Other Balances with banks :		
Short-term deposits with original maturity exceeding 3 months	0.43	70.33
Deposits pledged with others	0.64	0.62
Margin money deposits	0.70	0.99
Earmarked balances	2.54	3.20
	4.31	75.14
	23.30	356.96
Less : Term deposit with banks maturing after 12 months from Balance Sheet date and other earmarked / margin money / pledged deposits classified as non-current (Refer Note 17 page 121)	1.00	1.13
	22.30	355.83

Notes to Financial Statements for the year ended March 31, 2016

Note 22 : Short-term Loans and Advances

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Short-term loans and advances		
Related Parties (Refer Note 44, page 137 to 143)		
Subsidiary companies	649.00	-
Associates	1.37	4.87
	650.37	4.87
Others	0.35	0.34
	650.72	5.21
Deposit with public bodies and others	14.48	8.16
Other advances		
Considered good	51.66	41.11
Considered doubtful	4.93	4.04
	56.59	45.15
Less: Provision for Advances doubtful of recovery	4.93	4.04
	51.66	41.11
	716.86	54.48

Note 23 : Other Current Assets

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Interest receivable		
Related Parties	16.32	2.80
Others	8.57	12.72
	24.89	15.52
On Current Account dues :		
Related Parties	11.37	11.87
Others	10.80	4.12
	22.17	15.99
Unamortised Borrowing Costs (Refer Footnote)		
Opening Balance	3.46	4.77
Add : Additions during the year	0.50	-
Less : Amortised during the year	1.36	1.31
Closing Balance	2.60	3.46
Less : Unamortised borrowing costs - Non Current (Refer Note 17, page 121)	0.96	2.15
	1.64	1.31
	48.70	32.82

Footnote :

Unamortised Borrowing Costs represent expenses on loans to be amortised over the balance tenure of the loan.

Notes to Financial Statements for the year ended March 31, 2016

Note 24 : Rooms, Restaurants, Banquets and Other Income from Operations

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Room Income	1,002.33	908.34
Food, Restaurants and Banquet Income	918.20	813.42
Shop rentals	29.86	30.68
Membership fees	71.01	59.08
Management and operating fees	148.95	137.74
Others	103.35	75.12
	2,273.70	2,024.38

Note 25 : Other Income

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Interest Income		
Inter-corporate deposits	4.75	-
Deposits with banks	20.46	25.71
Deposits with related parties	14.34	2.13
Others	1.08	1.10
	40.63	28.94
Dividend Income from long term Investments		
From related parties	32.69	19.62
From others	2.24	1.23
Dividend Income from Current Investments		
From others	20.32	13.74
Exchange Gain (Net)	1.82	-
Others	10.92	15.69
	108.62	79.22

Note 26 : Food and Beverages Consumed

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Opening Stock	19.97	19.06
Add : Purchases	212.17	182.79
	232.14	201.85
Less : Closing Stock	22.32	19.97
Food and Beverages Consumed	209.82	181.88

	March 31, 2016		March 31, 2015	
	₹ crores	%	₹ crores	%
Imported	8.96	4.27	7.60	4.18
Indigenous	200.86	95.73	174.28	95.82
	209.82	100.00	181.88	100.00

Notes to Financial Statements for the year ended March 31, 2016

Note 27 : Employee Benefit Expense and Payment to Contractors

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Salaries, Wages, Bonus etc.	454.18	392.56
Company's Contribution to Provident and Other Funds (refer Note 37, page 131 to 135)	38.00	29.47
Reimbursement of Expenses on Personnel Deputed to the Company	16.43	12.69
Payment to Contractors	39.74	36.65
Staff Welfare Expenses	67.63	60.00
	615.98	531.37

Note 28 : Finance costs

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Interest Expense on borrowings	107.17	121.40
On Tax Demands	1.14	0.01
	108.31	121.41
Other borrowing costs	1.36	1.31
Less : Interest recovered on related Currency swaps	19.56	30.62
Less : Interest Capitalised (Refer Footnote)	1.91	2.64
	88.20	89.46

Footnote :

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

Note 29 : Other Operating and General Expenses

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
(i) Operating expenses consist of the following:		
Linen and Room Supplies	36.86	32.11
Catering Supplies	18.89	17.69
Other Supplies	4.70	4.01
Fuel, Power and Light	179.98	174.27
Repairs to Buildings	37.60	34.20
Repairs to Machinery	42.23	41.18
Repairs to Others	11.63	11.24
Linen and Uniform Washing and Laundry Expenses	11.54	10.92
Payment to Orchestra Staff, Artistes and Others	26.59	24.10
Guest Transportation	34.62	24.49
Travel Agents' Commission	32.25	28.11
Commission to Collecting Agents	19.85	19.25
Other Operating Expenses	40.30	35.07
	497.04	456.64

Linen, Room, Catering and Other Supplies Consumed

	March 31, 2016		March 31, 2015	
	₹ crores	%	₹ crores	%
Imported	5.20	8.60	3.50	6.50
Indigenous	55.25	91.40	50.31	93.50
	60.45	100.00	53.81	100.00
Spare Parts Consumed				
Imported	0.84	5.01	0.83	4.72
Indigenous	15.91	94.99	16.77	95.28
	16.75	100.00	17.60	100.00

Notes to Financial Statements for the year ended March 31, 2016

(ii) General expenses consist of the following:

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Rent	48.87	44.48
Licence Fees	146.87	128.39
Rates and Taxes	49.52	45.80
Insurance	6.12	6.17
Advertising and Publicity	88.96	96.66
Printing and Stationery	8.37	8.23
Passage and Travelling	8.95	9.65
Provision for Doubtful Debts (Refer Footnote (v))	4.38	1.99
Professional Fees	35.41	36.11
Outsourced Support Services	49.16	45.63
Exchange Loss (net)	-	1.06
Loss on Sale of Fixed Assets (net)	1.41	0.23
Loss on Sale of Investment (net) (Refer Note below)	-	-
Payment made to Statutory Auditors (Refer Footnote (iv))	4.25	2.86
Directors' Fees and Commission	2.65	0.52
Corporate Social Responsibility (CSR)	0.92	1.63
Other Expenses (Refer Footnote (iii))	66.47	66.41
	522.31	495.82
	1,019.35	952.46

Note :

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Loss on sale of Investment	57.09	-
Less: Withdrawal of provision	57.09	-
Net Loss:	-	-

Footnotes :

(i) Expenditure recovered from other parties:

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Fuel, Power and Light	4.67	4.26
Repairs to Buildings	-	0.08
Linen and Uniform Washing	0.99	1.21
Rent	0.68	0.18
Other Expenses	2.43	2.30
	8.77	8.03

Notes to Financial Statements for the year ended March 31, 2016

- (ii) The following direct expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings have been capitalised:

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Employee benefits expense	0.55	0.50
Fuel, Power and Light	0.03	0.63
Depreciation	-	0.03
Other Expenses (net)	10.52	12.24
	11.10	13.40

- (iii) Other expenses include Advances written off – ₹ Nil (Previous year - ₹ 1.39 crores).

- (iv) Payment made to Statutory Auditors:

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
As auditors	2.72	2.08
As tax auditors	0.30	0.25
For other services	1.12	0.40
For out-of pocket expenses	0.04	0.10
Service tax on above [net of credit availed - ₹ 0.47 crores (Previous year ₹ 0.21 crores)]	0.07	0.03
	4.25	2.86

Footnote:

Excludes ₹ Nil (Previous year ₹ 0.76 crores) adjusted against Securities Premium Account

- (v) Provision for Doubtful Debts:

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Opening Balance	7.55	7.98
Add : Provision during the year	4.76	2.16
	12.31	10.14
Less : Bad debts written off against past provisions	0.88	2.42
Less : Reversal of provision no longer required	0.38	0.17
Closing Balance	11.05	7.55

Note 30 : Exceptional Items

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Exceptional Items comprises of the following:		
Profit / (Loss) on sale of Investments	56.53	(2.02)
Exchange Loss on Long-term Borrowings / Assets (net)	(56.56)	(24.75)
Expenditure on a project written off	(9.83)	-
Provision for contingency for obligation of an associate no longer required written back	-	11.56
Provision for Diminution in value of long term investments	(0.35)	(213.49)
	(10.21)	(228.70)

Notes to Financial Statements for the year ended March 31, 2016

Note 31 : Contingent Liabilities (to the extent not provided for):

The Company is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses and is exposed to other contingencies arising from having issued guarantees to lenders of its subsidiaries and other entities. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of matters in dispute:

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes etc. which are in dispute, are as under:

Particulars	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Income tax	73.81	37.95
Entertainment tax	1.95	1.47
Sales tax / state Value added tax	16.29	9.07
Property tax	49.61	50.81
Service tax	9.33	9.00
Others	15.63	9.04

In respect of Income Tax matters, the Company's appeals are pending and the said amounts have been paid / adjusted and will be recovered as refund if the matters are decided in favour of the Company.

(b) On account of lease agreements:

In respect of a plot of land provided to the Company under a license agreement, on which the Company has constructed a hotel, the licensor has made a claim of ₹ 304.24 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the licensor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the existing license agreement as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch more than ₹ 73.14 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been issued by the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the licensor, pending a resolution of this dispute by the Honourable Bombay High Court. In view of this, and based on legal advice, the Company regards the likelihood of sustainability of the lessor's claim to be remote and the amount of any potential liability, if at all, is indeterminate.

(c) On account of guarantees given:

- Guarantees / Letters of Comfort given by the Company in respect of loans obtained by other companies and outstanding as on March 31, 2016 - ₹ 1,415.83 crores (Previous year - ₹ 1,124.40 crores). Out of this, counter indemnity for ₹ 131.11 crores has been obtained from a JV partner for his 50% share.
- The Company has given letters of support to select subsidiaries, a jointly controlled entity and an associate during the year.

(d) Others:

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

- plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;

Notes to Financial Statements for the year ended March 31, 2016

- (ii) the proceedings are in early stages;
- (iii) there is uncertainty as to the outcome of pending appeals or motions or negotiations;
- (iv) there are significant factual issues to be resolved; and / or there are novel legal issues presented

The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial statements, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

Note 32 : Capital Commitments

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 127.31 crores (Previous year – ₹ 83.77 crores).

Note 33 : Rights Issue of Compulsorily Convertible Debentures

The Company on September 1, 2014 has allotted 18,18,01,228 Compulsorily Convertible Debentures ("CCDs") of ₹ 55 each aggregating to ₹ 999.91 crores on a "rights" basis. Each CCD was convertible into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share after 18 months from the date of allotment of the CCD. The CCDs have been converted into 18,18,01,228 Equity shares on March 1, 2016 as per the terms of allotment.

The funds raised by way of rights issue of Compulsorily Convertible Debentures were utilised as under:

Particulars	₹ crores
Amounts raised through Rights Issue	999.91
Utilisation	
Repayment of Debts	552.68
General corporate purposes	243.25
Capital expenditure on Projects	70.00
Renovation Capex	37.56
Issue Expenses	6.75
Total	910.24
Surplus amounts kept in Fixed Deposits with Banks and invested in Mutual Funds	89.67

Note 34 : Operating Lease

The Company has taken certain vehicles and immovable properties on operating lease. The total lease rent paid on the same is included under Rent and Licence Fees forming part of Other Expenses (Refer note no 29 (ii), page 127). The minimum future lease rentals payable in respect of non-cancellable leases entered into after April 1, 2001 to the extent of minimum guarantee amount are as follows:-

Particulars	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Not later than one year	14.13	15.52
Later than one year but not later than five years	51.86	50.52
Later than five years	321.92	332.15
	387.91	398.19

Notes to Financial Statements for the year ended March 31, 2016

Note 35 : Derivative Instruments and Unhedged Foreign Currency Exposure

The Company uses interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

a. Derivative Instruments outstanding:

Nature of Derivative	March 31, 2016	March 31, 2015
	US\$ million	US\$ million
Interest Rate Swaps	42.23	63.34

The above excludes cross currency swaps referred to in footnote to Note No. 4, page 109

b. Unhedged Foreign currency exposure receivable / (payable) :

Currency	March 31, 2016	March 31, 2015
United States Dollar (Million)*	(35.73)	(59.34)

* Net of notional amount of US\$ 130.53 million (Previous year – US\$ 143.80 million) as cross currency swaps.

Note 36 : Foreign Currency Monetary Item Translation Difference Account

The Company has exercised the option granted vide notification No. G.S.R.225(E) dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.378(E) (F.No17 / 133 / 2008-CL.V) dated May 11, 2011 and Amendment Notification No G.S.R.914(E) dated December 29, 2011 incorporating the new paragraph 46(A) to Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended March 31, 2016 have been accumulated in "Foreign Currency Monetary Item Translation Difference" and are being amortised over the balance period of such long term asset or liability, by recognition as income or expense in each of such periods.

Note 37 : Employee Benefits

- (a) The Company has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds"(net of recoveries):

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Provident Fund	18.88	17.82
Superannuation Fund	4.24	4.85
	<u>23.12</u>	<u>22.67</u>

- (b) The Company operates post retirement defined benefit plans as follows :-

(i) Funded :

- Post Retirement Gratuity
- Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

(ii) Unfunded :

- Pension to Executive Directors and Employees – Post retirement minimum guaranteed pension scheme for select existing and retired executive directors and certain categories of employees, which is unfunded.
- Post Employment Medical Benefits to qualifying employees

Notes to Financial Statements for the year ended March 31, 2016

(c) Pension Scheme for Employees:

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(d) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2016 :-

i Amount to be recognised in Balance Sheet and movement in net liability

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>
Present Value of Funded Obligations	163.00	-	-	-	6.48
	157.56	-	-	-	5.92
Present Value of Unfunded Obligations	-	4.75	4.64	12.98	-
	-	3.09	4.95	2.82	-
Fair Value of Plan Assets	(156.53)	-	-	-	(8.37)
	(153.72)	-	-	-	(7.78)
Unrecognised Past Service Cost	-	-	-	-	(0.39)
	-	-	-	-	(0.76)
Adjustment to Plan Asset	-	-	-	-	0.64
	-	-	-	-	0.63
Net (Asset) / Liability	6.47	4.75	4.64	12.98	(1.64)
	3.84	3.09	4.95	2.82	(1.99)

ii Expenses recognised in the Statement of Profit & Loss

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>
Current Service Cost	8.14	1.92	0.35	11.19	0.11
	7.01	0.03	0.32	-	0.10
Interest Cost	12.49	0.24	0.39	0.21	0.47
	11.81	0.24	0.43	0.20	0.40
Expected return on Plan Assets	(11.15)	-	-	-	(0.57)
	(9.96)	-	-	-	(0.49)
Actuarial Loss / (Gain) recognised in the year	7.38	(0.32)	0.40	(0.96)	(0.04)
	(1.06)	0.45	0.15	0.31	0.48
Past service Cost	-	-	-	-	0.38
	-	-	-	-	0.38
Effect of the limit on Plan Asset	-	-	-	-	0.01
	-	-	-	-	(0.14)
Expense	16.86	1.84	1.15	10.44	0.36
	7.80	0.72	0.90	0.51	0.73

Footnote: Amount taken to Statement of Profit and Loss in respect of gratuity is net of recovery ₹ 2.01 crores (Previous year ₹ 1.07 crores)

Notes to Financial Statements for the year ended March 31, 2016

iii Reconciliation of Defined Benefit Obligation

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>
Opening Defined Benefit Obligation	157.56	3.09	4.95	2.82	5.92
	136.59	2.74	4.65	2.61	4.93
Current Service Cost	8.14	1.92	0.35	11.19	0.11
	7.01	0.03	0.32	-	0.10
Interest Cost	12.49	0.24	0.39	0.21	0.47
	11.81	0.24	0.43	0.20	0.40
Actuarial Loss / (Gain)	4.15	(0.32)	0.40	(0.96)	0.11
	14.93	0.45	0.15	0.31	0.67
Benefits Paid	(19.34)	(0.18)	(1.45)	(0.28)	(0.13)
	(12.78)	(0.37)	(0.60)	(0.30)	(0.18)
Closing Defined Benefit Obligation	163.00	4.75	4.64	12.98	6.48
	157.56	3.09	4.95	2.82	5.92

iv Reconciliation of Fair Value of Plan Assets

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>	<u>₹ crores</u>
Opening Fair Value of Plan Assets	153.72	-	-	-	7.78
	140.55	-	-	-	7.20
Expected return on Plan Assets	11.15	-	-	-	0.57
	9.96	-	-	-	0.49
Actuarial Gain / (Loss)	(3.24)	-	-	-	0.15
	15.99	-	-	-	0.19
Contribution by Employer	14.24	0.18	1.45	0.28	-
	-	0.37	0.60	0.30	0.07
Benefits Paid	(19.34)	(0.18)	(1.45)	(0.28)	(0.13)
	(12.78)	(0.37)	(0.60)	(0.30)	(0.18)
Closing Fair Value of Plan Assets	156.53	-	-	-	8.37
	153.72	-	-	-	7.78
Expected Employer's contribution / outflow next year	5.00	0.22	0.55	0.28	-
	5.00	0.25	0.62	0.30	-

Notes to Financial Statements for the year ended March 31, 2016

v Description of Plan Assets (Managed by an Insurance Company)

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Government of India Securities	45% 49%	- -	- -	- -	42% 35%
Corporate Bonds	33% 34%	- -	- -	- -	56% 52%
Equity	15% 16%	- -	- -	- -	- -
Others	7% 1%	- -	- -	- -	2% 13%
Grand Total	100% 100%	- -	- -	- -	100% 100%

vi Actuarial Assumptions

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.)	7.55% 7.90%	7.55% 7.90%	7.55% 7.90%	7.55% 7.90%	7.55% 7.90%
Expected Rate of Return on Assets (p.a.)	7.50% 7.50%	- -	- -	- -	7.50% 7.50%
Salary Escalation Rate (p.a.)	4%-5% 5.00%	- -	4.00% 5.00%	10.00% -	- -
Pension Escalation Rate (p.a.)	- -	- -	- -	4.00% 4.00%	- -
Mortality Table *					
Mortality in service	Table 1 Table 1	Table 1 Table 1	Table 1 NA	NA NA	NA NA
Mortality in retirement	NA NA	Table 2 Table 2	NA NA	Table 2 Table 2	Table 2 Table 2

* Table 1 – Indian Assured Lives Mortality (2006-08) Ult table

Table 2 – UK Published PA (90) annuity rated down by 4 years

Notes to Financial Statements for the year ended March 31, 2016

vii Effect of Change in Assumed Health Care Cost

	1% Increase ₹ crores	1% Decrease ₹ crores
Effect on the aggregate of service cost and interest cost (1% Increase - ₹ 3,57,995 (Previous year ₹ 45,514)) (1% Decrease - ₹ (2,96,207) (Previous year ₹ (40,205)))	0.04	(0.03)
	-	-
Effect of defined benefit obligation	0.35	(0.29)
	0.06	(0.05)

viii Experience Adjustments

	2015-16 ₹ crores	2014-15 ₹ crores	2013-14 ₹ crores	2012-13 ₹ crores	2011-12 ₹ crores
Defined Benefit Obligation	191.85	174.35	161.78	172.08	158.89
Plan Assets	164.91	161.50	147.76	149.68	135.04
Deficit	(26.95)	(12.85)	(14.02)	(22.40)	(23.85)
Experience Adjustment on Plan Liabilities	5.75	(0.27)	0.28	14.96	20.08
Experience Adjustment on Plan Assets	(3.09)	16.19	0.33	6.24	(0.25)

Footnote: Figures in italics under (i) to (vii) are of the previous year.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Note 38 : CIF Value of imports

Particulars	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Raw Materials (Food and Beverages)	6.45	8.58
Stores, Supplies and Spare Parts for Machinery	7.39	5.25
Capital Goods	25.29	25.29

Note 39 : Earnings in Foreign Exchange

Particulars	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Rooms, Restaurants, Banquets and Other Services	723.60	685.69
Interest received	0.53	0.84

The earnings in foreign exchange, as reported above, are on the basis of actual receipts during the year.

The Indian Hotels Company Limited

Notes to Financial Statements for the year ended March 31, 2016

Note 40 : Expenditure in Foreign Exchange

Particulars	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Membership Fees	3.56	5.19
Advertising and Public Relation	33.21	40.58
International Sales Office	26.95	27.18
Professional and Consultancy Fees	8.44	17.43
Interest	26.81	26.00
Others	31.31	27.10

Note 41 : Remittance in Foreign Currencies for dividend to non-resident shareholders:

The Company has not remitted any amount on account of dividend during the year and the previous year.

Note 42 : Other regulatory matters

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to the period prior to 1998. Arising out of such disclosures, the Company received show cause notices. The Company has replied to the notices and is waiting for the directorate to return its files, after which it will complete the replies. Adjudication proceedings are in progress.

Note 43 : Deposits and Advances in the nature of loans to Subsidiaries, Jointly controlled entities and Associates

Particulars	Maximum amount outstanding during the year ₹ crores	Balance outstanding as on March 31, 2016 ₹ crores	Maximum amount outstanding during the previous year ₹ crores	Balance outstanding as on March 31, 2015 ₹ crores
Subsidiaries				
IHOCO BV *	880.59	853.03	-	-
Lands End Properties Private Limited	655.00	649.00	-	-
Skydeck Properties and Developers Private Limited	4.00	-	-	-
Taj International Hotels (HK) Ltd.*	1,185.97	198.90	1,261.00	1,112.39
Jointly Controlled Entities				
Taj Karnataka Hotels & Resorts Ltd.	5.35	5.35	5.35	5.35
TAL Hotels & Resorts Ltd. (repaid during the year)	9.96	-	9.46	9.34
Associates				
Taida Trading and Industries Ltd.	8.04	4.54	8.04	8.04

* No interest is payable

Notes to Financial Statements for the year ended March 31, 2016

Note 44 : Related Party Disclosures

(a) The names of related parties of the Company are as under:

i. **Company having substantial interest**

Name of the Company	Country of Incorporation
Tata Sons Ltd.	India

ii. **Subsidiary Companies**

Name of the Company	Country of Incorporation
<u>Domestic</u>	
TIFCO Holdings Ltd.	India
KTC Hotels Ltd.	India
United Hotels Ltd.	India
Taj SATS Air Catering Ltd.	India
Roots Corporation Ltd.	India
Taj Enterprises Ltd.	India
Taj Trade and Transport Co. Ltd.	India
Benares Hotels Ltd.	India
Inditravel Ltd.	India
Piem Hotels Ltd.	India
Northern India Hotels Ltd.	India
Lands End Properties Private Limited *	India
Skydeck Properties and Developers Private Limited *	India
Sheena Investments Private Limited *	India
ELEL Hotels & Investments Limited *	India
Luthria & Lalchandani Hotel & Properties Pvt. Ltd *	India

* became a subsidiary with effect from October 14, 2015

International

Samsara Properties Ltd.	British Virgin Islands
Apex Hotel Management Services (Pte) Ltd.	Singapore
Chieftain Corporation NV	Netherlands Antilles
IHOCO BV	Netherlands
St. James Court Hotel Ltd.	United Kingdom
Taj International Hotels Ltd.	United Kingdom
International Hotel Management Services LLC.*	United States of America
Taj International Hotels (H.K.) Ltd.	Hong Kong
PIEM International (H.K.) Ltd.	Hong Kong
BAHC 5 Pte Ltd.	Singapore
Apex Hotel Management Services (Australia) Pty. Ltd.	Australia
United Overseas Holding Inc. **	United States of America

* converted to LLC with effect from October 5, 2015

** became a subsidiary with effect from August 25, 2015

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Notes to Financial Statements for the year ended March 31, 2016

iii. Jointly Controlled Entities

Name of the Company	Country of Incorporation
<u>Domestic</u>	
Taj Madras Flight Kitchen Pvt. Ltd.	India
Taj Karnataka Hotels & Resorts Ltd.	India
Taj Kerala Hotels & Resorts Ltd.	India
Taj GVK Hotels & Resorts Ltd.	India
Taj Safaris Ltd.	India
Kaveri Retreats and Resorts Ltd.	India
<u>International</u>	
TAL Hotels & Resorts Ltd.	Hong Kong
TAL Maldives Resorts Private Ltd.	Maldives
IHMS Hotels (SA) (Proprietary) Ltd.	South Africa

iv. Associates

Name of the Company	Country of Incorporation
<u>Domestic</u>	
Oriental Hotels Ltd.	India
Taj Madurai Ltd.	India
Taida Trading & Industries Ltd.	India
<u>International</u>	
Lanka Island Resort Ltd.	Sri Lanka
TAL Lanka Hotels PLC	Sri Lanka
BJETS Pte Ltd., Singapore	Singapore

v. Key Management Personnel

Particulars	Relation
Rakesh Sarna	Managing Director & CEO
Anil P. Goel	Executive Director & CFO
Abhijit Mukerji *	Executive Director - Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs

* for part of the year upto April 13, 2015

Notes to Financial Statements for the year ended March 31, 2016

(b) Details of related party transactions during the year ended March 31, 2016 and outstanding balances as at March 31, 2016:

Particulars	Company having substantial interest	Key Management Personnel	Subsidiaries	Associates	Jointly controlled entities
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Interest received / accrued	-	-	12.67	0.64	1.01
	-	-	-	0.80	1.32
Dividend received	10.80	-	20.36	1.53	-
	3.60	-	13.41	2.01	0.60
Operating / Licence fees paid	-	-	0.32	-	-
	-	-	0.28	-	-
Operating fees received / accrued	-	-	44.92	25.03	27.16
	-	-	41.64	25.02	23.91
Purchase of goods and services	3.79	-	19.51	0.27	0.07
	0.32	-	21.86	-	-
Sale of goods and services	4.01	-	3.89	0.10	0.04
	4.43	0.19	8.07	0.02	0.01
Deputed Staff reimbursements	0.09	-	6.72	3.53	2.94
	0.27	-	4.98	2.44	2.26
Other Cost reimbursements	0.03	-	0.43	2.71	0.18
	1.47	-	1.41	1.46	0.23
Deposit Placed	-	-	659.00	-	-
	-	-	-	-	-
ICD Encashed	-	-	10.00	3.50	9.34
	-	-	-	-	-
Purchase of Shares	-	-	252.76	11.37	-
	-	-	-	-	-
Transfer of Shares (Refer Footnote ii)	-	-	111.73	-	-
	-	-	-	-	-
Shareholders' Deposit placed	-	-	844.80	-	-
	-	-	-	-	-
Shareholders' Deposit encashed	-	-	974.41	-	-
	-	-	153.84	-	-
Remuneration paid / payable (Refer Footnote iii)	-	17.18	-	-	-
	-	24.47	-	-	-
Provision for Advances doubtful of recovery	-	-	-	-	-
	-	-	-	3.17	-
Provision for Obligation no longer required	-	-	-	-	-
	-	-	-	11.56	-
Current account dues written off	-	-	-	-	-
	-	-	-	1.37	-
Guarantees / Letter of Comfort given on behalf (net)	-	-	29.21	-	262.22
(Refer Note 31(c)(i), page 129)	-	-	251.00	-	-

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Notes to Financial Statements for the year ended March 31, 2016

Particulars	Company having substantial interest ₹ crores	Key Management Personnel ₹ crores	Subsidiaries ₹ crores	Associates ₹ crores	Jointly controlled entities ₹ crores
Balances outstanding at the end of the year					
Trade Receivables	-	-	3.03	8.61	17.13
(Refer Note 20, page 123)	-	-	1.00	7.54	19.22
Trade Payables	3.07	-	2.18	0.07	-
(Refer Note 10, page 114)	-	-	2.91	-	-
Other liabilities	-	-	-	-	-
(Refer Note 11, page 115)	-	-	3.33	-	-
Due from / (to) on Current A / c	0.29	-	1.03	1.93	1.71
(Refer Note 11, page 115 and Note 23, page 124)	-	-	4.74	0.53	2.74
Interest Receivable	-	-	15.38	0.33	0.61
(Refer Note 23, page 124)	-	-	-	1.34	1.47
Deposits Receivable (Refer Note 16, page 121 and Note 22, page 124)	-	-	1704.43	4.54	5.35
	-	-	1116.38	8.04	14.70
Deposits Payable	-	-	4.11	-	-
(Refer Note 5, page 110 to 112)	-	-	4.11	-	-
Guarantees / Letter of Comfort given on behalf	-	-	1153.61	-	262.22
(Refer Note 31(c)(i), page 129)	-	-	1124.40	-	-

Footnotes:

- Figures in italics are of the previous year.
- Represent transfer of shares at fair value held in jointly controlled entities namely TAL Hotels & Resorts Ltd. and IHMS Hotels (SA) Proprietary Ltd. and an associate namely TAL Lanka Hotels PLC. to IHOCO BV., a wholly owned subsidiary.
- Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation for the Company as a whole and long term incentive. Commission to Executive Directors has been considered on payment basis.

(c) Statement of Material Transactions

Name of the Company	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Company having substantial interest		
Tata Sons Ltd.		
Dividend Received	10.80	3.60
Other costs reimbursement	-	1.47
Trade Payable	3.07	-
Purchase of goods and services	3.79	-
Sale of goods and services	4.01	-

Notes to Financial Statements for the year ended March 31, 2016

Name of the Company	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Remuneration to Key Management Personnel		
Rakesh Sarna	7.92	6.17
Raymond N. Bickson	-	12.43
Anil P. Goel	2.61	2.23
Abhijit Mukerji	4.62	1.96
Mehernosh S. Kapadia	2.03	1.68
Subsidiaries		
TIFCO Holdings Ltd.		
Dividend Received	8.15	4.08
Other liabilities	-	3.33
KTC Hotels Ltd.		
Operating / Licence Fees Paid	0.32	0.28
Due on current account (net) - Receivable / (Payable)	(2.21)	(1.78)
Taj Trade & Transport Co Ltd.		
Sale of goods and services	2.33	3.07
Other costs reimbursement	(0.37)	(0.54)
Piem Hotels Ltd.		
Dividend Received	7.89	5.92
Operating / Licence Fees Received / Accrued	30.70	27.77
Deputed Staff costs	5.06	4.09
Other Cost reimbursements	0.68	0.71
Due on current account (net) - Receivable / (Payable)	2.15	-
Inditravel Ltd.		
Purchase of goods and services	0.14	7.54
Sale of goods and services	-	3.69
IHMS (Australia) Pty. Ltd.		
Other costs reimbursement	-	1.13
International Hotel Management Services LLC		
Due on current account (net) – Receivable / (Payable)	-	5.15
Trade Payable	-	2.03
Purchase of goods and services	6.08	10.42
Guarantee given on behalf	-	122.08
Guarantee withdrawn (including novation)	812.95	-
Guarantees given on behalf – Closing position	-	812.95

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Notes to Financial Statements for the year ended March 31, 2016

Name of the Company	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
United Overseas Holdings Inc		
Trade Payable	0.92	-
Purchase of goods and services	4.86	-
Guarantee given on behalf (including novation)	916.44	-
Guarantees given on behalf – Closing position	916.44	-
St. James Court Hotel Ltd		
Trade Payable	0.73	-
Taj International Hotels (H.K.) Ltd.		
Deposit Closing Position – Receivable	198.90	1112.39
Deposit Payable	4.11	3.86
Shareholders' Deposit Encashed	974.41	153.84
Guarantee given on behalf	-	128.92
Guarantee withdrawn	74.28	-
Guarantees given on behalf – Closing position	237.17	311.45
Apex Hotel Management Services (Australia) Pty. Ltd.		
Trade Payable	-	0.65
IHOCO BV		
Shareholders Deposit Placed	844.81	-
Transfer of investment	111.73	-
Deposit Closing Position – Receivable	853.03	-
Lands End Properties Private Limited		
Deposit Placed	655.00	-
Deposit Encashed	6.00	-
Deposit Closing Position – Receivable	649.00	-
Interest Receivable	15.38	-
Interest received / accrued	12.56	-
Chieftain Corporation NV		
Purchase of IHOCO BV Shares	252.76	-
Jointly Controlled Entities		
Taj GVK Hotels & Resorts Ltd.		
Due on current account (Net) – Receivable / (Payable)	3.89	1.61
Operating / Licence Fees Received / Accrued	15.66	14.04
Deputed Staff costs	1.98	1.48
Trade Receivables	14.62	10.19

Notes to Financial Statements for the year ended March 31, 2016

Name of the Company	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Taj Karnataka Hotels & Resorts Ltd.		
Interest received / accrued	0.48	0.48
Deposit given outstanding	5.35	5.35
Interest Receivable	0.61	0.62
TAL Hotels & Resorts Limited		
Interest received / accrued	0.53	0.84
ICD encashed	9.34	-
Deposit Closing Position – Receivable	-	9.34
Trade Receivable	-	3.93
Interest Receivable	-	0.84
TAL Maldives Resorts Private Ltd.		
Due on current account (net) – Receivable / (Payable)	(3.68)	-
IHMS Hotels SA (Proprietary) Ltd.		
Trade Receivable	-	3.46
Letter of Comfort given on behalf *	262.22	-
Letter of Comfort given on behalf – Closing position *	262.22	-
* Liability restricted to ₹ 131.11 crores as counter indemnity for 50% has been obtained from JV partner.		
Associates		
Taida Trading & Industries Ltd.		
Interest received / accrued	0.64	0.80
Interest Receivable	0.33	1.34
Purchase of Shares	7.61	-
ICD Encashed	3.50	-
ICD Closing Position - Receivable	4.54	8.04
Provision for Advances doubtful of recovery	-	3.17
Oriental Hotels Ltd.		
Operating / Licence Fees Received / Accrued	25.03	25.02
Purchase of Shares	3.76	-
Deputed Staff reimbursement	3.48	2.48
Other costs reimbursement	2.64	1.45
Trade Receivables	8.61	7.54
Due on current account (net) – Receivable / (Payable)	1.14	-
BJETS Pte Ltd.		
Current account dues written off	-	1.37
Provision for Obligation no longer required	-	11.56

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Notes to Financial Statements for the year ended March 31, 2016

Note 45 : Restructuring

As a part of the Company's restructuring plan, at a meeting held on October 19, 2015, the Board of Directors had approved the amalgamation of International Hotel Management Services LLC (formerly known as International Hotel Management Services Inc.) and Lands End Properties Private Limited, two wholly owned subsidiaries ("transferor companies") into the Company, by way of two separate Schemes of Arrangement amongst the Company, each of the transferor companies, and their respective shareholders and creditors (the "Schemes"), as provided under sections 391 to 394 of the Companies Act, 1956 read with section 52 of the Companies Act, 2013, section 78 and sections 100 to 103 of the Companies Act, 1956. The appointed dates for the Schemes are January 1, 2016 and March 31, 2016, respectively. The intended amalgamation has been approved by the shareholders of the Company at the meeting convened on May 4, 2016, on the direction of the Honourable High Court of Judicature at Bombay ("Bombay High Court") where the application seeking permission for the amalgamation has been filed by the Company.

The accounting impact of the two Schemes can only be reflected in the financial statements after receiving the requisite Orders of the Bombay High Court sanctioning the Schemes and filing of the Orders with the Registrar of Companies, Mumbai. As the Orders of the Bombay High Court are awaited, the financial statements as at and for the year ended March 31, 2016 do not include any adjustments that will arise on implementation of the Schemes and the Company's investments in the transferor companies continues to be carried at their previous carrying amounts.

Note 46 : Segment Information

The Company's only business being hoteliering, disclosure of segment-wise information is not applicable under Accounting Standard 17 - 'Segment Information' (AS-17) prescribed under Section 133 of the Companies Act, 2013. There is no geographical segment to be reported since all the operations are undertaken in India.

Note 47 : Interest in Joint Ventures

In compliance with Accounting Standard 27 - 'Financial Reporting of Interests in Joint Ventures' - (AS-27) prescribed under Section 133 of the Companies Act, 2013, the Company has interests directly or through its Subsidiaries in the following jointly controlled entities:

Amount of Interest based on the Audited Accounts for the year ended March 31, 2016

Name of the Company	Country of Incorporation	Holding (%)	Assets ₹ crores	Liabilities ₹ crores	Income ₹ crores	Expenditure ₹ crores	Contingent Liabilities ₹ crores	Capital Commitment ₹ crores
Taj Safaris Ltd.	India	28.96	6.77	5.24	6.79	6.92	-	0.04
		29.46	7.14	5.65	6.29	6.82	-	0.03
Taj GVK Hotels and Resorts Ltd.	India	25.52	216.84	128.32	71.21	70.29	8.19	0.01
		25.52	185.55	97.12	63.80	64.31	11.03	0.04
Taj Karnataka Hotels and Resorts Ltd.	India	44.27	3.93	6.80	3.02	3.01	-	0.06
		44.27	3.82	6.71	2.82	2.79	-	0.01
Taj Kerala Hotels and Resorts Ltd.	India	28.30	18.60	3.82	13.04	13.01	2.59	0.52
		28.30	18.73	3.98	12.11	12.05	2.64	0.09
Kaveri Retreat & Resorts Limited	India	50.00	46.96	30.86	18.51	16.75	-	0.47
		50.00	47.29	32.94	15.26	16.72	1.07	0.30
Taj Madras Flight Kitchen Pvt. Ltd.	India	50.00	25.70	4.09	18.78	17.93	12.38	0.25
		50.00	23.68	2.91	16.57	16.50	12.75	-
TAL Hotels & Resorts Ltd.	Hong Kong	27.49	160.90	59.23	91.33	82.58	-	0.77
		27.49	166.13	64.56	84.02	77.60	0.13	2.58
IHMS Hotels (SA) (Proprietary) Ltd.	South Africa	50.00	100.86	169.24	42.05	55.39	-	-
		50.00	119.54	163.29	34.39	75.58	-	-

Footnote: Figures in the italics relate to the previous year.

Notes to Financial Statements for the year ended March 31, 2016

Note 48 : Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 – 'Earnings Per Share' – (AS-20) prescribed under Section 133 of the Companies Act, 2013.

Particulars	March 31, 2016	March 31, 2015
Profit / (Loss) after tax – (₹ crores)	201.04	(82.02)
Number of Equity Shares	98,92,74,015	80,74,72,787
Weighted Average Number of Equity Shares:		
Considered in calculation of Basic EPS	82,28,71,252	80,74,72,787
Considered in calculation of Diluted EPS	98,92,74,015	80,74,72,787
Face Value per Equity Share (₹)	1	1
Earnings Per Share (₹):		
Basic	2.44	(1.02)
Diluted *	2.03	* (1.02)

* As the impact of the CCDs was anti-dilutive for the previous year, resulting in a decrease in loss per share from continuing ordinary activities, the effect thereof has been ignored whilst calculating diluted earnings per share.

Note 49 : Previous year's figures

The Company has regrouped / reclassified the previous year's figures to conform to the current year's presentation.

For and on behalf of the Board

Cyrus P. Mistry	Chairman
Rakesh Sarna	Managing Director & CEO
Anil P. Goel	Executive Director & CFO
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh	Director
Nadir Godrej	Director
Gautam Banerjee	Director
Vibha Paul Rishi	Director
Ireena Vittal	Director
Dr. N. S. Rajan	Director
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 18, 2016

The Indian Hotels Company Limited

Financial Statistics

Year	Capital Account					
	Share Capital	Reserves and Surplus	Borrowings	Gross Block	Net Block	Investments
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
1974-75	2.35	1.94	4.55	10.99	8.09	0.20
1975-76	2.35	2.21	4.21	11.82	8.42	0.20
1976-77	# 3.07	2.38	3.98	12.21	8.30	0.25
1977-78	3.07	3.39	4.73	13.14	8.69	0.34
1978-79	3.07	5.41	6.17	17.81	12.68	0.55
1979-80	* 5.09	5.58	5.56	20.48	14.31	0.74
1980-81	5.09	8.53	7.76	25.01	17.60	1.10
1981-82	** 6.90	9.20	8.87	28.79	20.06	1.13
1982-83	*** 6.35	12.34	26.71	49.54	39.22	2.65
1983-84	6.35	17.45	32.25	58.48	44.40	3.77
1984-85	6.35	22.23	42.20	67.77	44.55	11.70
1985-86	a 7.85	28.70	38.82	71.69	53.72	6.21
1986-87	7.85	32.73	53.58	89.73	67.56	5.53
1987-88	+ 9.86	41.97	63.47	107.70	80.08	6.90
1988-89	9.86	48.54	74.06	127.39	93.56	9.34
1989-90	!! 14.78	51.44	97.13	161.28	119.95	11.19
1990-91	14.78	56.77	121.07	178.61	128.43	12.37
1991-92	14.78	73.72	123.53	194.44	135.89	13.76
1992-93	!!! 19.96	124.44	106.86	210.68	142.53	16.93
1993-94	19.96	165.65	100.86	234.64	156.21	32.54
1994-95	æ 39.92	205.84	245.05	293.59	201.92	36.04
1995-96	= 45.12	567.16	200.18	384.01	273.21	142.09
1996-97	45.12	671.86	219.75	500.10	364.08	214.80
1997-98	45.12	767.68	197.31	581.48	414.57	218.09
1998-99	45.12	844.35	178.42	665.67	466.77	259.09
1999-00	45.12	913.96	432.32	842.01	606.86	337.75
2000-01	45.12	980.10	555.31	942.16	665.06	422.13
2001-02	45.12	844.13	809.21	946.15	655.08	541.34
2002-03	45.12	842.17	799.50	985.71	677.77	571.64
2003-04	45.12	844.79	1412.46	1159.69	813.13	600.83
2004-05	¶ 50.25	1081.80	1052.03	1290.70	885.20	607.01
2005-06	¶ 58.41	1657.83	544.34	1308.34	843.01	656.57
2006-07	◊ 60.29	1738.39	943.94	2014.34	1360.05	962.81
2007-08	60.29	1956.29	1134.18	2072.16	1371.60	977.58
2008-09	Ω 72.34	2975.29	1766.47	2362.23	1585.40	2026.88
2009-10	72.35	2616.87	2650.55	2408.32	1561.26	2445.63
2010-11	& 75.95	3028.59	2341.44	2605.18	1725.74	3026.78
2011-12	75.95	3176.70	2679.38	2830.66	1838.75	3622.19
2012-13	§ 80.75	3226.90	2522.27	2861.65	1756.46	3369.14
2013-14	80.75	2613.09	2690.60	2910.27	1697.41	2761.64
2014-15	80.75	2534.40	3208.99	3329.33	2011.80	2977.96
2015-16	± 98.93	3786.67	2107.86	3574.00	2155.97	2917.03

#	Issue of Bonus Shares in the Ratio 2:5	!!!	After Right issue of Shares in the Ratio of 1:3
*	Issue of Bonus Shares in the Ratio 4:5	æ	Issue of Bonus Shares in the Ratio of 1:1
**	Issue of Bonus Shares in the Ratio 2:5	=	Issue of Global Depository Shares
***	After redemption of Preference Share of ₹ 0.55 crore	¶	Conversion of foreign currency bonds into share capital.
a	After conversion of a part of the 15,000,000 Convertible debenture at a premium of ₹ 15 per share	◊	Split of Shares of face value ₹ 10 / each to share of Face value ₹ 1 each
+	After conversion of a part of the 20,01,121 Convertible debenture at a premium of ₹ 15 per share	Ω	After Right issue of Shares in the Ratio of 1:5
!!	After issue of bonus share in the Ratio 1:2	&	Allotment of Shares on preferential basis to promoters
		§	Conversion of Warrants into Equity on exercise of warrants
		±	After conversion of 18,18,01,228 Compulsorily Convertible Debentures at a premium of ₹ 54 per share

Financial Statistics

Year	Revenue Account								
	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit before Tax	Tax Expenses	Profit after Tax	Net Transfer to General Reserves	Dividend	Rate of Dividend on Ordinary Shares
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	%
1974-75	7.26	5.79	0.49	0.98	0.00	0.98	3.61	â 0.37	18.00
1975-76	8.61	6.73	0.50	1.38	0.33	1.05	0.64	â 0.41	20.00
1976-77	10.77	8.45	0.52	1.80	0.75	1.05	0.49	â 0.56	20.00
1977-78	13.92	9.76	0.53	3.63	1.94	1.69	1.01	â 0.68	25.00
1978-79	18.42	13.63	0.69	4.10	1.40	2.70	2.02	â 0.68	25.00
1979-80	26.49	18.59	1.04	6.86	3.63	3.23	2.18	â 1.05	25.00
1980-81	31.54	23.13	1.24	7.17	3.17	4.00	2.95	â 1.45	22.00
1981-82	36.09	26.72	1.33	8.04	4.10	3.94	2.49	â 1.45	22.00
1982-83	42.98	36.87	1.62	4.49	0.00	4.49	2.99	â 1.50	23.00
1983-84	54.69	43.79	3.80	7.10	0.40	6.70	5.11	1.59	25.00
1984-85	65.50	55.39	2.66	7.45	1.08	6.37	4.78	1.59	25.00
1985-86	78.48	69.32	3.44	7.66	1.60	6.06	4.22	1.84	25.00
1986-87	93.05	79.68	4.25	9.12	2.75	6.37	4.02	2.35	30.00
1987-88	105.69	90.98	5.55	9.16	2.40	6.76	4.23	2.53	30.00
1988-89	117.72	100.61	6.24	10.87	1.50	9.37	6.42	2.96	30.00
1989-90	141.50	120.93	7.80	12.77	1.25	11.52	7.83	3.70	25.00
1990-91	159.11	139.42	9.11	10.58	1.55	9.03	5.33	3.70	25.00
1991-92	206.79	169.52	++8.85	27.58	6.50	21.08	16.75	5.17	35.00
1992-93	239.21	188.24	9.77	41.20	9.00	32.20	24.86	8.68	50.00
1993-94	301.92	223.49	10.90	67.53	15.50	52.03	41.21	13.97	70.00
1994-95	381.88	263.20	13.67	105.11	23.00	82.11	60.15	21.96	55.00
1995-96	547.36	347.42	20.37	179.57	39.00	140.57	107.10	33.47	75.00
1996-97	613.33	405.67	27.18	180.48	33.60	146.48	104.70	38.35	85.00
1997-98	623.91	427.53	32.42	163.96	26.00	137.96	95.78	38.35	85.00
1998-99	623.34	435.36	33.84	154.14	35.00	119.14	76.57	38.35	85.00
1999-00	650.91	482.49	37.69	130.73	17.50	113.23	70.66	@ 38.35	85.00
2000-01	742.92	560.47	45.16	137.29	20.50	116.79	67.07	45.12	100.00
2001-02	617.55	589.81	47.49	98.14	17.44	80.70	40.00	36.09	80.00
2002-03	609.91	575.43	38.98	53.80	13.72	40.48	7.50	31.58	70.00
2003-04	727.09	646.89	48.58	80.20	19.55	60.65	8.57	36.09	80.00
2004-05	896.23	754.55	56.77	141.68	35.82	105.86	11.00	50.25	100.00
2005-06	1154.80	890.90	65.90	272.00	88.22	183.78	20.00	77.95	130.00
2006-07	1618.83	1146.47	91.44	474.64	152.25	322.39	35.00	96.46	160.00
2007-08	1823.16	1254.11	85.48	580.47	203.01	377.46	38.00	114.54	190.00
2008-09	1706.52	1348.42	94.46	362.30	128.27	234.03	30.00	86.81	120.00
2009-10	1520.36	1358.48	104.14	218.25	65.15	153.10	15.31	72.35	100.00
2010-11	1737.14	1509.90	108.40	221.45	80.20	141.25	14.13	75.95	100.00
2011-12	1864.72	1628.69	113.90	229.92	84.57	145.35	14.54	75.95	100.00
2012-13	1924.79	1701.67	125.02	(209.79)	66.82	(276.61)	-	* 69.40	80.00
2013-14	1977.33	1761.13	122.26	(520.90)	69.59	(590.49)	-	-	-
2014-15	2103.60	1873.02	117.85	1.88	83.90	(82.02)	-	-	-
2015-16	2382.32	2060.43	127.08	311.68	110.64	201.04	-	29.68	30.00

â Preference and Ordinary Dividend

++ After deducting ₹ 0.84 crores towards excess provision of depreciation for previous year.

@ Ordinary / Interim dividend for the year

* Includes ₹ 4.80 crores dividend paid for previous year

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

THE INDIAN HOTELS COMPANY LIMITED

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **THE INDIAN HOTELS COMPANY LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments 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 have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

5. We draw attention to note no. 33, page 190 to the financial statements which explains that the accounting impact of two Schemes of Arrangement (the "Schemes") approved by shareholders, enabling the amalgamation of International Hotel Management Services LLC (formerly known as International Hotel Management Services Inc.) and Lands End Properties Private Limited, with effect from January 1, 2016 and March 31, 2016, respectively, could not be given in the financial statements as at and for the year ended March 31, 2016, as the orders from the Honourable High Court of Judicature at Bombay sanctioning the Schemes are awaited.

Our opinion is not qualified in respect of this matter.

Other Matters

6. We did not audit the financial statements of twenty two subsidiaries, and five jointly controlled entities, whose financial statements reflect total assets of ₹ 4,458.23 crore as at March 31, 2016, total revenues of ₹ 1,561.48 crore and net cash flows amounting to ₹ 21.14 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 2.85 crore for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of six associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

7. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

The Indian Hotels Company Limited

- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company's/ subsidiary company's / associate company's / jointly controlled company's incorporated in India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

For **PKF SRIDHAR & SANTHANAM LLP**
Chartered Accountants
(Firm's Registration No. 003990S / S200018)

Sanjiv V. Pilgaonkar
Partner
(Membership Number: 39826)

S. Ramakrishnan
Partner
(Membership No. 18967)

MUMBAI, May 18, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of The Indian Hotels Company Limited (hereinafter referred to as the "Holding Company"), its subsidiary companies, its associate companies and its jointly controlled companies, which are companies incorporated in India, as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate companies and its jointly controlled companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled companies, which are companies incorporated

The Indian Hotels Company Limited

in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, 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, 2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to sixteen subsidiary companies, three associate companies and six jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)

For **PKF SRIDHAR & SANTHANAM LLP**

Chartered Accountants

(Firm's Registration No. 003990S / S200018)

Sanjiv V. Pilgaonkar

Partner

(Membership Number: 39826)

S. Ramakrishnan

Partner

(Membership No. 18967)

MUMBAI, May 18, 2016

The Indian Hotels Company Limited

Consolidated Balance Sheet as at March 31, 2016

	Note	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Equity and liabilities			
Shareholders' Funds:			
Share capital	3	98.93	80.75
Reserves and surplus	4	3,083.04	2,146.47
		<u>3,181.97</u>	<u>2,227.22</u>
Minority Interest		835.34	737.84
Non-current liabilities			
Long-term borrowings	5	3,684.80	4,597.67
Deferred tax liabilities (net)	6	371.66	251.64
Other Long-term liabilities	8	488.77	585.91
Long-term provisions	9	78.82	54.44
		<u>4,624.05</u>	<u>5,489.66</u>
Current liabilities			
Short-term borrowings	10	110.23	33.39
Trade payables	11		
Micro and Small Enterprises		2.35	1.89
Others		378.99	329.26
Other current liabilities	12	1,622.57	961.63
Short-term provisions	13	189.07	106.09
		<u>2,303.21</u>	<u>1,432.26</u>
Total		<u><u>10,944.57</u></u>	<u><u>9,886.98</u></u>
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	14	6,620.43	5,766.89
Intangible assets	15	68.89	53.85
Capital work-in-progress		307.04	302.76
Intangible assets under development		0.74	2.97
		<u>6,997.10</u>	<u>6,126.47</u>
Goodwill on consolidation		1,346.01	478.45
Non-current investments	16	914.09	1,040.59
Deferred tax assets (net)	7	5.00	3.10
Long-term loans and advances	17	546.01	497.55
Other non-current assets	18	14.71	17.09
		<u>9,822.92</u>	<u>8,163.25</u>
Current assets			
Current investments	19	184.79	546.31
Inventories	20	98.08	102.96
Trade receivables	21	331.69	299.82
Cash and cash equivalents	22	210.22	503.57
Short-term loans and advances	23	216.41	196.57
Other current assets	24	80.46	74.50
		<u>1,121.65</u>	<u>1,723.73</u>
Total		<u><u>10,944.57</u></u>	<u><u>9,886.98</u></u>
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements	1 - 49		

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

ICAI Firm Registration No.

117366W/ W-100018

Sanjiv V. Pilgaonkar

Partner

Membership No. 39826

For PKF Sridhar & Santhanam LLP

Chartered Accountants

ICAI Firm Registration No.

003990S / S200018

S. Ramakrishnan

Partner

Membership No. 18967

For and on behalf of the Board

Cyrus P. Mistry

Rakesh Sarna

Anil P. Goel

Mehernosh S. Kapadia

Deepak Parekh

Nadir Godrej

Gautam Banerjee

Vibha Paul Rishi

Ireena Vittal

Dr. N. S. Rajan

Beejal Desai

Chairman
Managing Director & CEO
Executive Director & CFO
Executive Director - Corporate Affairs

Directors

Vice President - Legal & Company Secretary

Mumbai, May 18, 2016

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

	Note	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Income			
Rooms, Restaurants, Banquets and Other income from operations	25	4,590.92	4,188.64
Other Income	26	115.35	98.71
Total		4,706.27	4,287.35
Expenses			
Food and beverages consumed		504.48	443.09
Employee benefit expenses and Payment to Contractors	27	1,609.71	1,462.46
Finance costs	28	245.96	175.57
Depreciation and amortisation expenses	14	316.67	291.29
Other operating and general expenses	29	1,860.15	1,794.51
Total		4,536.97	4,166.92
Profit Before Tax and Exceptional Items		169.30	120.43
Exceptional Items	30	(67.16)	(352.91)
Profit / (Loss) Before Tax		102.14	(232.48)
Tax Expense			
Current Tax		81.13	72.31
Deferred Tax		118.35	87.28
Minimum Alternate Tax Credit		(56.75)	(42.94)
Short / (Excess) Provision of Tax / Deferred Tax of earlier years (Net)		(2.66)	(2.05)
Total		140.07	114.60
Loss After Tax before Minority Interest & Share of Associates		(37.93)	(347.08)
Profit attributable to Minority Interest		(25.45)	(30.98)
Share of Profit / (Loss) of Associates		2.85	(0.04)
Loss After Tax, Minority Interest & Share of Associates		(60.53)	(378.10)
Earnings Per Share -	48		
Basic - (₹)		(0.74)	(4.68)
Diluted - (₹)		(0.74)	(4.68)
Face Value per Equity share - (₹)		1.00	1.00
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements	1 - 49		

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

ICAI Firm Registration No.

117366W/ W-100018

For PKF Sridhar & Santhanam LLP

Chartered Accountants

ICAI Firm Registration No.

0039905 / S200018

For and on behalf of the Board

Cyrus P. Mistry

Rakesh Sarna

Anil P. Goel

Mehernosh S. Kapadia

Chairman

Managing Director & CEO

Executive Director & CFO

Executive Director - Corporate Affairs

Sanjiv V. Pilgaonkar

Partner

Membership No. 39826

S. Ramakrishnan

Partner

Membership No. 18967

Deepak Parekh

Nadir Godrej

Gautam Banerjee

Vibha Paul Rishi

Ireena Vittal

Dr. N. S. Rajan

Beejal Desai

Directors

Vice President - Legal & Company Secretary

Mumbai, May 18, 2016

The Indian Hotels Company Limited

Consolidated Cash Flow Statement for the year ended March 31, 2016

	Note	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Cash Flow From Operating Activities			
Profit / (Loss) Before Tax		102.14	(232.48)
Adjustments For :			
Depreciation and Amortisation		316.67	291.29
(Profit) / Loss on sale of investments (net)		(21.40)	(46.83)
(Profit) / Loss on sale of assets		2.39	1.21
Goodwill Written Off		-	16.00
Expenditure on discontinued project written off		25.06	1.89
Provision for Doubtful Debts and advances (Including Advances written off)		8.60	45.86
Dividend Income		(40.87)	(25.77)
Interest Income		(47.27)	(48.89)
Finance Cost		245.96	175.57
Exchange Gain / (Loss) on long term borrowings/assets (net)		68.18	30.12
Miscellaneous Expenditure written off		0.07	0.07
Reversal of Liabilities		(1.52)	(4.69)
Provision for Loyalty Programmes (net of Redemptions)		1.27	0.12
Provision for Stock		0.16	0.14
Provision for Diminution in value of investment		0.12	306.51
Reversal of provision for obligation of an Associate		-	(11.56)
Provision for contingencies		27.08	26.26
Provision for Employee Benefits		22.88	10.28
		<u>607.39</u>	<u>767.58</u>
Cash Operating Profit before working capital changes		709.53	535.10
Adjustments For :			
Trade and Other Receivables		(25.36)	(32.82)
Inventories		4.88	(3.19)
Trade and Other Payables		67.41	15.41
		<u>46.93</u>	<u>(20.60)</u>
Cash Generated from Operating Activities		756.46	514.50
Direct Taxes Paid		(97.38)	(19.73)
Net Cash From Operating Activities (A)		<u>659.08</u>	<u>494.77</u>
Cash Flow From Investing Activities			
Purchase of Fixed Assets (including CWIP)		(402.36)	(315.13)
Sale of Fixed Assets		3.74	4.00
Purchase of Investments (including advance paid)		-	(12.27)
Acquisition of a subsidiary		(15.13)	-
Purchase of current investments		(2,082.37)	(1,386.64)
Proceeds from sale / redemption of current investments		2,465.29	948.80
Proceeds from sale of long term investments		151.05	-
Proceeds from sale of subsidiaries		-	164.31
Interest Received		55.79	47.47
Dividend Received		40.87	25.77
Bank Balances not considered as Cash & Cash Equivalents		177.09	(42.88)
Long Term Deposits refunded/ (placed) with Other Companies		(1.93)	(141.59)
Short term Loans repaid by other company		(55.75)	(32.05)
Deposits Refunded by / (Placed with) Other Companies		(50.43)	14.42
Net Cash From / (Used In) Investing Activities (B)		<u>285.86</u>	<u>(725.79)</u>

Consolidated Cash Flow Statement for the year ended March 31, 2016

	Note	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Cash Flow From Financing Activities			
Debenture issue / Loan arrangement costs		(3.75)	(8.10)
Interest Paid		(182.69)	(177.43)
Repayment of long term Loans and Debentures		(1,647.41)	(1,365.37)
Premium on Redemption of Debentures / interest on loan taken by subsidiaries		(373.12)	-
Proceeds from long term Loans and Debentures (includes Compulsorily Convertible Debentures in Previous Year)		988.27	2,246.17
Short Term Loans Raised / (Repaid) (Net)		65.42	(186.16)
Long Term Trade Deposits Raised / (Repaid)		0.04	(0.03)
Dividend Paid (Including tax on dividend)		(28.83)	(18.03)
Net Cash From / (Used In) Financing Activities (C)		(1,182.06)	491.05
Net Increase / (Decrease) In Cash and Cash Equivalents (A + B + C)		(237.13)	260.03
Cash and Cash Equivalents - Opening - 1st April		412.93	153.24
Adjustments on acquisitions/ consolidation		7.42	-
Adjustments for translation of foreign currency balance		3.22	(0.34)
Cash and Cash Equivalents - Closing - 31st March		186.43	412.93

Footnote :

Reconciliation of Cash and cash equivalents with Cash and bank balances as per the Balance Sheet

Cash and cash equivalents as above	186.43	412.93
Add : Other Cash and Bank Balances		
Call and Short-term Deposits	18.99	85.59
Deposits pledged with others	0.98	0.76
Margin money deposits	9.67	8.63
Earmarked balances	3.52	3.97
Cash and bank balances as per the Balance Sheet	219.59	511.88
Less : Classified as Non-Current Assets (Refer Note 18, page 183)	9.37	8.31
Cash and bank balances in Note 22, page 185	210.22	503.57

Summary of significant accounting policies 2
The accompanying notes form an integral part of the financial statements 1 - 49

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration No.
117366W/ W-100018

For PKF Sridhar & Santhanam LLP
Chartered Accountants
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Beejal Desai

Vice President - Legal & Company Secretary

Mumbai, May 18, 2016

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 1. Basis of consolidation:

- (a) The consolidated financial statements relate to The Indian Hotels Company Ltd. (the "Company"), its subsidiaries, jointly controlled entities and associates. The Company, its subsidiaries and jointly controlled entities together constitute the "Group". The consolidated financial statements have been prepared on the following basis:
- (i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 'Consolidated Financial Statements' as prescribed under section 133 of the Companies Act, 2013.
 - (ii) In the case of foreign subsidiaries and foreign jointly controlled entities, revenue items are consolidated at the average exchange rate prevailing during the year. The opening balance in the Statement of Profit and Loss and the opening balance in Reserves and Surplus have been converted at the rates prevailing as at the respective Balance Sheet dates. All assets and liabilities as at the year-end are converted at the rates prevailing as on that date. Any exchange difference arising on consolidation is shown under Foreign Currency Translation Reserve.
 - (iii) Investments in Associate Companies have been accounted for under the equity method as per Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements' as prescribed under section 133 of the Companies Act, 2013. The share of profits/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments.
 - (iv) Interests in Jointly Controlled Entities have been accounted for by using the proportionate consolidation method as per Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures' as prescribed under section 133 of the Companies Act, 2013. Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.
 - (v) The financial statements of subsidiaries, jointly controlled entities and associates consolidated are drawn upto the same reporting date as that of the Company except in the case of an Associate Company where the financial statements have been drawn upto December 31, 2015.
 - (vi) The excess of cost to the Group of its investment in the subsidiaries and jointly controlled entities over the Group's portion of equity as at the date of making the investment is recognised in the financial statements as "Goodwill on Consolidation".
 - (vii) The excess of the Group's share in equity of each subsidiary, jointly controlled entity and associate over the cost of its acquisition at the date on which the investment is made, is recognised as "Capital Reserve on Consolidation" and included as Reserves and Surplus under Shareholders' Equity in the Consolidated Balance Sheet.
 - (viii) Goodwill
 - a. Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.
 - b. Goodwill arising from the acquisition of associates is included in the carrying value of the investment in associates.
 - c. Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Statement of Profit and Loss.
 - d. Goodwill on acquisition of the foreign subsidiaries is restated at the rate prevailing at the end of the year.
 - (ix) Minority Interest comprises:
 - a. The amount of equity attributable to the minorities at the date on which investment in a subsidiary is made; and
 - b. The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Minority interests' share of net profit/loss for the year of consolidated subsidiaries is identified and adjusted against the profit/loss after tax of the Group. The losses attributable to the minority are restricted to the extent of Minority's equity.

- (b) The list of subsidiaries, jointly controlled entities and associates, which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below: -

(i) Subsidiary Companies

		As at March 31, 2016		As at March 31, 2015	
	Country of Incorporation	Held directly by Parent or through its subsidiaries	Effective Holding	Held directly by Parent or through its subsidiaries	Effective Holding
		(%)	(%)	(%)	(%)
Domestic					
Benares Hotels Ltd.	India	53.70	51.68	53.70	51.68
Inditravel Ltd	India	96.67	77.19	96.67	77.19
KTC Hotels Ltd.	India	100.00	100.00	100.00	100.00
Northern India Hotels Ltd.	India	93.14	48.03	93.14	48.03
Piem Hotels Ltd.	India	51.57	51.57	51.57	51.57
Roots Corporation Ltd.	India	66.93	63.25	66.93	63.25
Taj Enterprises Ltd.	India	90.59	74.70	90.59	74.70
Taj SATS Air Catering Ltd.	India	51.00	51.00	51.00	51.00
Taj Trade & Transport Ltd.	India	89.51	72.73	89.51	72.73
TIFCO Holdings Ltd.	India	100.00	100.00	100.00	100.00
United Hotels Ltd.	India	55.00	55.00	55.00	55.00
Lands End Properties Private Ltd. *	India	100.00	100.00	-	-
Skydeck Properties & Developers Private Ltd. *	India	100.00	100.00	-	-
Sheena Investments Private Ltd. *	India	100.00	100.00	-	-
ELEL Hotels & Investments Ltd. *	India	85.72	85.72	-	-
Luthria & Lalchandani Hotels and Properties Private Ltd. *	India	87.15	87.15	-	-
International					
Apex Hotel Management Services (Pte) Ltd.	Singapore	100.00	100.00	100.00	100.00
Apex Hotel Management Services (Australia) Pty Ltd.	Australia	100.00	100.00	100.00	100.00
Chieftain Corporation NV	Netherlands Antilles	100.00	100.00	100.00	100.00
IHOCO BV	Netherlands	100.00	100.00	100.00	100.00
International Hotel Management Services LLC (Formerly known as International Hotel Management Services Inc)	United States of America	100.00	100.00	100.00	100.00
United Overseas Holding Inc *	United States of America	100.00	100.00	-	-
Piem International (HK) Ltd.	Hong Kong	100.00	51.57	100.00	51.57
Samsara Properties Ltd.	British Virgin Islands	100.00	100.00	100.00	100.00
St. James Court Hotel Ltd.	United Kingdom	89.39	72.25	89.39	72.25
Taj International Hotels (HK) Ltd.	Hong Kong	100.00	100.00	100.00	100.00
Taj International Hotels Ltd.	United Kingdom	100.00	100.00	100.00	100.00

*These subsidiaries has been acquired/created during the year

Footnotes:

- i. Investments in the following subsidiaries are held for disposal.
 - BAHG 5 Pte Ltd.
 - Premium Aircraft Leasing Corporation Ltd. (Liquidated with effect from February 10, 2016)

The Indian Hotels Company Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(ii) Jointly Controlled Entities

	Country of Incorporation	As at March 31, 2016		As at March 31, 2015	
		Held directly by Parent or through its subsidiaries	Effective Holding	Held directly by Parent or through its subsidiaries	Effective Holding
		(%)	(%)	(%)	(%)
Domestic					
Taj Madras Flight Kitchen Private Ltd.	India	50.00	50.00	50.00	50.00
Taj Karnataka Hotels & Resorts Ltd.	India	49.40	44.27	49.40	44.27
Taj Kerala Hotels & Resorts Ltd.	India	28.30	28.30	28.30	28.30
Taj GVK Hotels & Resorts Ltd.	India	25.52	25.52	25.52	25.52
Taj Safaris Ltd.	India	32.91	28.96	33.48	29.46
Kaveri Retreat & Resorts Ltd.	India	50.00	50.00	50.00	50.00
International					
TAL Hotels & Resorts Ltd.	Hong Kong	28.26	27.49	28.26	27.49
IHMS Hotels (SA)(Pty) Ltd.	South Africa	50.00	50.00	50.00	50.00

(iii) Associates:

Domestic					
Oriental Hotels Ltd. (Refer Footnote i)	India	37.05	35.67	37.05	35.67
Taj Madurai Ltd.	India	26.00	26.00	26.00	26.00
Taida Trading and Industries Ltd. (Refer Footnote ii)	India	48.74	34.76	48.74	34.76
International					
BJets Pte Ltd. (Refer Footnote ii & iii)	Singapore	45.69	45.69	45.69	45.69
Lanka Island Resorts Limited	Sri Lanka	24.66	24.66	24.66	24.66
TAL Lanka Hotels PLC	Sri Lanka	24.62	24.62	24.62	24.62

Footnotes:

- Including 5.40% (Previous year 5.40%) of the shares held in the form of Global Depository Receipts (GDR).
- The carrying amount of the investment has been reported as Nil, as the Group's share of losses exceeds the cost/carrying value.
- Audited financial statements as at and for the year ended December 31, 2015 have been used in the preparation of the consolidated financial statement of the Group.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

- (c) The following amounts are included in the financial statements in respect of the Jointly Controlled Entities based on the proportionate consolidation method prescribed in the Accounting Standard relating to 'Financial Reporting of Interests in Joint Ventures' (AS 27) as prescribed under section 133 of the Companies Act, 2013. (Post Elimination):-

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Assets		
Fixed Assets (including Capital work in progress)	387.72	379.85
Non-current investments	0.50	28.75
Deferred Tax Assets (Net)	4.43	1.58
Other non-current assets	62.49	57.50
Current assets	80.45	75.22
	535.59	542.90
Liabilities		
Non-current liabilities	264.72	239.63
Deferred Tax Liability (Net)	15.72	14.04
Current liabilities	68.27	72.89
	348.71	326.56
Contingent Liabilities	23.28	24.75
Capital Commitments	2.13	2.76
Income		
Income from operations	253.58	232.79
Other income	11.15	2.42
	264.73	235.21
Expenses		
Food & Beverages consumed	29.58	27.83
Employee benefit expenses	62.28	58.76
Depreciation	25.68	26.26
Finance Cost	19.06	21.43
Other operating & general expense	109.83	98.77
	246.43	233.05
Tax Expenses		
Tax expenses	0.12	1.81

Note 2. Significant Accounting Policies:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date. The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous years.

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could, however, differ from these estimates. The significant accounting policies adopted in the presentation of the financial statements are as under:-

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(a) Revenue recognition :

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations, including management and operating fees. Rebates and discounts granted to customers are reduced from revenue.

Revenue from in-flight catering and institutional catering of food and beverages and other allied services rendered to airlines and other institutions are recognised, net of trade discounts, deductions and cost reimbursements, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of food and beverages to airlines and other customers. Sales include excise duty but exclude sales tax and value added tax.

Revenue from sale of goods is net of sales tax, returns and trade discounts. Service income is net of service tax.

Interest

Interest income is accrued on a time proportion basis having regard to the amount outstanding and the rate applicable.

Dividend

Dividend income is recognised when the Group's right to receive the amount is established.

(b) Employee Benefits (other than persons engaged through contractors):

(i) Defined Contribution Schemes

a) Provident Fund

The eligible employees of domestic components of the Group are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary), which is recognised as an expense in the Statement of Profit and Loss during the period. The contributions as specified under the law are paid to the provident fund set up as irrevocable trust by the Group. The Group is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which the corresponding services are rendered by the employee.

Employee benefits arising out of contributions towards Provident Fund and Family Pension Scheme to Regional Provident Fund Commissioner or the Central Provident Commissioner and Social Security etc. paid/payable during the year are recognised as expense in the Statement of Profit and Loss account in the period in which the employee renders services.

Eligible employees of some of the overseas components of the Group are members of defined contribution plans. These plans, in addition to employee contribution, require the Group to make contributions equivalent to a pre-defined percentage of each eligible participant's plan compensation for each year. The Group may also make a profit sharing contribution of uniform percentage of eligible participant's plan compensation based on profit as defined. The Group recognised such contribution as an expense in the year in which the employee renders service.

b) Others

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligation therein, based on an independent external actuarial valuation carried out at the Balance Sheet date.

Certain international subsidiaries operate a defined contribution pension scheme and the pension charge represents the amounts paid/payable by them to the Fund in the period in which the employee renders services.

(ii) Gratuity Fund

The Group makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds in respect of employee of domestic components. The Group accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the

Notes to Consolidated Financial Statements for the year ended March 31, 2016

projected unit credit method, carried out as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(iii) Post-Retirement Pension Scheme and Medical Benefits

The net present value of the Group's obligation towards post retirement pension scheme for retired whole time directors and post-employment medical benefits to qualifying employees is actuarially determined, based on the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. The Group also participates in an industry-wide defined benefit plan which provides pension linked to final salaries in respect of employees of certain overseas hotel properties. The plan is funded in a manner such that contributions are set at a level that is expected to be sufficient to pay the benefits falling due in the same period. It is not practicable to determine the present values of the Group's obligations as the covered hotel properties have not received information from the plan's administrator. In the absence of sufficient information the plan has been accounted as if it was a defined contribution plan.

(iv) Superannuation

The Group has a defined contribution plan for employees of its domestic components, wherein it annually contributes a sum equivalent to the eligible employee's annual basic salary to a fund administered by the trustees. The Group recognises such contributions as an expense in the year in which the corresponding services are received from the employees.

The Group also has separate funded and unfunded schemes, which guarantee a minimum pension to certain categories of employees. The Group accounts for the net present value of its obligations therein, based on an independent external actuarial valuation, carried out as at the Balance Sheet date, which is determined on the basis of the projected unit credit method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

(v) Compensated Absences

The Group has a scheme for compensated absences for employees, the liability for which is determined on the basis of an actuarial valuation, carried out at the Balance Sheet date.

(vi) Other Employee Benefits

Other benefits, comprising of discretionary Long Service Awards and Leave Travel Allowances, are determined on an undiscounted basis and recognised based on the likely entitlement thereof.

(c) Fixed Assets:

Tangible Fixed Assets:

Tangible fixed assets are stated at cost less depreciation/amortisation and impairment losses, if any. Cost includes the acquisition cost or the cost of construction, including duties and taxes (other than those refundable), expenses directly related to the location of assets and making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(l), page 167). Trade discounts, rebates and benefits arising from utilisation of duty free scrips are deducted in determining the cost of purchase. Projects under which the tangible fixed assets are not yet ready for their intended use are carried as capital work in progress at cost determined as aforesaid. First time issues of operating supplies for a new hotel property, consisting of linen and chinaware, glassware and silverware (CGS) are capitalised and depreciated over their estimated useful life.

Intangible Fixed Assets:

Intangible fixed assets include cost of acquired software and designs, and cost incurred for development of the Company's website and certain contract acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use. Internally developed intangibles are capitalised if, and only if, all the following criteria can be demonstrated:

- the technical feasibility and Company's intention and ability of completing the project;
- the probability that the project will generate future economic benefits;
- the availability of adequate technical financial and other resources to complete the project; and
- the ability to measure the development expenditure reliably.

Expenditure on projects which are not yet ready for intended use are carried as intangible assets under development.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(d) Depreciation / Amortisation:

(i) Depreciation:

Indian Entities

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 the 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.

Nature of the asset	Estimated useful life
Buildings	60 to 80 years
Plant and Machinery	10 to 20 years
Electrical Installation and Equipment	20 years
Hotel Wooden Furniture	15 years
End User devices – Computers, Laptops etc.	6 years
Operating supplies (issued on opening of a new hotel property)	2 to 3 years
Assets costing less than ₹ 5000	4 years

In respect of Leasehold Land acquired, any consideration paid is amortised from the date the land is put to use for commercial operations, over the balance period of the lease.

In respect of Leasehold Buildings, the depreciation on buildings on leased property is based on the tenor which is lower of the life of the building or the expected lease period.

Improvements to buildings are depreciated on the basis of their estimated useful lives.

International Entities

Depreciation on assets is provided at Straight Line Method (SLM) based on the estimated useful life determined by the Management of the respective Subsidiaries. In respect of improvements in the nature of structural changes and major refurbishment to buildings occupied on lease, depreciation is provided for over the period of the lease.

(ii) Amortisation:

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

Nature of the asset	Estimated useful life
Leasehold Property Rights (Including lease acquisition cost)	Over the term of the lease.
Website Development Cost	5 years
Cost of Customer Reservation System (including licensed software)	6 to 10 years
Management Contract Acquisition Costs	3 to 20 years*
Service & Operating Rights	10 years
Non-Compete Fees	7 years

* Based on the terms of the Contract.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(e) Impairment of Assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount on these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flow to their present value based on an appropriate discount factor. When there is indication that factors that caused an impairment loss to be recognised for an asset in prior accounting periods, no longer exist or that the intensity of impairment loss may have decreased, the impairment loss, to the extent no longer necessary to hold, is reversed.

(f) Foreign Currency Translation :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. In case of the Group, with respect to long-term foreign currency monetary items that have not been hedged, from April 1, 2011 onwards, the Group has adopted the following policy:

- (i) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset;
- (ii) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/ liability

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement of other monetary items are recognised in the Statement of Profit and Loss.

Translation of financial statements of foreign operation

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the period. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. Foreign exchange differences resulting from such transactions are recorded in the Foreign Currency Translation Reserves (for the Group's share) or under minority interest (for the minority's share). Upon disposal of the foreign entity, such accumulation in foreign currency translation reserve is recognised as income or expense in the Statement of Profit and Loss.

Hedge Accounting

In accordance with its risk management policy, the Company has entered into cross currency swap contracts with a view to convert its Indian Rupee borrowings into Foreign Currency borrowings in order to hedge the foreign exchange spot retranslation risk of its net investment in a non-integral foreign operation. The Company applied net investment hedge accounting such that the gains and losses on the foreign currency borrowings, to the extent effective, are recognised in the "Foreign Currency Translation Reserve" (FCTR) under "Reserves and Surplus" (Refer Note 4, page 169 to page 170). The exchange gains and losses on retranslating the net investments in the non-integral foreign operation are also recognised in the FCTR (The ineffective portion of the hedge is recognised immediately into the Statement of Profit and Loss). Hedge Accounting is discontinued when such swap contracts (hedging instrument) expire or are exercised or cancelled or no longer qualify for hedge accounting. Hedge accounting of net investment in a non-integral foreign operation has been applied prior to the revision of Accounting Standard (AS) 11 on "The Effects of Changes in Foreign Exchange Rates" by notification no.G.S.R.914(E) dated 29th December, 2011.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

The gains or losses recognised in FCTR as aforesaid, are reclassified to the Statement of Profit and Loss, on disposal of the non-integral foreign operation.

(g) Assets taken on lease:

Operating lease payments are recognised as expenditure in the Statement of Profit and Loss on a straight-line basis, unless another basis is more representative of the time pattern of benefits received from the use of the assets taken on lease.

Assets taken on finance lease in one of the subsidiaries and a jointly controlled entity are capitalised as tangible fixed assets. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in borrowings, net of the finance charge allocated to future periods. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives.

(h) Inventories:

Stock of food and beverages and stores and operating supplies are carried at the lower of cost (computed on a Weighted Average basis) or net realisable value. Cost include the cost of purchase including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts, rebates and benefits arising from utilisation of duty free scrips are deducted in determining the cost of purchase. In respect of three subsidiaries and two jointly controlled entities, stock of food and beverages and stores and operating supplies the cost is determined on a First in First out (FIFO) basis, amounts in respect of which are not material.

All other inventories are carried at cost or net realizable value, whichever is lower.

(i) Investments:

- (i) Long term investments (excluding Investment Property) are carried at cost. Provision is made for diminution in value, other than temporary, on an individual basis.
- (ii) Current investments are carried at the lower of cost and fair value, determined on an individual basis.
- (iii) Investment properties are carried individually at cost less accumulated depreciation and impairment, if any.

(j) Taxes on income:

- (i) Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between the taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of timing differences is recognised as a deferred tax asset or deferred tax liability. The tax effect is calculated on accumulated timing differences at the end of the accounting year, based on tax rates substantively enacted by the Balance Sheet date.
- (ii) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.
- (iii) Deferred tax assets, other than on unabsorbed depreciation and carried forward losses/ unused losses, are recognised only if there is reasonable certainty that they will be realised in the future and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date. In situations where the Group has unabsorbed depreciation and carried forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that the same can be realised against future taxable profits. Deferred Tax assets are reviewed at each Balance Sheet date for their realisability.
- (iv) Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(k) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised, when there is a present legal obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not recognised in the financial statements.

(l) Borrowing Costs:

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Debenture issue / Conversion costs are adjusted against the available Securities Premium Account in accordance with the provisions of Section 52 of the Companies Act, 2013. All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

Interest on Interest Rate Swap Contracts entered into to manage interest risks on borrowings, is accounted in the period in which it accrues as these contracts are intended to be held till the maturity of the underlying borrowing.

(m) Cash and cash equivalents (for the purpose of cash flow statements):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(n) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

(o) Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(p) Segment Reporting:

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 3 : Share capital

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Authorised Share Capital		
Equity Shares		
200,00,00,000 (Previous year - 200,00,00,000) Equity Shares of ₹ 1 each	200.00	200.00
	<u>200.00</u>	<u>200.00</u>
Issued Share Capital		
Equity Shares		
98,93,07,472 (Previous year - 80,74,89,291) Equity Shares of ₹ 1 each	98.93	80.75
	<u>98.93</u>	<u>80.75</u>
Subscribed and Paid Up		
Equity Shares		
98,92,74,015 (Previous year - 80,74,72,787) Equity Shares of ₹ 1 each, Fully Paid (Refer Footnotes ii, iii, iv and v)	98.93	80.75
	<u>98.93</u>	<u>80.75</u>

Footnotes :

- (i) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year ended March 31, 2016, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 0.30 (Previous year ₹ Nil).
- (ii) On September 1, 2014, the Company had allotted 18,18,01,228 Compulsorily Convertible Debentures ("CCDs") of ₹ 55 each aggregating to ₹ 999.91 crores on a "rights" basis (Each CCD was convertible into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share after 18 months from the date of allotment of the CCD). The CCDs have been converted into 18,18,01,228 Equity shares of ₹ 1 each on March 1, 2016 as per the terms of allotment and ₹ 981.73 crores has been transferred to Securities Premium Reserve account.
- (iii) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2016		March 31, 2015	
	No. of shares	₹ crores	No. of shares	₹ crores
As at the beginning of the year	80,74,72,787	80.75	80,74,72,787	80.75
Add : CCDs converted to Equity shares during the year	18,18,01,228	18.18	-	-
As at the end of the year	<u>98,92,74,015</u>	<u>98.93</u>	<u>80,74,72,787</u>	<u>80.75</u>

- (iv) Shareholders holding more than 5% shares in the Company :

	March 31, 2016		March 31, 2015	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity share of ₹ 1 each fully paid				
Tata Sons Limited	27,70,63,351	28.01	20,20,52,004	25.02
Life Insurance Corporation of India	8,10,06,874	8.19	6,57,52,493	8.14
Sir Dorabji Tata Trust	5,02,21,040	5.08	5,02,21,040	6.22

- (v) 33,457 (Previous year - 16,504) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.
- (vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date Nil (Previous year Nil)
- (vii) As at the Balance Sheet date, the Company has NIL (Previous year 196,380) outstanding Global Depository Receipts (GDRs) which were represented by equity shares of ₹ 1 each included in above. The GDRs have been delisted from the London Stock Exchange and subsequently converted during the year.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 4 : Reserves and surplus

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Capital Reserve		
Opening Balance	43.91	43.97
Less : Reduction on disposal of a subsidiary	-	(0.06)
Closing Balance	43.91	43.91
Capital Reserve on Consolidation		
Opening Balance	114.42	112.64
Add : Due to dilution of stake in a jointly controlled entity	0.16	1.78
Closing Balance	114.58	114.42
Capital Redemption Reserve		
Opening and Closing Balance	10.59	10.59
Securities Premium Reserve		
Opening Balance	2,091.45	2,095.00
Add : Premium on conversion of CCDs into shares (Refer Note 3, Footnote (ii))	981.73	-
Less : Issue expenses written off (net of tax ₹ Nil, Previous year ₹ 1.82 crores)	(1.00)	(3.55)
Closing Balance	3,072.18	2,091.45
Revaluation Reserve (Refer Footnote Below)		
Opening Balance	50.39	56.15
Add / (Less) : Share in Revaluation Reserves of an associate company	(1.23)	(1.13)
Less : Depreciation (net of deferred tax) transferred during the year	(0.67)	(0.68)
Add : Foreign Exchange fluctuation for the year (net)	(0.07)	(3.95)
Closing Balance	48.42	50.39
Reserve Fund (In terms of Section 45-IC of the Reserve Bank of India Act,1934)		
Opening Balance	39.10	36.10
Add : Transfer from Surplus in Statement of Profit and Loss	3.32	3.00
Closing Balance	42.42	39.10
Debenture Redemption Reserve		
Opening and Closing Balance	305.97	305.97
Foreign Currency Translation Reserve		
Opening Balance	659.47	963.67
Less : Transfer from Hedge Reserve	-	(283.24)
Add : Foreign Exchange fluctuation for the year (net)	61.49	(20.96)
Closing Balance	720.96	659.47
Carried over	4,301.40	3,262.26

Notes to Consolidated Financial Statements for the year ended March 31, 2016

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Brought over	4,301.40	3,262.26
Foreign Currency Monetary Item Translation Difference (Refer Note 42, page 194)		
Opening Balance	(53.04)	(66.09)
Add / (Less) : Exchange translation difference for the year	(58.53)	(37.41)
Add / (Less) : Transfer to Statement of Profit and Loss on amortisation	56.55	51.07
Add : Share in Reserves of an associate company	(2.61)	(0.61)
Closing Balance	(57.63)	(53.04)
General Reserve		
Opening Balance	565.03	565.84
Add : Transfer from Surplus in Statement of Profit and Loss	-	1.65
Add : Transfer from Investment Reserve	-	5.00
Add : Transfer from Investment Allowance Utilised Reserve	-	4.24
Add : Transfer from Export Profit Reserve	-	0.41
Less: Due to change in Associate reserves	-	(12.11)
Less : Proposed Dividend	(29.68)	-
Less : Tax on Dividend	(6.04)	-
Closing Balance	529.31	565.03
Deficit in Statement of Profit and Loss		
Opening Balance	(1,680.82)	(1,294.54)
Add : Net Loss for the current year	(60.53)	(378.10)
Add : Adjustment on account of acquisition by a Jointly Controlled Entity	(0.05)	-
Add : Transfer from Revaluation Reserve	1.90	-
Less : Transfer to General Reserve	-	(1.65)
Less : Transfer to Reserve Fund	(3.32)	(3.00)
Less : Tax on Dividend	(4.85)	(3.53)
Closing Balance	(1,747.67)	(1,680.82)
	3,083.04	2,146.47

Footnote :

During the year, the Institute of Chartered Accountants of India (ICAI) has withdrawn its Guidance Note on 'Treatment of Reserve created on Revaluation of Fixed Assets'. Hitherto, an amount equivalent to the incremental depreciation on the revalued assets were being recouped from the revaluation reserve and credited to the depreciation charge for the year, however, now these amounts are credited directly to the Statement of Profit & Loss Account. This change in treatment does not impact the overall Reserves and Surplus. (Refer to Note 39, page 192)

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 5 : Long-term borrowings

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Debtentures		
Non Convertible Debtentures		
Secured (Refer Footnote ii)	550.00	700.00
Unsecured (Refer Footnote iii)	450.00	586.00
	<u>1,000.00</u>	<u>1,286.00</u>
Compulsorily Convertible Debtentures		
Unsecured (Refer Note 38, page 192 and Footnote iv)	-	999.91
	<u>-</u>	<u>999.91</u>
	<u>1,000.00</u>	<u>2,285.91</u>
Term Loan		
From Banks		
Secured (Refer Footnote v)	1,378.72	1,700.90
Unsecured (Refer Footnote vi)	334.82	394.50
	<u>1,713.54</u>	<u>2,095.40</u>
From Others		
Secured (Refer Footnote vi)	750.00	-
	<u>750.00</u>	<u>-</u>
	<u>2,463.54</u>	<u>2,095.40</u>
Other Loans and Advances		
Unsecured		
Liability on currency swap contracts (Refer Footnote vii)	219.13	213.83
Other loans and advances	1.71	1.96
	<u>220.84</u>	<u>215.79</u>
Long term maturities of finance lease obligations		
Long term maturities of finance lease obligations	0.42	0.57
	<u>0.42</u>	<u>0.57</u>
	<u>3,684.80</u>	<u>4,597.67</u>

Footnote :

(i) Details of Borrowings as at:

	March 31, 2016 ₹ crores		March 31, 2015 ₹ crores	
	Non-Current	Current	Non-Current	Current
Debtentures				
Non Convertible Debtentures (NCDs)				
Secured				
10.10% Non-Convertible Debtentures	300.00	-	300.00	-
9.95% Non-Convertible Debtentures	250.00	-	250.00	-
2% Non-Convertible Debtentures	-	150.00	150.00	90.00
	<u>550.00</u>	<u>150.00</u>	<u>700.00</u>	<u>90.00</u>
Unsecured				
2% Non-Convertible Debtentures	250.00	-	250.00	-
9.90% Non-Convertible Debtentures	-	136.00	136.00	-
2% Non-Convertible Debtentures	200.00	-	200.00	-
	<u>450.00</u>	<u>136.00</u>	<u>586.00</u>	<u>-</u>
	<u>1,000.00</u>	<u>286.00</u>	<u>1,286.00</u>	<u>90.00</u>

Notes to Consolidated Financial Statements for the year ended March 31, 2016

	March 31, 2016		March 31, 2015	
	₹ crores		₹ crores	
	Non-Current	Current	Non-Current	Current
Compulsorily Convertible Debentures				
Unsecured	-	-	999.91	-
	-	-	999.91	-
	1,000.00	286.00	2,285.91	90.00
Term Loan From Banks				
Secured	1,378.72	443.87	1,700.90	133.17
Unsecured	334.82	209.82	394.50	197.25
	1,713.54	653.69	2,095.40	330.42
Term Loans From Others				
Secured	750.00	-	-	-
Unsecured	-	-	-	-
	750.00	-	-	-
Others Loans and advance				
Liability on currency swap contracts	219.13	46.53	213.83	22.65
Others	2.13	0.16	2.53	0.35
	221.26	46.69	216.36	23.00
	3,684.80	986.38	4,597.67	443.42
Short Term Borrowings				
(Refer Note 10, page 176)	-	110.23	-	33.39
Total Borrowing	3,684.80	1096.61	4,597.67	476.81

(ii) **Non Convertible Debentures - Secured include:**

- 3,000, 10.10% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on November 18, 2011 are repayable at par on November 18, 2021 i.e. at the end of 10th year from the date of allotment.
- 2,500, 9.95% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on July 27, 2011 are repayable at par on July 27, 2021 i.e. at the end of 10th year from the date of allotment.
- 3,000, 2% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 300 crores, allotted on March 22, 2010 were repayable in 3 annual instalments commencing at the end of 5th, 6th & 7th year from the date of allotment along with redemption premium of ₹ 6.13 lakhs per debenture. The company had repaid the first instalment of ₹ 60 crores on March 23, 2015. During the year, the Company has repaid the second instalment of ₹ 90 crores on March 22, 2016. The last instalment of ₹ 150 crores due on March 22, 2017 has been classified under current maturities of long term borrowings.

All the Secured Non-Convertible Debentures are rated, listed and secured by a pari passu first charge created on all the fixed assets of the Company, both present and future.

(iii) **Non Convertible Debentures - Unsecured include:**

- 2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on December 9, 2009 are repayable on December 9, 2019 i.e. at the end of the 10th year from the date of allotment, along with redemption premium of ₹ 12.43 lakhs per debenture.
- 1,360, 9.90% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 136 crores, allotted on February 24, 2012 are repayable on February 24, 2017 i.e. at the end of the 5th year from the date of allotment. This has been classified under current maturities of long term borrowings.
- 2,000, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 23, 2012 are repayable on April 23, 2017, i.e. at the end of the 5th year from the date of allotment along with redemption premium of ₹ 4.71 lakhs per debenture.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(iv) Compulsorily Convertible Debentures - Unsecured include:

18,18,01,228 Unsecured Compulsorily Convertible Debentures (CCDs) of ₹ 55 each aggregating ₹ 999.91 crores, were allotted on September 01, 2014 on a rights basis and were convertible into equity after 18 months from the date of allotment. Accordingly, each CCD has been converted into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share on March 1, 2016.

(v) Term Loan from Banks (Secured) include:

- a) Taj International Hotels (H.K) Limited (TIHK), wholly owned overseas subsidiary of the company, had obtained loan of US \$ 50 million on December 19, 2014. The loan bears interest at LIBOR plus 2.95% per annum. Out of the total loan, originally US \$ 49 million was repayable on November 23, 2019 and the balance US \$ 1 million on December 23, 2019. However, TIHK has repaid US \$ 14 million during the year. This loan is secured by pledge of Group's Investment in Belmond Ltd.
- b) In September 2014, International Hotel Management Services LLC (formerly International Hotel Management Services Inc. or "IHMS Inc."), entered into a term loan facility for US \$ 120 million with State Bank of India, London Branch which was fully availed by IHMS Inc. As a part of the restructuring, United Overseas Holding Inc., a newly incorporated wholly owned overseas subsidiary, has assumed this loan and is now the new borrower. The Term loan matures on September 15, 2022 and requires monthly interest only computed at LIBOR plus 3.81%, as defined (4.72% at March 31, 2016) through March 15, 2017. Thereafter, principal payments are due every six months, as defined. The Term Loan Facility is secured, by amongst other things, the Boston LLC's and the San Francisco LLC's hotel property.
- c) St James Court Hotels, an overseas subsidiary of the Company, entered into a term loan facility for GBP 55 million, of which GBP 54 million was utilised and GBP 45 million is outstanding as at March 31, 2016. The bank loan is due to be repaid in August 2016 and the Company is currently in the advance stage of negotiations to refinance it. The entire loan is shown under current maturities of long term borrowings. Interest on this loan is payable at a floating rate of one month Sterling LIBOR plus a margin based on a ratchet between 2% and 3% based on the interest cover achieved by the subsidiary, which is currently 2% and should continue to apply for the next financial year. The Loan is secured by a first mortgage charge on the assets of that subsidiary.
- d) Roots Corporation Limited (RCL), a domestic subsidiary of the Company availed a term loan facility of ₹ 75 crores from a bank on March 30, 2015, carrying interest rate of 10% per annum payable at monthly rests. This loan is repayable in 4 equal quarterly instalments of 8%, 16%, 20%, 26% and 30% of the loan amount starting from the 3rd year till the 7th year. RCL has created a charge in April 2016 by way of hypothecation of moveable assets therein and mortgage of 4 hotel properties and fixed assets contained therein.

In addition, loan of ₹ 16.8 crores (of which ₹ 4.8 crores is classified as current maturity of long term loans) carrying interest rate of 9.70% per annum payable at monthly rests is repayable in equal quarterly instalments of ₹ 1.20 crores ending in May 2019. The Loan is secured by way of hypothecation of certain hotel properties of RCL."

- e) One of the overseas jointly controlled entities (with 50% interest), obtained a new term loan of US \$ 40 million which is repayable over 72 months commencing November 2016. The loan carries interest of 3 month LIBOR plus 3.25%. The Group has accounted it's share in this loan on proportionate basis. The Loan is secured by a first mortgage charge on the assets of the hotel owned by the entity.
- f) The balance term loan consists of loan taken by various jointly controlled entities with balance outstanding as at March 31, 2016 of ₹ 143.42 crores (current maturity ₹ 10.91 crores) for which rate of interest and maturity varies.

(vi) Term Loan from others (Secured) include:

Skydeck Properties and Developers Private Limited, a wholly owned domestic subsidiary acquired during the year, has obtained a new loan of ₹ 750 crores to refinance its existing loan. This loan carries interest at the rate of 10% per annum compounded on an annual basis and the maturity date i.e. January 26, 2019 at which the loan is payable along with the cumulative interest. This loan is secured by way of pledge of the group's total investment in ELEG Hotels & Investments Limited and Sheena Investments Private Limited.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(vii) Term Loan from Banks (Unsecured) include:

- a) External commercial borrowing of US \$ 95 million was taken on November 23, 2011. The loan is repayable at the end of 50th, 60th, and 72nd month from November 23, 2011 in equal instalments to achieve the average maturity of 5.05 years and carries an interest which is based on a spread over LIBOR. The first instalment of US \$ 31.67 million has been repaid during the year. The second instalment of US \$ 31.67 million (₹ 209.82 crores) due on November 23, 2016, has been classified under current maturities of long term borrowings. The last instalment of US \$ 31.66 million is due on November 22, 2017.
- b) Unsecured term loan from a bank of ₹ 125 crores carrying interest rate of 9.50% per annum was taken during the year which is repayable at the end of 18 months from the date of first drawdown. The loan was drawn in 2 tranches of ₹ 60 crores and ₹ 65 crores on February 9, 2016 and March 21, 2016 respectively.

(viii) The Company has entered into cross currency swap contracts as a part of its risk management strategy to convert Indian Rupee borrowings into Foreign Currency borrowings which are used to hedge net investment in a non-integral foreign operation. At the reporting date, the notional amounts are restated at the closing exchange rates. As at March 31, 2016, the difference aggregating ₹ 265.66 crores (Previous Year ₹ 236.48 crores) on restatement represents a liability which is classified as "unsecured loans and advances". The notional amount due within twelve months of ₹ 46.53 crores (Previous year ₹ 22.65 crores) has been classified under current maturities of long term borrowings.

(ix) Maturity Profile of Debentures :

₹ crores

(a) Non Current

Non Convertible Debentures (NCDs)	Redeemable on	Principal	Premium	Total
Secured				
10.10% Non-Convertible Debentures	November 18, 2021	300.00	-	300.00
9.95% Non-Convertible Debentures	July 27, 2021	250.00	-	250.00
		550.00	-	550.00
Unsecured				
2% Non-Convertible Debentures	December 9, 2019	250.00	310.84	560.84
2% Non-Convertible Debentures	April 23, 2017	200.00	94.23	294.23
		450.00	405.07	855.07
		1000.00	405.07	1405.07

(b) Current

Non Convertible Debentures (NCDs)	Redeemable on	Principal	Premium	Total
Secured				
2% Non-Convertible Debentures (3rd installment)	March 22, 2017	150.00	105.25	255.25
		150.00	105.25	255.25
Unsecured				
9.90% Non-Convertible Debentures	February 24, 2017	136.00	-	136.00
		136.00	-	136.00
		286.00	105.25	391.25

March 31, 2016 March 31, 2015
₹ crores ₹ crores

(x) Conversion Profile of Compulsorily Convertible Debentures :

Unsecured	Converted on		
Compulsory Convertible Debentures	March 1, 2016	-	999.91
		-	999.91

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 6 : Deferred tax liabilities (net)

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Deferred tax liabilities:		
Depreciation on fixed assets	524.23	463.78
Unamortised borrowing cost	-	1.20
Others	0.90	5.38
Total (A)	525.13	470.36
Deferred tax assets:		
Provision for doubtful debts	4.93	3.41
Premium on Redemption of Debentures	66.51	94.50
Provision for Employee Benefits	28.90	19.81
Depreciation on fixed assets (Refer Footnote i)	-	0.10
Unused tax losses (Refer Footnote iii)	26.60	79.99
Others	26.53	20.91
Total (B)	153.47	218.72
Net Deferred tax liabilities (A-B) (Refer Footnote ii)	371.66	251.64

Footnotes :

- (i) Deferred tax asset on unabsorbed depreciation has been recognised by a subsidiary to the extent of deferred tax liability arising on timing difference in respect of depreciation on fixed assets of that entity.
- (ii) Deferred tax liabilities and deferred assets of entities within the group have been offset as they relate to the same governing taxation laws.
- (iii) The Company in the past has executed projects entitling it to a deduction of the capital cost incurred (under section 35AD of the Income Tax Act, 1961) which converted the book profits into tax losses. There are no such projects which have been planned or in the process of being executed in the current year or in the foreseeable future. In the absence of unfavourable evidence and given that the Company has been able to earn profits which, without the deduction for eligible capital costs (excluding land and goodwill) on hotel projects as aforesaid, would result into future taxable income, there is no reason to believe that the situation will not continue. Therefore, this is regarded as convincing evidence of future taxable income, enabling the Company to recognise deferred tax assets on unabsorbed depreciation and unused tax losses. As no investment has been identified for sale in the near term, the deferred tax asset on capital losses brought forward has not been recognised. In the previous year, the Company had identified one investment for sale and the buyer for that investment, the estimated profits for which had formed the basis for recognising deferred tax asset on capital losses. That transaction fructified in the current financial year.

Note 7 : Deferred tax assets (net)

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Deferred tax assets: (Refer Footnote ii)		
Provision for doubtful debts	0.20	0.23
Unused tax losses	2.65	-
Provision for Employee Benefits	0.48	0.34
Unabsorbed Depreciation	0.60	0.05
Depreciation on fixed assets	1.78	2.58
Others	1.00	1.16
Total (A)	6.71	4.36
Deferred tax liabilities:		
Depreciation on fixed assets	1.71	1.26
Total (B)	1.71	1.26
Net Deferred tax assets (A-B) (Refer Footnote (i))	5.00	3.10

Footnote :

- (i) Deferred tax assets and deferred liabilities of entities within the group have been offset as they relate to the same governing taxation laws.
- (ii) Refer to Note 6 footnote iii

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 8 : Other Long-term liabilities

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Creditors for capital expenditure	4.66	0.94
Deposits from others		
Secured (Refer Note 16 Footnote v, page 181)	71.10	71.10
Unsecured	3.27	1.86
	74.37	72.96
Long-term Liabilities Others		
Premium on Redemption of Debentures (Refer Note 5(ix)(a), page 174)	405.07	510.32
Employee benefits	4.67	1.69
	409.74	512.01
	488.77	585.91

Note 9 : Long-term provisions

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Provision For Employee Benefits (Refer Note 44, page 195)	78.67	54.29
Provision for Contingencies (Refer Footnote)	0.15	0.15
	78.82	54.44

Footnote :

Provision for contingencies on standard assets has been made by a subsidiary engaged in business of non-banking financial services.

Note 10 : Short-term borrowings

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Loans repayable on demand		
From Bank		
Secured (Refer Footnote i)	12.39	4.14
Unsecured	86.22	14.96
	98.61	19.10
Other short-term loans and advances		
From Bank		
Unsecured (Refer Footnote ii)	2.73	4.17
From Others		
Unsecured (Refer Footnote iii)	8.89	10.12
	11.62	14.29
	110.23	33.39

Footnote :

- (i) Loans repayable on demand from Bank consist of overdraft facilities. These are secured by hypothecation of operating supplies, stores, food and beverages and receivables.
- (ii) Unsecured Short-term loans from other consists of inter-corporate deposits, Commercial paper and other loans.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 11 : Trade Payables (Refer Note 45, page 201 for Related Parties Disclosures)

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Micro and Small Enterprises (to the extent confirmed by the vendors and reported by the component companies)	2.35	1.89
Other		
Vendor Payables	230.05	204.78
Accrued expenses and others	148.94	124.48
	378.99	329.26
	381.34	331.15

Note 12 : Other current liabilities

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Current maturities of long-term borrowings (Refer Note 5 (i), page 171)		
Debentures	286.00	90.00
Term Loans	653.69	330.42
Liability on currency swap contracts	46.53	22.65
Finance Lease Obligations	0.16	0.35
	986.38	443.42
Payables on Current Account dues	9.34	11.47
Premium on Redemption of Debentures	105.25	51.50
Deposits	26.96	27.29
Interest accrued but not due on borrowings	54.48	41.17
Interest accrued and due on borrowings	0.18	1.18
Income received in advance	28.99	21.26
Advances collected from customers	129.12	105.68
Creditors for capital expenditure	37.28	29.81
Unclaimed dividends	2.74	3.31
Unclaimed Share Application Money	0.06	0.10
Unclaimed Matured Deposits and interest accrued thereon	1.10	1.35
Unclaimed Matured Debentures and interest accrued thereon ₹ 25,153 (Previous year ₹ 25,153)	-	-
Other Liabilities (Refer Footnote below)	240.69	224.09
	1,622.57	961.63

Footnote :

Other liabilities include accruals related to employee benefits ₹ 113.78 crores (Previous Year ₹ 117.93 crores), statutory dues ₹ 58.82 crores (Previous Year ₹ 46.69 crores).

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 13 : Short-term provisions

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Provision for Employees Benefits (Refer Note 44, page 195)	35.05	36.55
Provision - Others		
Provision for Contingent Claims (Refer Footnote i)	75.80	48.72
Proposed Dividend	29.68	-
Tax on Dividend	7.82	5.40
Loyalty Programmes (Refer Footnote ii)	15.25	13.98
Provision for Tax (net of advances)	25.47	1.44
	154.02	69.54
	189.07	106.09

Footnotes :

(i) Provision for Contingencies include provisions for the following:

	Opening Balance ₹ crores	Additions ₹ crores	Utilisation ₹ crores	Reversal (withdrawn as no longer required) ₹ crores	Foreign currency translation ₹ crores	Closing Balance ₹ crores
Disputed claims for taxes, levies and duties	46.70	26.07	-	-	(0.02)	72.75
	21.81	25.44	-	0.56	0.01	46.70
Dispute on contractual matters	0.85	0.02	0.27	-	-	0.60
	91.34	0.06	30.16	61.43	1.04	0.85
Dispute in respect of employee benefits	1.17	2.18	0.90	-	-	2.45
	1.23	-	0.06	-	-	1.17
Total	48.72	28.27	1.17	-	(0.02)	75.80
	114.38	25.50	30.22	61.99	1.05	48.72

- a) The above matters are under litigation / negotiation and the timing of the cash flows cannot be currently determined.
- b) Figures in italics are in respect of previous year.

(ii) Details of Provision for Loyalty Programmes:

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Opening Balance	13.98	18.43
Less : Redeemed during the year	4.52	12.31
	9.46	6.12
Add : Provision for the year	5.79	7.86
Closing Balance	15.25	13.98

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 14 : Tangible Assets (Owned, unless otherwise stated)

	Freehold Land	Leasehold Land	Buildings (Refer Footnote i)	Plant and Machinery	Furniture & Fixtures (Refer Footnote ii)	Office Equipment (Refer Footnote ii)	Vehicles	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Gross Block at Cost								
At April 1, 2014	519.48	311.25	4,631.03	1,607.27	941.54	136.84	54.78	8,202.19
Translation Adjustment (Refer Footnote iii)	11.70	(18.65)	(31.03)	(6.04)	(8.91)	0.66	0.12	(52.15)
Reduction due to stake change (Refer Footnote viii)	(0.04)	(0.01)	(1.02)	(0.43)	(0.17)	(0.04)	(0.08)	(1.79)
Additions	(0.24)	0.36	301.34	162.05	65.02	14.44	6.61	549.58
Disposals	-	-	108.25	22.08	45.09	3.70	3.31	182.43
At March 31, 2015	530.90	292.95	4,792.07	1,740.77	952.39	148.20	58.12	8,515.40
Translation Adjustment (Refer Footnote iii)	20.75	2.26	126.99	1.06	14.29	1.31	0.19	166.85
Addition on aquisition (Refer Footnote vii)	-	708.77	9.80	8.51	4.58	0.58	-	732.24
Additions	1.07	0.22	175.13	153.72	56.77	18.64	5.60	411.15
Disposals	-	-	4.46	28.24	10.59	6.76	2.55	52.60
At March 31, 2016	552.72	1,004.20	5,099.53	1,875.82	1,017.44	161.97	61.36	9,773.04
Depreciation (Refer Footnote vi)								
At April 1, 2014	3.88	46.40	944.97	859.66	623.38	102.81	35.26	2,616.36
Translation Adjustment (Refer Footnote iii)	-	(2.25)	(13.59)	(2.24)	(7.39)	(0.46)	(0.01)	(25.94)
Reduction due to stake change (Refer Footnote viii)	-	-	(0.20)	(0.20)	(0.12)	(0.03)	(0.05)	(0.60)
Charge for the year (Refer Footnote iv and v)	-	3.09	117.89	86.38	55.22	13.05	3.36	278.99
Disposals	-	-	54.23	17.87	41.79	3.38	3.03	120.30
At March 31, 2015	3.88	47.24	994.84	925.73	629.30	111.99	35.53	2,748.51
Translation Adjustment (Refer Footnote iii)	-	1.02	26.02	1.36	9.21	0.35	0.27	38.23
Addition on aquisition (Refer Footnote vii)	-	106.30	-	-	0.12	0.09	-	106.51
Impairment by a subsidiary (Refer Footnote vi)	-	-	4.47	0.65	0.02	0.06	-	5.20
Charge for the year (Refer Footnote iv and v)	-	8.66	127.63	91.22	57.74	12.21	3.28	300.74
Disposals	-	-	2.78	24.62	10.21	6.66	2.31	46.58
At March 31, 2016	3.88	163.22	1,150.18	994.34	686.18	118.04	36.77	3,152.61
Net Block								
At March 31, 2015	527.02	245.71	3,797.23	815.04	323.09	36.21	22.59	5,766.89
At March 31, 2016	548.84	840.98	3,949.35	881.48	331.26	43.93	24.59	6,620.43

Footnotes :

- (i) Gross Block includes buildings constructed on leasehold land and improvements thereto - ₹ 2,306.31 crores; (Previous year - ₹ 2,730.14 crores).
- (ii) Furniture, Fixtures and Office Equipment as at the year end include assets on finance lease: Gross Block - ₹ 0.71 crore (Previous year - ₹ 1.47 crores), Accumulated Depreciation - ₹ 0.11 crore (Previous year ₹ 0.70 crore), Depreciation for the year - ₹ 0.07 crore (Previous year - ₹ 0.04 crore).
- (iii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as Translation Adjustment.
- (iv) Depreciation charge for the year includes ₹ 0.05 crore (Previous year ₹ 0.10 crore) which is capitalised during the year.
- (v) Depreciation / Amortisation for the year includes ₹ Nil (Previous year ₹ 1.31 crores) recouped from Revaluation Reserve.
- (vi) Accumulated Depreciation includes adjustment for impairment of ₹ 11.99 crores (Previous year ₹ 6.79 crores) including ₹ 3.88 crores (Previous year ₹ 3.88 crores) on Freehold Land, made in earlier years. During the year one of the subsidiary has made an impairment of ₹ 5.20 crores (Previous year ₹ nil) for a suspended project.
- (vii) Represent addition due to acquisition of subsidiaries in the current year.
- (viii) Represent the impact of decrease in share of the Group in a jointly controlled entity.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 15 : Intangible Assets

	Goodwill	Leasehold Property Rights	Website Development Cost	Software and Licences (Refer Footnote i)	Management Contracts	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Gross Block at Cost						
At April 1, 2014	4.76	33.60	4.91	47.35	65.09	155.71
Translation Adjustment (Refer Footnote ii)	-	0.83	0.19	0.11	2.45	3.58
Reduction due to stake change (Refer Footnote iv)	-	-	-	(0.01)	-	(0.01)
Additions	-	1.32	0.67	17.02	-	19.01
Adjustments	-	0.91	-	0.15	-	1.06
Disposal	-	-	-	1.31	-	1.31
At March 31, 2015	4.76	36.66	5.77	63.31	67.54	178.04
Translation Adjustment (Refer Footnote ii)	-	1.44	-	(0.06)	4.26	5.64
Addition on aquisition (Refer Footnote iii)	-	-	-	-	0.89	0.89
Additions	-	0.66	13.41	16.02	0.02	30.11
Adjustments	-	-	-	0.61	-	0.61
Disposals	-	-	4.76	1.20	-	5.96
At March 31, 2016	4.76	38.76	14.42	78.68	72.71	209.33
Amortisation						
At April 1, 2014	4.76	18.43	3.07	22.52	58.06	106.84
Translation Adjustment (Refer Footnote ii)	-	1.26	0.12	0.12	2.27	3.77
Reduction due to stake change (Refer Footnote iv)	-	-	-	(0.01)	-	(0.01)
Charge for the year	-	3.00	1.00	6.32	3.39	13.71
Disposals	-	-	-	0.12	-	0.12
At March 31, 2015	4.76	22.69	4.19	28.83	63.72	124.19
Translation Adjustment (Refer Footnote ii)	-	0.84	-	0.30	4.09	5.23
Charge for the year	-	2.99	0.86	8.52	3.61	15.98
Disposals	-	-	4.32	0.64	-	4.96
At March 31, 2016	4.76	26.52	0.73	37.01	71.42	140.44
Net Block						
At March 31, 2015	-	13.97	1.58	34.48	3.82	53.85
At March 31, 2016	-	12.24	13.69	41.67	1.29	68.89

Footnotes :

- (i) Software includes Customer Reservation System and Licensed Software.
- (ii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".
- (iii) Represent addition due to acquisition of subsidiaries in the current year.
- (iv) Represent the impact of decrease in share of the Group in a jointly controlled entity.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 16 : Non-current investments (at cost)

			March 31, 2016		March 31, 2015	
	Face Value		Holdings As at	₹ crores	Holdings As at	₹ crores
Trade Investments :						
Equity Investments in Associate Companies (Refer Note 1(b)(iii), page 160)				223.93		226.71
[Includes Goodwill of ₹ 70.80 crores (Previous year ₹ 70.80 crores) and is net of capital reserve of ₹ 0.68 crore (Previous year ₹ 0.68 crore) arising on the acquisition of associates]						
Equity Investments in Other Companies						
Fully Paid Unquoted Equity Instruments						
Damania Airways Ltd. (₹ 15,127)	₹	10	500	-	500	-
Greenwoods Palaces and Resorts Private Ltd.*	₹	10	-	-	93,78,600	28.14
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000)	₹	50	20	-	20	-
Indian Dairy Entrepreneurs Agricultural Company Ltd.	₹	1	-	-	-	-
Kumarakruppa Frontier Hotels Private Ltd.	₹	10	96,432	0.94	96,432	0.94
Lands End Properties Private Ltd.**	₹	10	-	-	19,90,000	1.99
Lanka Island Resorts Ltd.***	LKR	10	3,87,274	0.02	3,87,274	0.02
MPOWER Information Systems Private Ltd.	₹	10	5,28,000	0.53	5,28,000	0.53
Smile and Care Products Private Ltd.	₹	10	49,800	0.05	49,800	0.05
Taj Safaris Ltd.***	₹	10	16,49,400	1.86	16,49,400	1.74
Tata Ceramics Ltd.	₹	2	154,29,480	3.01	154,29,480	3.01
Tata Industries Ltd.	₹	100	42,74,590	55.73	42,74,590	55.73
Tata International Ltd.	₹	1000	8,000	4.62	8,000	4.62
Tata Projects Ltd.	₹	100	-	-	90,000	0.18
Tata Services Ltd.	₹	1000	421	0.04	421	0.04
Tata Sons Ltd.	₹	1000	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote v)	₹	10	7,11,00,000	71.10	7,11,00,000	71.10
				162.90		193.09
Fully Paid Quoted Equity Instruments (Refer Footnote i)						
India Tourism Development Corporation Ltd.	₹	10	67,50,275	44.58	67,50,275	44.58
Belmond Ltd. (Formerly Orient-Express Hotels Ltd.) [Class A common shares, quoted on the New York Stock Exchange]	US \$	0.01	56,19,297	1,367.16	71,30,764	1,630.97
Tourism Finance Corporation of India Ltd.	₹	10	50,000	0.10	50,000	0.10
Tulip Star Hotels Ltd.	₹	10	35,800	0.39	35,800	0.39
				1,412.23		1,676.04
Total Trade Investment				1,799.06		2,095.84

* accounted as jointly controlled entity from this year by a Jointly controlled entity of the Company

** accounted as subsidiary from this year

*** to the extent held by a jointly controlled entity

The Indian Hotels Company Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2016

			March 31, 2016		March 31, 2015	
	Face Value		Holdings As at	₹ crores	Holdings As at	₹ crores
Non Trade Investments :						
Investment in Equity Instruments (Quoted) (Refer Footnote i)						
Asian Hotels (East) Ltd. (₹ 75)	₹	10	2	-	2	-
Asian Hotels (North) Ltd. (₹ 75)	₹	10	2	-	2	-
Asian Hotels (West) Ltd. (₹ 75)	₹	10	2	-	2	-
Crest Ventures Ltd. (Formerly Sharyans Resources Ltd.)	₹	10	42,000	0.10	42,000	0.10
ElH Ltd. (₹ 75)	₹	2	37	-	37	-
Graviss Hospitality Ltd. (₹ 4,500)	₹	2	4,500	-	4,500	-
HDFC Bank Ltd. (₹ 5,000)	₹	2	2,500	-	2,500	-
Hotel Leela Venture Ltd. (₹ 75)	₹	2	25	-	25	-
Timex Group India Ltd.	₹	1	1,000	0.01	1,000	0.01
Titan Industries Ltd.	₹	1	18,06,000	1.01	18,06,000	1.01
				1.12		1.12
Investment in Equity Instruments (Unquoted)						
Bombay Mercantile Co-operative Bank Ltd. (₹ 9,990)	₹		333	-	333	-
Green Infra Wildfarms Ltd. (₹ 45,936)	₹	10	4,594	-	4,594	-
Hindustan Engineering & Industries Ltd. (₹ 70)	₹		7	-	7	-
Maris Power Trading Company Private Ltd. (₹ NIL Previous year ₹ 8580)	₹		-	-	858	-
Aadhav Green Power Company Private Limited (₹ 6500)			650	-		-
Saraswat Co-operative Bank Ltd. (₹ 20,000)	₹	10	2,000	-	2,000	-
Investment in Preference Shares						
Central India Spinning Weaving & Manufacturing Company Ltd. (10% unquoted Cumulative Preference Shares) (₹ 27,888)	₹	500	50	-	50	-
Investment in Government Security						
National Savings Certificate				0.01		0.01
Investment in Property						
Immovable properties				0.27		0.27
Total Non Trade Investment				1.40		1.40
Total Long-Term Investments - Gross				1,800.46		2,097.24
Less : Provision for Diminution in value of Investments (Refer Footnote vi)				886.37		1,056.65
Total Long-Term Investments - Net				914.09		1,040.59

Notes to Consolidated Financial Statements for the year ended March 31, 2016

	Face Value	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Footnotes :			
(i) Aggregate of Quoted Investments - Gross	: Cost	1,413.35	1,677.16
	: Carrying Value	529.08	622.42
	: Market Value	568.16	694.16
(ii) Aggregate of Unquoted Investments - Gross	: Cost	162.90	193.09
(iii) Aggregate of Investment in Government Security	: Cost	0.01	0.01
(iv) Aggregate of Investment in immovable properties	: Cost	0.27	0.27
(v) Unquoted Investment, includes Investment in TRIL Infopark Limited for which transfer of shares are restricted due to an option granted for 10 years upto July, 2021 to Tata Realty and Infrastructure Ltd. for repurchase of the shares at par value. Tata Realty and Infrastructure Ltd. has deposited a sum of ₹ 71.10 crores (Previous year ₹ 71.10 crores) as Option Deposit, which shall be adjusted upon exercise of the option or refunded.			
(vi) During the year, the Group sold 15,11,467 class A common shares of Belmond Ltd. The loss of ₹ 35.42 crores incurred on the sale has been classified as Exceptional items (Refer Note 30, page 189). The provision for other than temporary diminution of ₹ 223.43 crores made in the earlier years has correspondingly been reversed.			

Note 17 : Long-term loans and advances

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Capital advances	41.75	40.04
Long-term security deposits placed for Hotel Properties	140.15	140.22
Deposits with Public Bodies and Others	92.09	80.21
Loans and advances		
Considered good	31.88	72.43
Considered doubtful	174.78	164.48
	206.66	236.91
Less : Provision for long-term doubtful advances	174.78	164.48
	31.88	72.43
Other loans and advances		
Advance Income Tax paid (net)	95.21	75.83
MAT credit entitlement	136.79	80.01
Others loans and advance	8.14	8.81
	240.14	164.65
	546.01	497.55

Note 18 : Other Non-Current Assets

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Deposits with Banks (Refer Note 22, page 185)	9.37	8.31
Unamortised borrowing costs (Refer Note 24, page 186)	3.97	7.97
Interest receivable	1.37	0.81
	14.71	17.09

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 19 : Current Investments

	March 31, 2016		March 31, 2015	
	Holding As at	₹ crores	Holding As at	₹ crores
Investments in Mutual Fund Units (Unquoted)				
Birla Sun Life Cash Plus - Daily Dividend-Regular Plan - Reinvestment	1,65,92,089	1.66	-	-
Birla Sun Life Cash Plus - Regular Plan - Daily Dividend	1,85,022	1.85	4,36,553	4.37
Birla Sun Life Cash Plus	1,11,531	1.13	1,07,170	1.07
BSL Cash Plus - Daily Dividend - Regular Plan - Reinvestment	9,98,69,834	1.00	4,19,059	4.19
BSL Floating rate Fund - STP - Daily Dividend - Reinvestment	-	-	4,29,524	4.29
Franklin India TMA - Daily Dividend	-	-	9,57,763	95.95
Franklin India TMA - Super IP - Daily Dividend	-	-	3,84,693	38.50
Franklin India Treasury Management Account - Super IP - Daily Dividend - Reinvestment	-	-	1,44,102	14.42
Franklin Templeton Mutual Fund - Daily Dividend	-	-	41,024	4.11
HDFC Cash Management Fund - Savings Plan - Daily Dividend	-	-	1,78,71,081	19.01
HDFC Liquid Fund - Dividend - Daily Reinvest	14,860	1.52	-	-
ICICI Prudential Liquid - Daily Dividend	-	-	43,49,927	43.52
ICICI Prudential Liquid Fund - Regular Plan - Daily Dividend - Reinvestment	410,924.00	4.71	-	-
ICICI Prudential Money Market Fund - Daily Dividend	-	-	38,00,558	38.06
ICICI Prudential Money Market Fund - Regular Plan- Daily Dividend	-	-	30,991	0.31
ICICI Prudential Mutual Fund	3,32,708	3.38	3,19,806	3.20
IDFC Cash Fund - Daily Dividend	-	-	3,51,699	35.19
JM High Liquidity Fund - Super Institutional Plan - Daily Dividend	-	-	48,20,799	5.03
JM High Liquidity - Daily Dividend	-	-	2,13,88,157	22.31
JM High Liquidity - Daily Dividend	-	-	2,50,23,711	26.10
JM High Liquidity Fund - Dividend Option	-	-	99,79,571	10.41
JP Morgan India	46,338	0.05	10,64,375	1.07
JP Morgan India Liquid Fund Super Institutional - Daily Dividend	-	-	5,19,190	0.52
JP Morgan Liquid Fund - Super IP - Daily Dividend - Reinvestment	27,44,647	2.75	-	-
Kotak Floater - Short Term - Daily Dividend	-	-	84,180	8.51
Kotak Floater Short Term - Daily Dividend	-	-	69,259	7.01
Kotak Floater Short-term Fund	118,661	12.00	-	-
Kotak Liquid Scheme Plan A - Daily Dividend	-	-	463	0.06
LIC Nomura MF Liquid Fund - Daily Dividend	-	-	5,71,094	62.71
Peerless Liquid Fund - Super Institutional Plan - Daily Dividend - Reinvestment	7,081	0.71	-	-
Religare Invesco Liquid Fund - Daily Dividend	-	-	2,93,358	29.36
Tata Dynamic Bond Fund Direct Plan - Dividend	3,45,017	0.52	-	-
Tata Floater Fund Direct Plan - Daily Dividend	89,254	8.96	85,177	8.55
Tata Liquid Fund Plan A - Daily Dividend	3,33,05,316	3.71	75,236	8.39
Tata Money Market Fund - Daily Dividend	13,56,679	135.87	1,25,837	12.60
Tata Money Market Fund Plan A - Daily Dividend	-	-	83,499	8.36
Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	-	-	1,40,999	14.10
Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	49,656	4.97	-	-
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	-	-	150,069	15.02
		184.79		546.30
Investments in Government Security (Unquoted)				
Government Securities - 6 Year National Savings Certificates	-	-	-	0.01
				0.01
Investments in Subsidiaries (Refer Footnote)				
BAHC 5 Pte Ltd.*	-	-	-	-
1 (Previous year 1) equity shares of US \$ 1 each (₹ 51 (Previous year ₹ 51))	-	-	-	-
Premium Aircraft Leasing Corporation Ltd.**	-	-	-	-
Nil (Previous year 10) equity shares of US \$ 1 each (₹ Nil (Previous year ₹ 512))	-	-	-	-
Footnote:	-	-	-	-
*These shares are held for disposal.				
**Liquidated with effect from February 10, 2016				
		184.79		546.31

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 20 : Inventories (At lower of cost and net realisable value)

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Food and Beverages	44.68	41.32
Stores and Operating Supplies	47.99	49.70
Apartments held for sale	5.41	11.94
	98.08	102.96

Note 21 : Trade Receivables

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
(Unsecured) (Refer Note 45, page 201 for Related Parties Disclosures)		
Outstanding over six months from the date they became due for payment:		
Considered good	30.60	30.63
Considered doubtful	14.72	11.60
	45.32	42.23
Others :		
Considered good	301.09	269.19
Considered doubtful	1.93	0.43
	303.02	269.62
	348.34	311.85
Less : Provision for Doubtful Trade Receivables	16.65	12.03
	331.69	299.82

Note 22 : Cash and Cash Equivalents

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Cash and cash equivalents		
Cash on hand	4.56	4.78
Cheques, Drafts on hands	8.22	5.81
Balances with banks in current account	127.55	90.98
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	46.10	311.36
Cash and Cash equivalents as per Accounting Standard (AS) 3 on Cash Flow Statement	186.43	412.93
Other Balances with banks :		
Call and Short-term deposit accounts	18.99	85.59
Deposits pledged with others	0.98	0.76
Margin money deposits	9.67	8.63
Earmarked balances	3.52	3.97
	33.16	98.95
	219.59	511.88
Less : Term deposit with banks maturing after 12 months from the Balance Sheet date and other earmarked / margin money / pledged deposits classified as non-current (Refer Note 18, page 183)	9.37	8.31
	210.22	503.57

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 23 : Short-term loans and advances

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Short-term loans and advances	69.85	99.74
Deposit with public bodies and others	39.73	10.83
Other advances :		
Considered good	106.83	86.00
Considered doubtful	6.14	5.18
	112.97	91.18
Less : Provision for doubtful advances	6.14	5.18
	106.83	86.00
	216.41	196.57

Note 24 : Other Current Assets

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Interest receivable	11.33	17.36
On Current Account dues	52.31	41.88
Unamortised Borrowing Costs (Refer Footnote)		
Opening Balance	23.23	10.51
Add : Additions during the year	1.81	18.54
Add : Translation adjustment	0.75	0.02
Less : Amortised during the year	(5.00)	(5.84)
Closing Balance	20.79	23.23
Less : Unamortised borrowing costs - Non Current (Refer Note 18, page 183)	3.97	7.97
	16.82	15.26
	80.46	74.50

Footnote:

Unamortised Borrowing Costs represents expenses on loans to be amortised over the balance tenure of the loans.

Note 25 : Rooms, Restaurants, Banquets and Other income from Operations

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Income from Operations	4,590.92	4,188.64
Other Operating Income	-	-
Total	4,590.92	4,188.64

Income from Operations is derived from the following :

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Room Income	2,141.20	1,980.28
Food, Restaurants and Banquet Income	1,938.45	1,735.97
Shop rentals	46.46	40.94
Membership fees	71.15	60.02
Management and operating fees	153.66	136.36
Others	240.00	235.07
Total	4,590.92	4,188.64

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 26 : Other Income

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Interest Income		
Inter-corporate deposits	16.56	12.44
Deposits with banks	26.14	27.08
Interest on Income Tax Refunds	0.56	5.30
Others	4.01	4.07
Total	47.27	48.89
Dividend Income from long term Investments	15.48	6.10
Dividend Income from Current Investments	25.39	19.67
Profit on Sale of Investments (Net)		
From Long Term Investments	0.20	0.31
From Current Investments	0.09	0.02
Exchange Gain (Net)	0.02	-
Others	26.90	23.72
Total	115.35	98.71

Note :

Food and Beverages Consumed is net of proceeds from sale of empties etc. - ₹ 0.95 crore (Previous year - ₹ 0.92 crore).

Note 27 : Employee benefit expenses and Payment to Contractors

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Salaries, Wages, Bonus etc.	1,257.07	1,150.27
Company's Contribution to Provident & Other Funds (Refer Note 44, page 194 and Footnote below)	60.27	54.20
Reimbursement of Expenses on Personnel Deputed to the Company	44.68	35.66
Payment to Contractors	118.15	106.17
Staff Welfare Expenses	129.54	116.16
Total	1,609.71	1,462.46

Footnote :

Includes ₹ 0.56 crore (Previous year ₹ 0.53 crore) in relation to unfunded gratuity.

Note 28 : Finance costs

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Interest Expense		
Interest Expenses on borrowings	271.52	213.19
On Income Tax Demand	0.71	-
	272.23	213.19
Less : Interest recovered on Currency swaps relating to above	19.56	30.62
Less : Interest Capitalised (Refer Footnote)	6.71	7.00
Total	245.96	175.57

Footnote :

The Group has capitalised the interest cost on borrowings relating to qualifying assets including within capital work in progress.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 29 : Operating and general expenses

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
(i) Operating expenses consist of the following :		
Linen and Room Supplies	79.62	73.53
Catering Supplies	42.54	38.34
Other Supplies	11.34	9.59
Fuel, Power and Light	322.90	320.43
Repairs to Buildings	62.36	56.21
Repairs to Machinery	75.51	72.84
Repairs to Others	35.59	33.19
Linen and Uniform Washing and Laundry Expenses	48.22	48.20
Payment to Orchestra Staff, Artistes and Others	36.30	33.03
Guest Transportation	41.69	21.05
Travel Agents' Commission	85.96	73.27
Discount to Collecting Agents	53.92	50.21
Other Operating Expenses	100.26	121.31
Total	996.21	951.20
(ii) General expense consist of the following :		
Rent	78.14	65.58
Licence Fees	232.99	209.61
Rates and Taxes	103.46	96.28
Insurance	18.63	18.67
Advertising and Publicity	118.27	127.66
Printing and Stationery	16.48	16.38
Passage and Travelling	19.14	20.41
Provision for Doubtful Debts and advances	8.60	8.00
Professional Fees	58.42	88.64
Support services	51.53	47.84
Expenditure on Corporate Social Responsibility	2.24	2.69
Exchange Loss (Net)	6.42	4.56
Loss on Sale of Fixed Assets (Net)	2.39	1.21
Provision Diminution in Value of Investment	0.12	-
Payment made to Statutory Auditors (Refer Footnote)	10.71	8.52
Directors' Fees and Commission	3.74	1.46
Other Expenses	132.66	125.80
Total	863.94	843.31
Total (i+ii)	1,860.15	1,794.51

Footnotes :

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Payment made to Statutory Auditors:		
As auditors *	8.41	6.70
For other services (including tax audit and company law matters)	2.19	1.66
Expenses and incidentals	0.11	0.16
	10.71	8.52

* Excludes ₹ Nil (Previous year ₹ 0.76 crore) adjusted against Securities Premium Account

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 30 : Exceptional Items

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Exceptional Items comprises of the following :		
Exchange Gain / (Loss) on long term borrowings/assets (net)	(63.21)	(51.07)
Profit on sale of a long term investment	56.53	-
Project written off for commercial reason	(25.06)	-
Loss on sale of a long term investment by a subsidiary	(35.42)	-
Profit on sale of an international subsidiary	-	27.97
Profit on sale of investment arising out of divestment in certain domestic subsidiaries	-	18.55
Impairment of goodwill by a jointly controlled entity	-	(16.00)
Provision for diminution in long term investment	-	(306.51)
Provision / Settlement of financial exposure in an associate	-	(25.85)
Total	(67.16)	(352.91)

Note 31. Change in the Group's Structure

During the year, the Company acquired 80.1% of the equity shares in Lands Ends Properties Private Limited ('LEPPL'). As a result, LEPPL along with its step down subsidiaries viz Skydeck Properties & Developers Private Limited, Sheena Investment Private Limited, ELEL Hotels and Investments Limited and Luthria & Lalchandani Hotels and Properties Private Limited become subsidiaries of the Company. The consolidated financial statements of the Group as at and for the year ended March 31, 2016, include the assets and liabilities as of the Balance Sheet date and the Income, Expenditure and Cash Flow of LEPPL and its subsidiaries from October 14, 2015 (i.e the date on which LEPPL became a subsidiary of the Company) to March 31, 2016 and therefore the figures of the previous year may not be comparable.

Following are the key numbers of these subsidiaries which are included in the consolidated financial statements:

Name of Subsidiary	Total Income ₹ crores	Net profit/ (loss) ₹ crores	Net Assets / (Liabilities) ₹ crores
Lands End Properties Private Limited	3.83	(31.47)	(307.10)
Skydeck Properties & Developers Private Limited	0.08	(38.56)	(311.80)
Sheena Investments Private Limited	0.07	0.03	2.45
ELEL Hotels & Investments Limited	0.53	(6.14)	624.11
Luthria & Lalchandani Hotel & Properties Private Limited	-	-	(0.02)

Note 32. Restructuring of holdings in international investments

As a part of its efforts to rationalise the holding structure of its international investments, the Group has consolidated its holding in international operating entities to IHOCO BV, Netherlands, a wholly owned subsidiary of the Company. Accordingly, the Group's stake in the following entities is held through IHOCO BV:

- United Overseas Holding Inc.
- St James Court Hotels Limited
- Taj International Hotels Limited
- TAL Hotels & Resorts Limited
- IHMS (SA) Pty Limited
- TAL Lanka Hotels Plc
- Lanka Island & Resorts Limited
- Global Depository Receipts of Oriental Hotels Limited.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 33. Schemes of Arrangement:

As a part of the Company's restructuring plan, at a meeting held on October 19, 2015, the Board of Directors had approved the amalgamation of International Hotel Management Services LLC (formerly known as International Hotel Management Services Inc.) and Lands End Properties Private Limited, two wholly owned subsidiaries ("transferor companies") into the Company, by way of two separate Schemes of Arrangement amongst the Company, each of the transferor companies, and their respective shareholders and creditors (the "Schemes"), as provided under sections 391 to 394 of the Companies Act, 1956 read with section 52 of the Companies Act, 2013, section 78 and sections 100 to 103 of the Companies Act, 1956. The appointed dates for the Schemes are January 1, 2016 and March 31, 2016, respectively. The intended amalgamation has been approved by the shareholders of the Company at the meeting convened on May 4, 2016, on the direction of the Honourable High Court of Judicature at Bombay ("Bombay High Court") where the application seeking permission for the amalgamation has been filed by the Company.

The accounting impact of the two Schemes can only be reflected in the financial statements after receiving the requisite Orders of the Bombay High Court sanctioning the Schemes and filing of the Orders with the Registrar of Companies, Mumbai. As the Orders of the Bombay High Court are awaited, the financial statements as at and for the year ended March 31, 2016 do not include any adjustments that will arise on implementation of the Schemes and the Company's investments in the transferor companies continues to be carried at their previous carrying amounts.

Note 34. Shareholders' Agreement of a subsidiary:

As per the Share Subscription Agreement and Shareholders' Agreement dated March 16, 2011 entered into with Omega TC holding Pte Limited ("Investor") by a subsidiary company, read with addendum to Subscription Agreement dated March 25, 2014 and subject to the terms and conditions stated therein, the investor has an option but not the obligation to subscribe for further such number of Equity Shares as is equal to the aggregate consideration of upto ₹ 100 crores on or before December 31, 2015 or such other date as may be mutually agreed between parties, provided that the subsidiary company requires an amount equivalent to the consideration and such requirement is a part of business plan.

Note 35. Contingent Liabilities (to the extent not provided for):

The Group is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Group's businesses and is exposed to other contingencies arising from having issued guarantees to lenders of its subsidiaries and other entities. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

(a) On account of tax matters in disputes :

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes, etc., which are in dispute, are as under:

Particulars	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Income Tax	90.15	48.70
Luxury tax	3.36	3.34
Entertainment tax	3.02	2.66
Sales tax / VAT	32.75	23.15
Property and Water tax	58.06	58.26
Service tax	50.64	47.10
Excise	0.39	14.02
Others	18.30	10.81

The Group is a defendant in various legal actions and a party to claims as above, plus interest thereon, which arose during the ordinary course of business. The Group's management believes based on the facts presently known, that the results of these actions will not have a material impact on the Company's financial statements. It is not practicable for the Group to estimate the timings of cash flows, if any, in respect of the above.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(b) On account of lease agreements:

- (i) In respect of a plot of land provided to the Company under a license agreement, on which the Company has constructed a hotel, the licensor has made a claim of ₹ 304.24 crores to date, (13 times the existing annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim, based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the licensor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the existing license agreement as also a Supreme Court judgment on related matters. Even taking recent enactments into consideration, in the opinion of the Company, the computation cannot stretch more than ₹ 73.14 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been issued by the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the licensor, pending a resolution of this dispute by the Honourable Bombay High Court. In view of this, and based on legal advice, the Company regards the likelihood of sustainability of the lessor's claim to be remote and the amount of any potential liability, if at all, is indeterminate.

- (ii) The Group had invested ₹ 8.09 crores (written down value – ₹ Nil as on March 31, 2016 (previous year ₹ 5.20 crores)) in its hotel located at Ludhiana. The Group had suspended its operations and gave termination notice to terminate lease agreement w.e.f. July 31, 2012 on the grounds that the lessor has not fulfilled his obligations to provide critical services such as food and beverage, electricity, power backup, security etc. for the mall including the Hotel among other obligations.

The Group has filed a suit seeking interim relief to restrain the lessor from preventing the Group from removing its moveable assets from the said property.

The lessor, has disputed the validity of the notice of the Group and has raised a claim for ₹ 44.12 crores towards arrears of rentals, common area maintenance charges and rentals for period between August 2012 till end of lease period i.e., October, 2038. The Group neither expects any loss on account of the amount invested in the property nor any legal liability to arise for claims raised by the lessor. However, on prudent basis, the company has fully impaired the carrying value of investments aggregating to ₹ 5.20 crores which is included in the exceptional items (refer note 30, page 189) in the financials statement.

(c) Other claims against the Group not acknowledge as debt :

- (i) Legal and statutory matters ₹ 2.27 crores (Previous year ₹ 1.16 crores)
- (ii) Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimates above, including where:
- plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
 - the proceedings are in early stages;
 - there is uncertainty as to the outcome of pending appeals or motions or negotiations;
 - there are significant factual issues to be resolved; and/or there are novel legal issues presented

The Group's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Group's financial statements, though the outcomes could be material to the Group's operating results for any particular period, depending, in part, upon the operating results for such period. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

Note 36. Guarantees and Undertakings given:

- (a) Guarantees given by the Group and outstanding as on March 31, 2016 - ₹ 143.13 crores (Previous year - ₹ 12.31 crores).
- (b) The Group has given letters of support in case of select jointly controlled companies during the year.
- (c) The Group, together with an associate and a third party entered into an agreement with the bank, in consideration for the lender providing a credit facility of up to ₹ 59.63 crores (US \$9 million) to Lanka Island Resorts Limited, an associate of the Group. The Group has agreed to execute a shortfall undertaking and a non-disposal undertaking for shares in Lanka Island Resorts Limited in favor of the bank as security for repayment of credit facilities and monies payable by the associate to the bank under the facility agreement and performance and observance by the bank of all its obligations and covenants under the Facility Agreement.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 37. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 198.83 crores (Previous year – ₹ 221.12 crores).

Note 38. Rights Issue of Compulsorily Convertible Debentures:

The Company on September 1, 2014 has allotted 18,18,01,228 Compulsorily Convertible Debentures ("CCDs") of ₹ 55 each aggregating to ₹ 999.91 crores on a "rights" basis. Each CCD is convertible into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share after 18 months from the date of allotment of the CCDs. These CCDs have been converted in to 18,18,01,228 shares on March 01, 2016 as per terms of the allotment.

The funds raised by way of rights issue of Compulsorily Convertible Debentures were utilised as under:

Particulars	₹ crores
Amounts raised through Rights Issue	999.91
Utilisation	
Repayment of Debts	552.68
General corporate purposes	243.25
Capital expenditure on Projects	70.00
Renovation Capex	37.56
Issue Expenses	6.75
Total	910.24
Surplus amounts invested in Mutual Funds	89.67

Note 39. Depreciation Impact:

The Institute of Chartered Accountants of India (ICAI) has withdrawn its Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets. Consequently, the group has changed its accounting policy of recouping the impact of additional depreciation from revaluation reserve with effect from April 1, 2015. The change in policy has impacted the depreciation accounting in one of the jointly controlled entities. Had the Group continued its earlier policy, depreciation charge would have been lower by ₹ 0.75 crore, deferred tax would have been higher by ₹ 0.08 crore and accordingly, loss after tax for the current year would have been lower by ₹ 0.67 crore. This change in accounting policy does not impact the reserves and surplus.

Note 40. Operating and Finance Leases:

- (a) United Overseas Holding Inc. (UOH Inc) a wholly owned subsidiary of the Company, owns 100% ownership interest in IHMS LLC ("New York LLC") under the laws of the State of Delaware, U.S.A. The New York LLC was formed to acquire the lease with 795 Fifth Avenue Corporation, its affiliates 795 Fifth Avenue Limited Partnership, Barneys New York and individual apartment owners, which encompass the facilities of the Hotel Pierre.

The New York LLC has entered into lease agreements for the use of various facilities at the Hotel Pierre for the purpose of operating a hotel business. The lease term with 795 Corp. is upto June 30, 2025.

Future fixed and minimum rentals, exclusive of formula or percentage rentals for the period ending March 31, are approximately as under:-

	March 31, 2016	March 31, 2015
	₹ crores	₹ crores
Not later than one year	13.05	12.26
Later than one year but not later than five years	52.19	49.06
Later than five years	55.45	64.39
Lease on co-operative apartments and ballroom		

Notes to Consolidated Financial Statements for the year ended March 31, 2016

The New York LLC assumed a lease agreement with Barney's New York, which was renewed on March 12, 2012 for the use of the Hotel Pierre's ballroom (the 'Amended Lease'). The Amended Lease is scheduled to mature on December 31, 2018 and requires an annual fixed rent of US\$ 1,700,000. In addition, the Amended Lease Agreement required a one-time rent adjustment fee of US\$ 1,000,000 ("Rent Adjustment"). The Rent Adjustment is included in intangible as lease acquisition rights and are amortised over the term of the Amended Lease Agreement. Accumulated amortisation of the Rent Adjustment amounted to ₹ 3.93 crores (US \$602, 400) and ₹ 2.85 crores (US \$457,826) at March 31, 2016 and March 31, 2015 respectively. Future fixed minimum rentals, exclusive of formula or percentage rentals for the years ending March 31 are approximately as follows:

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Not later than one year	12.13	11.40
Later than one year but not later than five years	19.71	29.94

- (b) IHMS New York LLC, IHMS San Francisco LLC and IHMS Boston LLC, as lessors under various operating leases, will receive base rents over the next five years and, in the aggregate, over the remaining terms of the leases as follows :-

	San Francisco LLC ₹ crores	Boston LLC ₹ crores	New York LLC ₹ crores	Total ₹ crores
Not later than one year	0.51	2.88	0.89	4.28
	<i>0.24</i>	<i>2.71</i>	<i>2.14</i>	<i>5.09</i>
Later than one year but not later than five years	2.04	18.91	3.04	23.99
	<i>0.03</i>	<i>15.78</i>	<i>8.78</i>	<i>24.59</i>
Later than five years	0.51	16.86	0.62	17.99
	<i>-</i>	<i>18.83</i>	<i>1.57</i>	<i>20.40</i>

Figures in italics are in respect of previous year

- (c) Apart from the operating lease as mentioned in Note 40 (a) above, the Group has also taken certain assets on operating lease, the minimum future lease rentals payable on which are as follows:

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Not later than one year	53.92	46.67
Later than one year but not later than five years	209.48	182.12
Later than five years	1687.68	1246.51

A subsidiary company is liable, in certain cases, to pay variable rent based on fulfilment of certain operational parameters. The total amount charged to Statement of Profit and Loss in respect thereof is ₹ 0.75 crore (previous year ₹ 0.59 crore)

- (d) The Group has taken assets on finance lease, certain assets, the minimum future lease rentals on which are as follows:

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Not later than one year	0.68	0.32
Later than one year but not later than five years	0.32	0.45
Later than five years	-	-
Total	1.00	0.77

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 41. Derivative Instruments and Un-hedged Foreign Currency Exposure:

The Company uses forward exchange contracts, interest rate swaps, currency swaps and options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

(a) Derivative Instruments outstanding:

Nature of Derivative	Currency	March 31, 2016		March 31, 2015	
		Currency million	₹ crores	Currency million	₹ crores
Libor Cap	US\$	-	-	-	-
	GB£	-	-	20.00	-
Interest Rate Swap	US\$	54.73	-	75.84	-
	GB£	30.00	-	30.00	-

The above excludes cross currency swaps as disclosed in point (b) below

(b) Un-Hedged Foreign currency exposure receivable/(payable) :

Currency	March 31, 2016	March 31, 2015
United States Dollar (Million)*	(64.49)	(88.84)
Thai Baht (Million)	239.99	239.49

* Net of notional amount of US\$ 130.53 million (previous year – US\$ 143.80 million) as cross currency interest rate swaps.

Note 42. Foreign Currency Monetary Item Translation Difference Account:

The Company has exercised the option granted vide notification No. G.S.R.225(E) dated March 31, 2009, issued by the Ministry of Corporate Affairs and subsequent Notification No G.S.R.378(E) (F.No17/133/2008-CL.V) dated May 11, 2011 and Amendment Notification No G.S.R.914(E) dated December 29, 2011 incorporating the new paragraph 46(A) to Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Accordingly, the exchange differences arising on revaluation of long term foreign currency monetary items for the year ended March 31, 2016 have been accumulated in "Foreign Currency Monetary Item Translation Difference" and are being amortised over the balance period of such long term asset or liability, by recognition as income or expense in each of such periods. (Refer Note 2(f), page 165).

Note 43. Other Regulatory Matters:

The Company, on a review of its foreign operations had, in the past, made voluntary disclosures to the appropriate regulator, of what it considered to be possible irregularities, in relation to foreign exchange transactions relating to period prior to 1998. Arising out of such disclosures, the company received show cause notices. The Company has replied to the notices and is waiting for the directorate to return its files, after which it will complete the replies. Adjudication proceedings are in progress.

Note 44. Employee Benefits:

(a) The Group has recognised the following expenses as defined contribution plan under the head "Company's Contribution to Provident Fund and Other Funds", which has been disclosed separately:

	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Provident Fund (includes Pension cost)	37.72	34.53
Superannuation Fund	4.46	7.07
Total	42.18	41.60

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Multi-Employer Benefit Plans

One of the international subsidiaries, United Overseas Holding Inc., along with its two LLP's namely "the New York LLC" and "the Boston LLC" participates in the multi-employer plans with the Industry Wide Plan ("IWP"). The New York LLC is a party to the Industrywide Collective Bargaining Agreement between the New York Hotel Trades Council ("NYC Union") and the Hotel Association of New York City, Inc. The Boston LLC, along with certain other hotel operators and owners in Boston, Massachusetts, is a party to the Collective Bargaining Agreement with UNITE HERE Local 26 ("Boston Union"). The respective collective bargaining agreements provide for Union sponsored multi-employer defined benefit plans (the "Plans") to which the New York LLC and the Boston LLC make contributions for the benefit of their employees covered by the collective bargaining agreements. The New York LLC and the Boston LLC have not received information from the Plans' administrators to determine their share of unfunded benefit obligations, if any. The New York LLC and the Boston LLC have not undertaken to terminate, withdraw or partially withdraw from the Plans. The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects:

- (i) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- (ii) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- (iii) If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The New York LLC's and the Boston LLC's participation in the Plans for the years ended December 31, 2015 and 2014 and March 31, 2016 and 2015, respectively, is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). The most recent Pension Protection Act (PPA) zone status available is for the Plans' year-end at December 31, 2015. The zone status is based on information that the New York LLC and the Boston LLC received from the Plans and is certified by the actuaries of the Plans. Among other factors, pension plans in the red zone are generally less than 65% funded, pension plans in the yellow zone are less than 80% funded, and pension plans in the green zone are at least 80% funded.

The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is pending or has been implemented. The New York LLC's and the Boston LLC's contributions to its respective Plans did not exceed more than 5% of the total contributions to the Plans by all participating Employers.

The following is a summary of the Plans to which the New York LLC and the Boston LLC make contributions for the benefit of their employees covered by the collective bargaining agreements.

Plans	EIN Number	Plan Number	Pension Protection Act Zone Status		FIP / RP Status Pending/ Implemented	Contribution by the Company for the year ended	
			2015	2014		December 31, 2015 US \$	December 31, 2014 US \$
New York LLC							
Pension Fund (i)	13-1764242	001	Green	Green	Yes	2,221,268	2,477,600
Health Benefits Fund (ii)	13-6126923	501	NA	NA	Yes	7,019,951	6,218,758
Prepaid Legal Services Fund (iii)	13-3418414	508	NA	NA	Yes	109,977	130,400
Total - New York LLC						9,351,196	8,826,758
						March 31, 2016 US \$	March 31, 2015 US \$
Boston LLC							
Pension Fund (iv)	45-4227067	001	Green	Green	Yes	418,085	363,312
Health Benefits Fund (v)	04-6048964	501	NA	NA	Yes	3,082,512	3,050,416
Other Fund						133,289	131,311
Total - Boston LLC						3,633,886	3,545,039
						12,985,082	12,371,797

Notes to Consolidated Financial Statements for the year ended March 31, 2016

- (i) New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund
- (ii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund
- (iii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund
- (iv) Unite Here Local 26 Workers & Hospitality Employers VDB Pension Trust
- (v) Greater Boston Hotel Employees Local 26 Health and Welfare Plan

Defined Contribution 401(k) Plans

United Overseas Holding Inc. and its LLC's, wholly owned subsidiaries in the United States of America, have defined contribution plans for the benefit of their eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plans require employer contributions of 3% of each eligible participant's plan compensation for each year. The employer may also make a profit sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined. The employer contributions charged to the Company's and the Subsidiaries' operations for the years ended March 31, 2016 and 2015 are as follows:

	March 31, 2016 US \$	March 31, 2015 US \$
San Francisco LLC	116,062	117,484
Boston	224,701	233,864
New York LLC	145,381	162,412
Company	29,684	39,396
Total Employer Contributions	515,828	553,156

- (b) The Group operates post retirement defined benefit plans as follows :-

(i) Funded :

- Post Retirement Gratuity.
- Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

(ii) Unfunded :

- Post Retirement Gratuity.
- Pension to Executive Directors and Employees – Post retirement minimum guaranteed pension scheme for certain retired executive directors and certain categories of employees, which is unfunded.
- Post-Employment Medical Benefits to qualifying employees.
- Post-Employment Compensated Absence Benefit for certain categories of employees.

(c) Pension Scheme for Employees:

The Company has formulated a funded pension scheme for certain employees. The actuarial liability arising on the above, after allowing for employees' contribution is determined as at the year end, on the basis of uniform accrual benefit, with demographic assumptions taken as Nil.

(d) Defined Benefit Plans :

The disclosure given below exclude amount of entities who have not obtained such information as these have been classified as small and medium company and have been exempt from making such disclosure :-

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(i) Amount to be recognised in Balance Sheet and movement in net liability

	Gratuity Funded	Gratuity unfunded	Post- Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Present Value of Funded Obligations	215.54	-	-	-	-	6.48
	207.68	-	-	-	-	5.92
Present Value of Unfunded Obligations	-	2.24	4.75	5.05	12.99	-
	-	2.22	3.09	5.49	2.82	-
Fair Value of Plan Assets	(203.33)	-	-	-	-	(8.37)
	(196.52)	-	-	-	-	(7.78)
Unrecognised Past Service Cost	-	-	-	-	-	(0.39)
	-	-	-	-	-	(0.76)
Adjustment to Plan Asset	-	-	-	-	-	0.64
	-	-	-	-	-	0.63
Net (asset) / Liability	12.21	2.24	4.75	5.05	12.99	(1.64)
	11.16	2.22	3.09	5.49	2.82	(1.99)

(ii) Expenses recognised in the Statement of Profit and Loss

	Gratuity Funded	Gratuity Unfunded	Post-Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Current Service Cost	10.86	0.28	1.92	0.38	11.19	0.11
	9.26	0.25	0.03	0.35	-	0.10
Interest Cost	16.42	0.22	0.24	0.43	0.21	0.47
	15.65	0.22	0.24	0.47	0.20	0.40
Expected return on Plan Assets	(14.25)	-	-	-	-	(0.57)
	(12.83)	-	-	-	-	(0.49)
Actuarial Losses / (Gain) recognised in the year	7.62	(0.08)	(0.32)	0.22	(0.96)	(0.04)
	0.69	0.21	0.45	-	0.31	0.48
Past service Cost	-	-	-	-	-	0.38
	-	-	-	-	-	0.38
Curtailment / Settlement	0.07	-	-	-	-	-
	0.33	(0.12)	-	-	-	-
Effect of the limit on Plan Asset	-	-	-	-	-	0.01
	-	-	-	-	-	(0.14)
Expense	20.72	0.42	1.84	1.03	10.44	0.36
	13.10	0.56	0.72	0.82	0.51	0.73

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(iii) Reconciliation of Defined Benefit Obligation

	Gratuity Funded	Gratuity Unfunded	Post-Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Defined Benefit Obligation	207.68	2.22	3.09	5.49	2.82	5.92
	179.51	2.14	2.74	5.27	2.61	4.93
Additions Due to Acquisitions	-	-	-	-	-	-
	-	(0.07)	-	-	-	-
Current Service Cost	10.86	0.28	1.92	0.38	11.19	0.11
	9.26	0.25	0.03	0.35	-	0.10
Interest Cost	16.42	0.22	0.24	0.43	0.21	0.47
	15.65	0.22	0.24	0.47	0.20	0.40
Contribution by Plan Participants	-	-	-	-	-	-
	-	-	-	-	-	-
Actuarial Losses / (Gain)	4.47	(0.08)	(0.32)	0.22	(0.96)	0.11
	20.14	0.21	0.45	-	0.31	0.67
Benefits Paid	(23.89)	(0.32)	(0.18)	(1.47)	(0.27)	(0.13)
	(16.88)	(0.41)	(0.37)	(0.60)	(0.30)	(0.18)
Curtailment / Settlement	-	-	-	-	-	-
	-	(0.12)	-	-	-	-
Foreign currency translation	-	(0.08)	-	-	-	-
	-	-	-	-	-	-
Closing Defined Benefit Obligation	215.54	2.24	4.75	5.05	12.99	6.48
	207.68	2.22	3.09	5.49	2.82	5.92

(iv) Reconciliation of Fair Value of Plan Assets

	Gratuity Funded	Gratuity Unfunded	Post-Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Opening Fair Value of Plan Assets	196.52	-	-	-	-	7.78
	180.40	-	-	-	-	7.20
Expected return on Plan Assets	14.25	-	-	-	-	0.57
	12.83	-	-	-	-	0.49
Actuarial Gain / (Losses)	(3.15)	-	-	-	-	0.15
	19.45	-	-	-	-	0.19
Contribution by Employer	19.67	-	0.18	1.47	0.27	-
	1.05	-	0.37	0.60	0.30	0.08
Benefits Paid	(23.89)	-	(0.18)	(1.47)	(0.27)	(0.13)
	(16.88)	-	(0.37)	(0.60)	(0.30)	(0.18)
Curtailment / Settlement	(0.07)	-	-	-	-	-
	(0.33)	-	-	-	-	-
Closing Fair Value of Plan Assets	203.33	-	-	-	-	8.37
	196.52	-	-	-	-	7.78
Expected Employer's contribution / outflow next year	6.27	0.02	0.22	0.72	0.27	-
	6.00	0.02	0.25	0.62	0.30	-

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(v) Description of Plan Assets (Managed by an Insurance Company)

	Gratuity Funded	Gratuity Unfunded	Post- Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Government of India Securities	45%	-	-	-	-	42%
	45%	-	-	-	-	35%
Corporate Bonds	32%	-	-	-	-	56%
	31%	-	-	-	-	52%
Equity	14%	-	-	-	-	-
	14%	-	-	-	-	-
Others	9%	-	-	-	-	2%
	10%	-	-	-	-	13%
Grand Total	100%	-	-	-	-	100%
	100%	-	-	-	-	100%

(vi) Actuarial Assumptions

	Gratuity Funded	Gratuity Unfunded	Post- Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.)	7.55% - 8.00%	7.90% - 11.00%	7.55%	7.55%-7.70%	7.55%	7.55%
	7.75% - 8.05%	7.92% - 11.00%	7.90%	7.90%-7.95%	7.90%	7.90%
Expected Rate of Return on Assets (p.a.)	7.50% - 8.00%	-	-	-	-	7.50%
	7.50% - 9.00%	-	-	-	-	7.50%
Salary Escalation Rate (p.a.)	3.00% - 7.00%	4.00% - 8.50%	-	4.00%-5.00%	10.00%	-
	3.00% - 7.00%	5.00% - 8.50%	-	5.00%	-	-
Pension Escalation Rate (p.a.)					4.00%	
					4.00%	
Mortality Table (LIC)	2006-08*	2006-08*	2006-08*	2006-08*	2006-08*	2006-08*
	2006-08*	2006-08*	2006-08*	2006-08*	2006-08*	2006-08*

Footnote:

* Indian Assured Lives Mortality

(vii) Effect of Change in Assumed Health Care Cost

	1% Increase ₹ crores	1% Decrease ₹ crores
Effect on the aggregate of service cost and interest cost	0.04	(0.03)
(PY (1% increase - ₹ 45,514) (1% Decrease - ₹ 40,205))	-	-
Effect of defined benefit obligation	0.35	(0.29)
	0.06	(0.05)

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(viii) Experience Adjustments

	2015/16	2014/15	2013/14	2012/13	2011/12
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Defined Benefit Obligation	243.80	224.47	204.34	211.80	196.05
Plan Assets	209.83	203.61	186.66	186.10	168.98
Deficit	(30.77)	(19.80)	(14.03)	(13.98)	(16.01)
Experience Adjustment on Plan Liabilities	5.92	0.55	2.25	21.86	21.12
Experience Adjustment on Plan Assets	(3.52)	19.61	(0.63)	7.32	(0.55)

Footnote: Figures in italics under (i) to (vii) are of the previous year.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors. The above information has been certified by the actuary and has been relied upon by the Auditors.

Note 45. Related Party Disclosures:

(a) The names of related parties of the Group are as under:

(i) Company having substantial interest

Tata Sons Ltd.

(ii) Associates and Jointly Controlled Entities

The names of all the associates and jointly controlled entities are given in Note 1 (b), page 159 to page 160

(iii) Co-venturer

Singapore Airport Terminal Services Ltd. (SATS)

Malaysian Airline Systems Berhad.

Kerala Tourism Infrastructure Ltd.

Zinc Holdings Inc.

And Beyond Holdings Pty. Ltd.

His Excellency Governor of Karnataka.

Coromandel Beach Properties Pvt. Ltd.

Caspian Capital & Finance Ltd.

Tata Africa Holding (Pty) Ltd.

(iv) Key Management Personnel

Key managerial personnel comprise the whole-time directors of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

Following are the Key Management Personnel:

Rakesh Sarna

Anil P Goel

Abhijit Mukerji*

Mehernosh S Kapadia

Relation

Managing Director & CEO

Executive Director & CFO

Executive Director - Hotel Operation

Executive Director - Corporate Affairs

* for part of the year upto April 13, 2015.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

- (b) Details of related party transactions during the year ended March 31, 2016 and outstanding balances as at March 31, 2016:

	Company having substantial interest	Key Management Personnel	Associates and Jointly Controlled Entities	Co-venturer
	₹ crores	₹ crores	₹ crores	₹ crores
Interest Paid/Provided	-	-	0.26	0.66
	-	-	-	0.73
Interest received/accrued	-	-	4.45	-
	-	-	3.58	-
Dividend Paid	-	-	-	-
	-	-	0.03	0.09
Dividend Received	10.80	-	-	-
	3.60	-	-	-
Operating/License Fees Paid/Provided	-	-	2.54	-
	-	-	2.51	-
Operating/License Fees Received/Accrued	-	-	52.14	-
	-	-	48.94	-
Purchase of goods and services	3.79	-	0.47	0.24
	0.32	-	0.39	0.24
Sale of goods and services	4.01	0.01	0.15	1.41
	4.53	0.01	0.47	1.84
Allotment of Shares	-	-	-	0.18
	-	-	-	-
Inter corporate deposit ("ICD") Raised	-	-	-	-
	-	-	2.45	-
ICD Repaid	-	-	-	-
	-	-	-	-
ICD Placed	-	-	27.40	-
	-	-	164.98	-
ICD Encashed	-	-	61.35	-
	-	-	17.34	-
Share Application money paid	-	-	-	-
	-	-	-	-
Remuneration paid / payable (Refer Footnote ii)	-	21.70	-	-
	-	26.94	-	-
Balances outstanding at the end of the year				
Trade receivables	-	-	23.43	0.55
	-	-	22.89	-
Trade payables	3.07	-	0.30	0.19
	0.03	-	5.11	0.25
Due from/(to) on Current A/c	0.29	-	33.21	-
	-	-	28.44	-
Interest Receivable	-	-	1.13	-
	-	-	2.53	-
Interest Payable	-	-	0.27	-
	-	-	0.30	-
Deposits (Net)	-	-	36.42	(5.45)
	-	-	15.65	(6.68)
Loans Outstanding (Net)	-	-	11.43	(1.69)
	-	-	53.66	(1.93)

Footnotes:

(i) Figures in italics are of the previous year.

(ii) Managerial remuneration excludes provision for gratuity and compensated absences, since these are provided on the basis of an actuarial valuation of the Company's liability to all its employees.

The Indian Hotels Company Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2016

(c) Statement of Material Transactions

Company Name	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Company having substantial interest		
<u>Tata Sons Limited</u>		
Dividend Received	10.80	3.60
Purchase of goods and services	3.64	0.32
Sale of goods and services	4.01	4.62
Trade Payables	3.05	-
<u>Remuneration to Key Management Personnel</u>		
Mr. Rakesh Sarna	12.44	8.64
Mr. Raymond Bickson	-	12.43
Mr. Anil P. Goel	2.61	2.23
Mr. Abhijit Mukerji	4.62	1.96
Mr. Mehernosh S. Kapadia	2.03	1.68
<u>Associates</u>		
<u>Oriental Hotels Ltd.</u>		
Deposits (Net)	28.73	6.48
Dividend Paid	-	0.03
ICD Encashed during the year	-	15.00
ICD Placed during the year	26.00	18.00
Interest Paid/ Provided	0.26	-
Interest Payable	0.27	0.30
Interest Receivable	0.16	-
Interest received/accrued	1.41	-
Operating/Licence Fees Paid	1.23	1.28
Operating/Licence Fees Received	25.03	25.02
Purchase of goods and services	0.40	0.28
Sale of goods and services	-	0.34
Trade Receivables	8.64	7.54
<u>Taida Trading & Industries Ltd.</u>		
Interest received/ accrued	0.72	0.95
Interest Receivable	0.33	1.38
ICD Closing Position - Receivable	1.37	4.87
<u>BJets Pte Ltd.</u>		
ICD Encashed during the year	43.06	2.18
ICD Placed during the year	-	141.90
Loans given outstanding	147.80	178.10
Provision for doubtful advances	147.93	139.07
<u>Taj GVK Hotels & Resorts Ltd.</u>		
Operating/Licence Fees Received	11.67	10.45
Trade Receivables	10.89	7.61
Sale of Goods & Services	-	0.01

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Company Name	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
<u>Lanka Island Resorts Ltd.</u>		
Operating/Licence Fees Received	4.50	3.51
<u>Taj Karnataka Hotels & Resorts Ltd.</u>		
Loans Outstanding(Net)	2.98	-
Interest Receivable	0.34	0.35
<u>Kaveri Retreats and Resorts Ltd.</u>		
Interest received/ accrued	0.72	0.73
Deposits (Net)	6.50	6.68
Interest Receivable	0.16	-
Sale of Goods & Services	-	0.07
<u>TAL Hotels & Resorts Ltd.</u>		
Allotment of shares	-	1.77
Operating/Licence Fees Received	7.24	3.38
Due on current account (Net)	2.67	-
Trade Receivables	-	3.38
ICD Encashed during the year	9.34	-
Interest received/ accrued	0.65	0.61
Interest Receivable	-	0.61
Loans Outstanding (Net)	7.21	-
<u>Taj Madras Flight Kitchen Pvt. Ltd.</u>		
Due on current account (Net) – Payable	0.06	0.02
Sale of Goods & Services	-	0.01
<u>Taj Safaris Ltd.</u>		
ICD Raised	-	2.45
Deposits (Net)	6.14	6.10
Interest received/ accrued	0.68	0.60
Interest Receivable	0.13	-
<u>IHMS Hotels (SA) (Proprietary) Ltd.</u>		
Due on current account (Net) – Receivable	30.00	29.19
<u>Oriental Hotels (H.K.) Ltd.</u>		
Operating/Licence Fees Paid/Provided	1.31	-
Investing parties		
<u>Malaysian Airlines Systems</u>		
Sale of goods and services	1.41	-
<u>Coromandel Beach Properties Private Ltd.</u>		
Interest paid/provided	0.66	0.73
Deposits (Net)	5.45	6.68

The Indian Hotels Company Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Company Name	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
<u>TATA Africa Holding (Pty) Ltd.</u>		
Loans Outstanding (net)	1.71	1.96
Share Application Money Pending Allotment	-	22.31
<u>Kerala Tourism Infrastructure Ltd.</u>		
Dividend Paid	-	0.09
Purchase of Goods & Services	0.24	0.24

Footnote: Transaction with related party excludes, recovery of spends on their behalf.

Note 46. Segment Information:

The Group regards the business segment as primary segments. The business segments have been classified as follows:

- Hoteliering
- Others – comprising of Air catering and investing activities.

The disclosures in respect of the above business segments are as under:

Business

	Hoteliering		Others		Total	
	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores	March 31, 2016 ₹ crores	March 31, 2015 ₹ crores
Segment Revenue	4,235.38	3,902.54	355.54	286.10	4,590.92	4,188.64
Unallocated Income					115.35	98.71
Total Revenue					4,706.27	4,287.35
Segment Results	291.47	227.18	8.44	(29.89)	299.91	197.29
Add: Unallocated Income (Other than Interest)					68.08	49.82
Interest Income					47.27	48.89
Finance Cost					245.96	175.57
Profit before Tax and Exceptional item					169.30	120.43
Add / (Less) : Exceptional Items					(67.16)	(352.91)
Profit/(Loss) before tax					102.14	(232.48)
Less : Provision for tax					140.07	114.60
Loss after Tax					(37.93)	(347.08)
Profit attributable to Minority Interest					(25.45)	(30.98)
Share of Profit /(Loss) of Associates					2.85	(0.04)
Loss After Minority Interest and Share of Associate					(60.53)	(378.10)

Notes to Consolidated Financial Statements for the year ended March 31, 2016

	Hoteliering		Others		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Segment Assets	7,649.92	6,761.67	360.76	250.89	8,010.68	7,012.56
Unallocated Assets					2,933.89	2,874.42
Total Assets					10,944.57	9,886.98
Segment Liabilities	1,065.02	908.50	76.86	70.80	1,141.88	979.30
Unallocated Liabilities					5,785.38	5,942.60
Total Liabilities					6,927.56	6,921.92
Depreciation and amortization	301.39	276.21	15.29	15.08	316.68	291.29
Significant Non Cash Expenditure other than Depreciation	58.17	44.66	2.02	2.71	60.19	47.37
Capital Expenditure	1,164.14	307.57	9.86	11.95	1,174.00	319.52

The disclosures in respect of the above geographic segment are as under:

Geographic segments

	Domestic		International		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Segment Revenue	3,248.08	2,911.96	1,342.84	1,276.68	4,590.92	4,188.64
Segment Assets	4,886.35	3,923.05	3,124.33	3,089.51	8,010.68	7,012.56
Capital Expenditure	1,135.93	251.60	38.08	67.92	1,174.01	319.52

Footnotes:

- Unallocated assets include Goodwill on consolidation, Non - Current and Current Investments, Interest receivable, Cash and Bank Balance, Deferred Tax Assets, Loans and advances, Advance Tax and other current assets which are not directly attributable to segments
- Unallocated Liabilities includes Long Term Borrowings including current maturities of long-term borrowings, deferred tax liabilities, Provision for tax, Short Term Borrowings, Premium on redemption of debenture, Interest accrued but not due, Interest accrued and due and other current liabilities which are not directly attributable to segments
- Figures pertaining to subsidiaries and jointly controlled entities have been reclassified wherever necessary in order to conform to the presentation in the consolidated financial statements.

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Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 47 : Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / associates / joint ventures

	March 31, 2016				March 31, 2015			
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	₹ crores	As % of consolidated profit / loss	₹ crores	As % of consolidated net assets	₹ crores	As % of consolidated profit / loss	₹ crores
Parent								
The Indian Hotels Company Ltd	121.18%	3,855.92	332.14%	201.03	115.25%	2,566.77	(21.69)%	(82.02)
Subsidiaries								
Indian								
Piem Hotels Ltd.	15.50%	493.17	51.27%	31.03	21.57%	480.47	8.42%	31.83
Benares Hotels Ltd.	1.71%	54.36	13.69%	8.29	2.21%	49.21	2.44%	9.23
United Hotels Ltd.	0.83%	26.30	6.76%	4.09	1.18%	26.25	1.41%	5.34
Roots Corporation Ltd.	8.94%	284.36	(18.33)%	(11.09)	13.27%	295.45	0.37%	1.40
Taj SATS Air Catering Ltd.	7.09%	225.52	15.17%	9.18	9.71%	216.33	2.42%	9.13
TIFCO Holdings Ltd	6.76%	215.19	27.35%	16.55	9.36%	208.44	3.86%	14.59
Inditravel Ltd.	0.58%	18.41	(5.50)%	(3.33)	1.18%	26.29	(1.19)%	(4.49)
Taj Trade & Transport Co Ltd.	0.39%	12.30	(2.89)%	(1.75)	0.68%	15.10	0.55%	2.09
KTC Hotels Ltd.	0.05%	1.48	0.28%	0.17	0.06%	1.31	0.04%	0.15
Northern India Hotels Ltd.	0.70%	22.38	3.84%	2.32	0.90%	20.05	0.61%	2.32
Taj Enterprises Ltd.	0.12%	3.72	1.00%	0.61	0.14%	3.11	0.14%	0.51
Lands End properties Private Ltd. (Refer Footnote i)	(9.65)%	(307.10)	(52.00)%	(31.47)	-	-	-	-
Skydeck Properties and Developers Private Ltd. (Refer Footnote i)	(9.80)%	(311.80)	(63.72)%	(38.56)	-	-	-	-
Sheena Investments Private Ltd. (Refer Footnote i)	0.08%	2.45	0.05%	0.03	-	-	-	-
ELEL Hotels and Investments Ltd. (Refer Footnote i)	19.61%	624.11	(10.14)%	(6.14)	-	-	-	-
Luthria and Lalchandani Hotel and Properties Private Ltd. (Refer Footnote i)	(0.00)%	(0.02)	(0.00)%	(0.00)	-	-	-	-
Ideal Ice & Cold Storage Co. Ltd. (Refer Footnote iii)	-	-	-	-	-	-	-	-
Taj Rhein Shoes Co. Ltd. (Refer Footnote iii)	-	-	-	-	-	-	(0.00)%	(0.01)
Residency Foods & Beverages Ltd. (Refer Footnote iii)	-	-	-	-	-	-	0.02%	0.08
TIFCO Security Services Limited (Refer Footnote iii)	-	-	-	-	-	-	(0.00)%	(0.00)
Foreign								
IHMS LLC (Formerly known as IHMS, Inc.)	29.36%	934.34	(114.24)%	(69.14)	42.46%	945.62	(46.71)%	(176.60)
United Overseas Holdings Inc (Refer Footnote ii)	25.97%	826.40	(178.11)%	(107.80)				
St. James Court Hotel Ltd.	16.40%	521.80	16.27%	9.85	22.31%	496.94	2.50%	9.45
IHMS (Australia) Pty Ltd. (Refer Footnote iii)	0.00%	0.00	-	-	-	-	(1.68)%	(6.37)

Notes to Consolidated Financial Statements for the year ended March 31, 2016

	March 31, 2016				March 31, 2015			
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	₹ crores	As % of consolidated profit / loss	₹ crores	As % of consolidated net assets	₹ crores	As % of consolidated profit / loss	₹ crores
Foreign								
Taj International Hotels Ltd.	0.96%	30.59	12.09%	7.32	1.23%	27.42	2.15%	8.14
Taj International Hotels (H.K.) Ltd.	6.33%	201.29	780.55%	472.44	(16.33)%	(363.81)	(13.03)%	(49.26)
Samsara Properties Ltd.	(49.39)%	(1,571.61)	(58.75)%	(35.56)	(64.81)%	(1,443.54)	(76.71)%	(290.05)
Piem International (HK) Ltd.	5.56%	176.98	5.93%	3.59	8.03%	178.77	0.46%	1.75
Apex Hotel Management Services (Pte) Ltd	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	(0.00)
Chieftain Corporation NV.	0.00%	0.10	210.68%	127.52	4.25%	94.67	0.16%	0.59
IHOCO BV.	24.03%	764.49	(1.20)%	(0.73)	4.58%	101.93	(0.03)%	(0.10)
Apex Hotel Management Services (Australia) Pty Ltd	(0.01)%	(0.21)	(0.02)%	(0.01)	(0.01)%	(0.18)	(0.05)%	(0.21)
Minority Interests in all subsidiaries		(835.34)		(25.45)		(737.84)		(30.98)
Associates (Investment as per the equity method)								
Indian								
Oriental Hotels Ltd.	5.49%	174.76	(0.73)%	(0.44)	7.92%	176.33	0.15%	0.58
Taj Madurai Ltd	0.07%	2.35	0.48%	0.29	0.10%	2.29	0.07%	0.25
Taida Trading & Industries Ltd (Refer Footnote v)	-	-	-	-	-	-	-	-
Foreign								
Lanka Island Resorts Ltd.	1.03%	32.89	3.41%	2.06	1.41%	31.47	0.13%	0.49
TAL Lanka Hotels Plc	0.44%	13.92	1.56%	0.94	0.75%	16.62	(0.36)%	(1.37)
Bjets Pte Ltd. (Refer Footnote v)	-	-	-	-	-	-	-	-
Joint Ventures (as per proportionate consolidation)								
Indian								
Taj GVK Hotels and Resorts Ltd.	2.78%	88.52	1.51%	0.92	3.97%	88.42	(0.13)%	(0.50)
Taj Kerala Hotels and Resorts Ltd.	0.46%	14.78	0.06%	0.03	0.66%	14.75	0.02%	0.06
Taj Karnataka Hotels and Resorts Ltd.	(0.09)%	(2.87)	0.03%	0.02	(0.13)%	(2.89)	0.01%	0.03
Taj Safaris Ltd.	0.05%	1.53	(0.20)%	(0.12)	0.07%	1.49	(0.14)%	(0.53)
Kaveri Retreat & Resorts Ltd	0.56%	17.87	5.82%	3.53	0.64%	14.35	(0.39)%	(1.46)
Taj Madras Flight Kitchen Pvt. Ltd.	0.68%	21.61	1.40%	0.85	0.93%	20.76	0.02%	0.07
Foreign								
IHMS Hotels (SA)(Pty) Ltd.	(2.15)%	(68.38)	(22.04)%	(13.34)	(1.96)%	(43.75)	(10.89)%	(41.19)
TAL Hotels & Resorts Ltd.	3.42%	108.70	13.72%	8.30	4.56%	101.57	1.87%	7.05
Consolidation Adjustments / Eliminations	(109.78)%	(3,493.28)	(1035.13)%	(626.52)	(62.99)%	(1,402.98)	53.40%	201.91
TOTAL	100.00%	3,181.97	100%	(60.53)	100.00%	2,227.22	100%	(378.10)

Footnotes:

- These subsidiaries have been acquired during the year.
- This subsidiary has been incorporated during the year.
- These subsidiaries have been sold during the previous year.
- BAHC 5 Pte Ltd. has been excluded from consolidation as it is acquired and held exclusively with a view to its subsequent disposal in the near future.
- The carrying value of these investments in Associates has been reported as Nil, as the Group's share of losses exceeds the cost of investments.

Notes to Consolidated Financial Statements for the year ended March 31, 2016

Note 48. Earnings Per Share (EPS):

Earnings Per Share is calculated in accordance with Accounting Standard 20 – 'Earnings Per Share' - (AS-20).

	March 31, 2016	March 31, 2015
Loss after tax – (₹ crores)	(60.53)	(378.10)
Number of Equity Shares	98,92,74,015	80,74,72,787
Weighted Average Number of Equity Shares	82,28,71,252	91,30,66,925
Face Value per Equity Share (₹)	1	1
Earnings Per Share (₹) :		
Basic	(0.74)	(4.68)
Diluted*	(0.74)	(4.68)

* As the impact of the CCDs is anti-dilutive for the current and previous year, resulting in a decrease in loss per share from continuing ordinary activities, the effect thereof has been ignored whilst calculating diluted earnings per share.

Note 49. Previous year's figures:

The Company has regrouped / reclassified the previous year's figures to conform to the current year's presentation.

For and on behalf of the Board

Cyrus P. Mistry	Chairman
Rakesh Sarna	Managing Director & CEO
Anil P. Goel	Executive Director & CFO
Mehernosh S. Kapadia	Executive Director - Corporate Affairs
Deepak Parekh	Director
Nadir Godrej	Director
Gautam Banerjee	Director
Vibha Paul Rishi	Director
Ireena Vittal	Director
Dr. N. S. Rajan	Director
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 18, 2016

Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures

Part "A" : Subsidiaries

Sr. Name of Subsidiary Company No	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Effective shareholding (%)
₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	(%)
Indian												
1 Piem Hotels Ltd.	INR	3.81	495.32	586.09	86.96	96.40	350.93	45.40	14.37	31.03	15.24	51.57%
2 Benares Hotels Ltd.	INR	1.30	53.06	73.71	19.35	-	51.00	12.87	4.58	8.29	2.60	51.68%
3 United Hotels Ltd.	INR	8.40	17.90	38.34	12.04	6.25	37.29	6.10	2.01	4.09	3.36	55.00%
4 Roots Corporation Ltd.	INR	85.97	198.39	417.03	132.67	-	142.85	(11.09)	-	(11.09)	-	63.25%
5 Taj SATS Air Catering Ltd.	INR	17.40	208.12	323.33	97.81	4.71	321.12	11.25	2.07	9.18	-	51.00%
6 TIFCO Holdings Ltd.	INR	81.50	155.32	237.27	0.45	167.65	17.98	17.75	1.20	16.55	8.15	100.00%
7 Inditravel Ltd.	INR	0.72	17.69	20.93	2.52	8.39	1.28	(3.56)	(0.23)	(3.33)	3.78	77.19%
8 Taj Trade & Transport Co Ltd.	INR	3.47	10.70	26.36	12.19	6.50	22.49	(0.47)	1.28	(1.75)	0.87	72.73%
9 KTC Hotels Ltd.	INR	0.60	0.87	5.74	4.27	-	0.32	0.25	0.08	0.17	-	100.00%
10 Northern India Hotels Ltd.	INR	0.44	21.94	22.53	0.15	0.10	3.53	3.32	1.00	2.32	-	48.03%
11 Taj Enterprises Ltd.	INR	0.50	3.22	3.77	0.05	0.07	0.96	0.80	0.19	0.61	-	74.70%
12 Lands End Properties Private Ltd. (Refer note (vi))	INR	10.00	(317.10)	359.06	666.16	275.94	3.83	(31.37)	0.10	(31.47)	-	100.00%
13 Skydeck Properties and Developers Private Ltd. (Refer note (vi))	INR	0.10	(311.90)	530.92	842.72	528.61	0.08	(38.56)	-	(38.56)	-	100.00%
14 Sheena Investments Private Ltd. (Refer note (vi))	INR	1.00	1.45	2.48	0.03	0.40	0.07	0.06	0.03	0.03	-	100.00%
15 ELEL Hotels and Investments Ltd. (Refer note (vi))	INR	2.82	621.29	664.50	40.39	20.44	0.53	(6.14)	-	(6.14)	-	85.72%
16 Luthria and Lalchandani Hotel and Properties Private Ltd. (Refer note (vi))	INR	0.01	(0.03)	0.02	0.04	-	-	-	-	-	-	87.15%
Foreign												
17 IHMS LLC (Formerly known as IHMS Inc.)	USD	2,819.36	(1,883.61)	935.75	-	935.75	418.97	(68.38)	0.76	(69.14)	-	100.00%
18 United Overseas Holdings Inc. (Refer note (vi))	USD	935.75	(109.35)	1,922.44	1,096.04	-	389.55	(107.90)	(0.10)	(107.80)	-	100.00%
19 St. James Court Hotel Ltd. (Refer note (vi))	GBP	537.86	(23.64)	1,015.79	501.57	-	321.55	26.06	(12.13)	38.19	-	72.25%
20 Taj International Hotels Ltd.	GBP	-	30.45	46.60	16.15	-	85.19	9.08	1.91	7.17	4.92	100.00%
21 Taj International Hotels (HK.) Ltd.	USD	1,523.98	(1,264.71)	710.21	450.94	0.10	286.15	415.78	-	415.78	-	100.00%
22 Samsara Properties Ltd.	USD	132.53	(1,704.14)	483.75	2,055.36	483.56	-	(35.56)	-	(35.56)	-	100.00%
23 Piem International (HK) Ltd.	USD	53.01	172.79	225.85	0.05	185.52	4.53	3.59	-	3.59	-	51.57%
24 Apex Hotel Management Services (Pte) Ltd.	SGD	-	-	0.12	0.12	-	1.79	-	-	-	-	100.00%
25 Chieftain Corporation NV.	GBP	0.09	0.01	0.12	0.02	-	127.52	127.52	-	127.52	242.09	100.00%
26 IHOCO BV.	USD	65.13	1,070.89	1,980.09	844.07	1,968.25	0.37	(9.95)	0.04	(9.99)	-	100.00%
27 Apex Hotel Management Services (Australia) Pty Ltd.	AUD	-	(0.21)	0.32	0.53	-	2.31	0.02	0.03	(0.01)	-	100.00%
28 BAHG 5 Pte Ltd. (Refer note (iii))	USD	-	(254.05)	284.90	538.95	-	-	(54.16)	-	(54.16)	-	100.00%

Notes:

- The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2016
- Names of subsidiaries which are yet to commence operations - None
- BAHC 5 Pte Ltd. was excluded from consolidation as it is acquired and held exclusively with a view to its subsequent disposal in the near future.
- Premium Aircraft Leasing Corporation Ltd. was excluded from consolidation as it is acquired and held exclusively with a view to its subsequent disposal in the near future. It was liquidated with effect from February 10, 2016.
- These subsidiaries have been acquired/incorporated during the year.
- Exchange rates as at 31.03.2016: 1 USD = ₹ 66.26; 1 GBP = ₹ 95.15; 1 AUD = ₹ 50.74; 1 SGD = ₹ 49.13
- Average exchange rate for the year (for Profit & Loss items): 1 USD = ₹ 65.3233; 1 GBP = ₹ 98.4410; 1 AUD = 48.0519; 1 SGD = ₹ 47.1117

The Indian Hotels Company Limited

Part "B" : Associates and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance sheet date	Shares held by the company on the year end		Profit/ loss for the year			Reason why the associate/ joint venture is not consolidated
			No. of shares (Refer Note vi)	Amount of Investment	Extent of Holding	Network attributable to shareholding as per latest audited Balance Sheet	Considered in Consolidation (to the extent of Group's effective shareholding)	
				₹ crores	%	₹ crores	₹ crores	Description of how there is significant influence
Associates								
Indian								
1	Oriental Hotels Ltd. (Refer note (vii))	March 31, 2016	6,61,66,530	116.13	35.67%	125.39	(0.44)	Note (iii)
2	Taj Madurai Ltd	March 31, 2016	9,12,000	0.95	26.00%	2.04	0.29	Note (iii)
3	Taida Trading & Industries Ltd (Refer note (vi))	March 31, 2016	65,992	0.62	34.76%	-	-	Note (iii)
Foreign								
4	Lanka Island Resorts Ltd.	March 31, 2016	1,99,65,524	33.27	24.66%	11.17	2.06	Note (iii)
5	TAL Lanka Hotels Plc	March 31, 2016	3,43,75,640	18.72	24.62%	15.04	0.94	Note (iii)
6	Bjets Pte Ltd. (Refer note (vi))	December 31, 2015	2,00,00,000	102.59	45.69%	-	-	Note (iii)
Joint Venture								
Indian								
7	Taj GVK Hotels and Resorts Ltd.	March 31, 2016	1,60,00,400	40.34	25.52%	88.52	0.92	Note (iv)
8	Taj Kerala Hotels and Resorts Ltd.	March 31, 2016	1,41,51,664	15.67	28.30%	14.78	0.03	Note (iv)
9	Taj Karnataka Hotels and Resorts Ltd.	March 31, 2016	13,98,740	1.40	44.27%	(2.87)	0.02	Note (iv)
10	Taj Safaris Ltd.	March 31, 2016	1,24,96,667	14.50	28.96%	1.53	(0.12)	Note (iv)
11	Kaveri Retreat & Resorts Ltd	March 31, 2016	1,02,35,293	34.80	50.00%	17.87	3.53	Note (iv)
12	Taj Madras Flight Kitchen Pvt. Ltd.	March 31, 2016	79,44,112	8.56	50.00%	21.62	0.85	Note (iv)
Foreign								
13	IHMS Hotels (SA)(Pty) Ltd.	March 31, 2016	8,67,39,958	57.09	50.00%	(68.39)	(13.34)	Note (iv)
14	TAL Hotels & Resorts Ltd.	March 31, 2016	49,46,282	38.03	27.49%	108.70	8.30	Note (iv)

For and on behalf of the Board

Cyrus P. Mistry

Rakesh Sarna

Anil P. Goel

Mehernosh S. Kapadia

Deepak Parekh

Nadir Godrej

Gautam Banerjee

Vibha Paul Rishi

Ireena Vittal

Dr. N. S. Rajan

Beejal Desai

Chairman

Managing Director & CEO

Executive Director & CFO

Executive Director - Corporate Affairs

Directors

Vice President - Legal & Company Secretary

Notes:

- Names of Associates/ Joint Venture which are yet to commence operations - None
- Names of Associates/ Joint Venture which have been liquidated or sold during the year - None
- There is significant influence due to percentage(%) of share holding (more than 20%).
- These are jointly controlled entities.
- The carrying value of these investments in Associates has been reported as Nil, as the Group's share of losses exceeds the cost of investments.
- Number of shares includes shares held directly by Parent or through its subsidiaries.
- This includes 98,72,360 number of shares held in the form of Global Depository Receipts (GDR).

Consolidated Financial Statistics

Year	Capital Account						Revenue Account								
	Share Capital	Reserves and Surplus	Borrowings	Gross Block	Net Block	Investments	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit/ (Loss) before Tax	Tax Expenses	Profit/ (Loss) after Tax @	Net Transfer to General Reserves	Earning Per Share (Basic) *	Earning Per Share (Diluted)*
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹	₹
2001-02	45.12	981.09	1436.65	1934.43	1538.47	404.47	826.97	825.41	78.85	30.99	17.67	21.80	10.60	4.83	4.83
2002-03	45.12	1023.08	1374.91	2002.40	1569.72	390.22	894.74	887.51	75.65	26.96	18.03	28.07	5.95	6.22	6.22
2003-04	45.12	1025.40	2074.97	2158.55	1646.08	432.12	1039.76	1004.41	87.83	80.51	28.34	71.99	6.07	15.96	15.47
2004-05	₹ 50.25	1269.92	1969.33	2950.18	2263.48	457.06	1337.94	1198.53	111.73	139.67	60.23	128.50	11.00	25.55	22.47
2005-06	₹ 58.41	1873.73	1500.95	3160.73	2334.34	581.93	1874.73	1570.19	127.35	314.07	90.35	248.74	20.00	42.58	42.41
2006-07	€ 60.29	2036.33	2055.14	4416.09	3382.08	514.27	2601.13	2076.87	160.67	532.55	196.52	370.31	35.00	6.14	6.14
2007-08	60.29	2188.83	3466.83	4646.45	3514.37	1541.94	3012.62	2416.84	167.62	560.52	246.98	354.98	38.00	5.43	5.43
2008-09	₹ 72.34	3105.55	4646.88	5376.11	4072.03	2407.68	2756.63	2615.91	188.53	158.51	155.77	12.46	35.09	0.15	0.15
2009-10	# 72.35	2352.80	4460.69	5814.15	4373.49	1905.42	2562.53	2659.71	218.54	(33.69)	84.71	(136.88)	18.94	(1.99)	(1.99)
2010-11	& 75.95	2570.13	4243.01	6120.25	4529.51	2505.81	2932.20	2920.9	227.89	23.23	92.10	(87.26)	16.67	(1.19)	(1.19)
2011-12	¥ 75.61	2893.72	3803.28	7276.94	5216.09	1903.90	3514.90	3365.81	255.07	147.57	121.75	3.06	26.75	0.04	0.04
2012-13	\$ 80.75	2898.53	3817.64	7736.01	5382.94	1563.30	3803.52	3664.88	288.42	(291.79)	98.96	(430.24)	5.28	(5.40)	(5.40)
2013-14	80.75	2555.71	4252.01	8357.90	5634.70	1427.21	4125.94	3983.26	308.13	(412.16)	110.95	(553.85)	3.45	(6.86)	(6.86)
2014-15	80.75	2146.47	5074.48	8693.44	5820.74	1586.90	4287.35	4166.92	291.29	(232.48)	114.60	(378.10)	1.65	(4.68)	(4.68)
2015-16	₹ 98.93	3083.04	4781.41	9982.37	6689.32	1098.88	4706.27	4536.97	316.67	102.14	140.07	(60.53)	-	(0.74)	(0.74)

¶ Conversion of foreign currency bonds into share capital.

€ Split of Shares of face value ₹ 10 each to share of Face value ₹ 1 each

Ω After Right issue of Shares in the Ratio of 5:1

Issue of Ordinary Shares, being warrants exercised pursuant to Rights Issue of Ordinary shares

& Allotment of Shares on Preferential basis to Promoters

¥ Reduction due to Ordinary Shares owned by entities prior to their becoming subsidiaries

\$ Conversion of Warrants into Ordinary Shares

□ After conversion of 18,18,01,228 Compulsorily Convertible Debentures into Ordinary Shares

@ Profit after Tax is after Eliminating Minority's Share of Profit/Loss and after Considering Share of Profit/ Loss in Associates

* Earning Per Share is after Extraordinary Items

The Indian Hotels Company Limited

To,
The Share Department
The Indian Hotels Company Limited
Mandlik House,
Mandlik Road,
Mumbai 400 001.

Updation of Shareholder Information

I/We request you to record the following information against my/our Folio No.:

General Information:

Folio No.: Name of the first named Shareholder: PAN: * CIN/ Registration No.: * (applicable to Corporate Shareholders) Tel No. with STD Code: Mobile No.: Email Id:	
--	--

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit) Bank A/c Type:	MICR: (9 digit) Bank A/c No.: *
Name of the Bank: Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/ First holder

AWARDS – TAJ HOTELS RESORTS AND PALACES 2015-16



The Taj Mahal Palace, Mumbai



Umaid Bhawan Palace, Jodhpur



Taj Falaknuma Palace, Hyderabad



The Pierre, A Taj Hotel, New York

Taj Hotels Resorts and Palaces

EarthCheck - 39 hotels across brands achieved the Gold Certification and 27 hotels achieved the Silver Certification.

UK Business Traveller Awards – Best Business Hotel Chain in India.

Forbes Magazine – Featured in the list of 10 of the World's Best Luxury Hotel Brands.

T + L India & South Asia's Best Awards – Best Hotel Group in India.

The Taj Mahal Palace, Mumbai

T + L US World's Best Awards – Featured in the list of Top 100 World's Best Hotels.

DestinAsian Readers' Choice Awards – Winner in the Best Hotel in Mumbai category.

TripAdvisor Travellers' Choice Awards – Featured in the list of Top 25 Luxury Hotels in India.

Condé Nast Traveler US Gold List – Featured in the Top Hotels in the world category.

Business Traveller Asia Pacific Awards – Best Business hotel in Mumbai.

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 20 Hotels in India & the Himalayas.

Umaid Bhawan Palace, Jodhpur

TripAdvisor Travellers' Choice Awards – Voted as Best Hotel in the World, in Asia and in India.

Condé Nast Traveler US Gold List – Featured in the Top Hotels in the world category.

Town & Country Magazine – Featured in the list of Best Classic Hotels in the World.

Taj Lake Palace, Udaipur

TripAdvisor Travellers' Choice Awards – Featured in the list of Top 25 Hotels in Asia and in India; Top 25 Hotels for Service in Asia and in India.

Condé Nast Traveler US Gold List 2016 – Featured in the list of Favourite Hotels in the World.

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 20 Hotels in India & the Himalayas.

Rambagh Palace, Jaipur

Condé Nast Traveller UK, Readers' Travel Awards – Featured in the list of World's Best Hotels in Asia & the Indian Subcontinent.

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 20 Hotels in India & the Himalayas.

TripAdvisor Travellers' Choice Awards – Featured in the list of Top 25 Luxury Hotels in the World.

Taj Falaknuma Palace, Hyderabad

TripAdvisor Travellers' Choice Awards – Best Palace Hotel in the World.

T + L India and South Asia Best Awards – Best Heritage Hotel in India.

Nadesar Palace, Varanasi

Robb Report – Featured in the list of Top 100 Hotels: Asia and the Pacific.

The Taj Mahal Hotel, New Delhi

Business Traveller Asia Pacific Awards – Awarded Best Business Hotel in Delhi.

The Pierre, A Taj Hotel, New York

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Best Hotels in NYC.

Taj Campton

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 10 Hotels in San Francisco.

Michelin Guide – Campton Place Restaurant awarded second Michelin Star.

Taj Cape Town

Condé Nast Traveler US Readers' Choice Awards – Featured in the list of Top 25 Hotels in Africa.

Taj Exotica Resort & Spa, Maldives

Condé Nast Traveller India Readers' Choice Awards – Favourite overseas leisure hotel - Runner-up.

Taj Tashi, Bhutan

Condé Nast Traveler US Gold List 2016 – Featured in the list of Favourite Hotels in the World.

THE INDIAN HOTELS COMPANY LIMITED

Mandlik House, Mandlik Road, Mumbai - 400 001

A TATA Enterprise

www.tajhotels.com



THE INDIAN HOTELS COMPANY LIMITED

Corporate Identification No. (CIN) - L74999MH1902PLC000183

Registered Office: Mandlik House, Mandlik Road, Mumbai 400 001

Phone: 66395515 Fax: 91 22 02 7442 E-mail: investorrelations@tajhotels.com Website: www.tajhotels.com

Attendance Slip

(To be presented at the entrance)



I hereby record my presence at the HUNDRED AND FIFTEENTH ANNUAL GENERAL MEETING of the Company on Tuesday, August 23, 2016, at 3.00 p.m. at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 and at any adjournment thereof.

Member ID :

Name of the Member Signature

Name of the Proxyholder Signature

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

E-VOTING PARTICULARS

ELECTRONIC VOTING EVENT NUMBER (EVEN)	USER ID	PASSWORD
104349		

NOTES: Please refer to the instructions printed under the Notes of the 115th Annual General Meeting. The e-voting period commences on Friday, August 19, 2016 (9.00 a.m. IST) and ends on Monday, August 22, 2016 (5.00 p.m. IST). The e-voting module shall be disabled by NSDL for voting hereafter.

THE INDIAN HOTELS COMPANY LIMITED

Corporate Identification No. (CIN) - L74999MH1902PLC000183

Registered Office: Mandlik House, Mandlik Road, Mumbai 400 001

Phone: 66395515 Fax: 91 22 02 7442 E-mail: investorrelations@tajhotels.com Website: www.tajhotels.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No. / Client ID No. : DP ID No.

I / We, being the Member(s) of The Indian Hotels Company Limited, holding shares hereby appoint

1. Name: E-mail ID:

Address:

..... Signature:, or failing him/her

2. Name: E-mail ID:

Address:

..... Signature:, or failing him/her

3. Name: E-mail ID:

Address:

..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Hundred and Fifteenth Annual General Meeting to be held on Tuesday, August 23, 2016, at 3.00 p.m. at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	Type of Resolution
1	To receive, consider and adopt (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 together with the Report of the Auditors thereon.	Ordinary
2	To declare a dividend on Equity Shares for the financial year 2015-16.	Ordinary
3	To appoint a Director in place of Mr. Cyrus P. Mistry (DIN: 00010178) who retires by rotation and is eligible for re-appointment.	Ordinary
4	Ratification of appointment of Statutory Auditors of the Company.	Ordinary
5	Appointment of Dr. N. S. Rajan as a Non-Executive Director of the Company.	Ordinary
6	Re-appointment of Mr. Anil P. Goel as a Whole-time Director of the Company.	Ordinary
7	Re-appointment of Mr. Mehernosh S. Kapadia as a Whole-time Director of the Company.	Ordinary
8	Private placement of Non-Convertible Debentures	Special

Signed this day of 2016

Signature of Member.....

Signature of Proxyholder(s).....

Affix
Revenue
Stamp

NOTE:

- This Form, in order to be effective, should be duly stamped, completed and deposited at the Registered Office of the Company at Mandlik House, Mandlik Road, Mumbai 400 001 not less than 48 hours before the commencement of the Meeting.
- Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/ Proxy.

