

THE INDIAN HOTELS COMPANY LIMITED
Mandlik House, Mandlik Road, Mumbai - 400 001
A **TATA** Enterprise
www.tajhotels.com



THE INDIAN HOTELS COMPANY LIMITED
A **TATA** Enterprise
114TH ANNUAL REPORT 2014 - 2015



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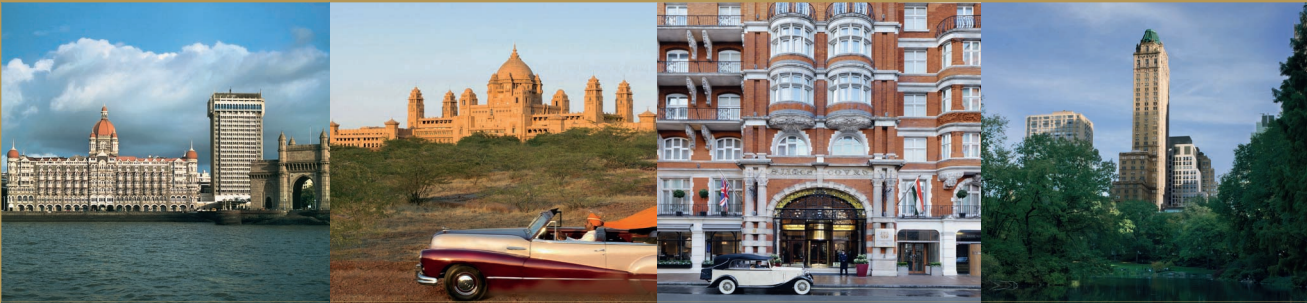


Taj Dubai



Vivanta by Taj – Dwarka, New Delhi

AWARDS – TAJ HOTELS RESORTS AND PALACES 2014-15



The Taj Mahal Palace, Mumbai Umaid Bhawan Palace, Jodhpur St. James' Court, A Taj Hotel, London The Pierre, A Taj Hotel, New York

Taj Hotels Resorts and Palaces

Manappuram Finance Limited Corporate Awards 2014 - Dun & Bradstreet.
Gallup Global Great Workplace Award 2014 - Awarded for the fifth year in succession.
T+L India & South Asia's India's Best Awards - Best Hotel Group in India & Taj InnerCircle awarded Best Hotel Loyalty Programme in India.
Business Traveller Awards - Best Business Hotel Group in India.

The Taj Mahal Palace, Mumbai

T+L USA Top 100 World's Best Hotels List 2014 - Featured & ranked 8th in the list of Top 30 City Hotels in Asia.
Conde Nast Traveller UK Readers' Travel Awards 2014 - Best Overseas Business Hotel.
Conde Nast Gold List 2014 - Featured in the Top Hotels in the World category.

Umaid Bhawan Palace, Jodhpur

Conde Nast Gold List 2014 - Featured in the Top Hotels in the World category.
Robb Report USA List of Top 100 Resorts in the world - Featured in the list of Earth's Most Exclusive Retreats.
Outlook Traveller Readers Survey - Best Heritage Hotel.

Taj Lake Palace, Udaipur

T+L USA Top 100 World's Best Hotels List 2014 - Ranked 10th & also ranked 2nd in the list of Top 15 Resorts in Asia.
Lonely Planet Magazine India Travel Awards 2014 - Best Heritage Resort.

Rambagh Palace, Jaipur

Conde Nast Traveller UK Readers' Travel Awards 2014 - Ranked 11th in the list of World's Best Hotels in Asia & India.
T+L USA Top 100 World's Best Hotels List 2014 - Ranked 32nd & It also ranked 6th in the list of Top 15 Resorts in Asia.

Taj Falaknuma Palace, Hyderabad

Conde Nast Traveller UK Readers' Travel Awards 2014 - Ranked 5th in the list of World's Best Hotels in Asia & India.

Taj Palace Hotel, New Delhi

T+L USA World's Best Hotels List 2014 - Ranked 16th in the list of Top 30 City Hotels in Asia.

Taj Exotica, Goa

TripAdvisor Travellers' Choice Awards 2014 - Featured in the list of Top 25 Hotels in India.

The Pierre, A Taj Hotel, New York

T+L USA World's Best Hotels List 2014 - Ranked 5th in the list of Top 50 Large City Hotels in Continental USA.

Taj Cape Town

TripAdvisor Traveller's Choice Awards 2014 - Featured in the list of Top 25 Hotels in South Africa.

Taj 51 Buckingham Gate Suites and Residences, London

TripAdvisor Traveller's Choice Awards 2014 - Featured in the list of Top 25 Hotels in the United Kingdom.

Taj Exotica Resort & Spa, Maldives

TripAdvisor Travellers' Choice Awards 2014 - Featured in the list of Top 10 Hotels in Maldives.

Vivanta by Taj - Madikeri, Coorg

T+L India & South Asia's India's Best Awards 2014 - Featured in the Best New Hotels in India category.

Taj Tashi, Thimphu, Bhutan

World Travel Awards Asia and Australasia - Awarded Bhutan's Leading Hotel.

Vivanta By Taj - Rebak Island Resort, Langkawi

TripAdvisor Traveller's Choice Awards 2014 - Featured in the list of Top 25 Hotels with Exceptional Service in Malaysia.

CONTENTS

Company Information	2
Financial Highlights	3
Notice	4 - 11
Directors' Report	12 - 42
Management Discussion and Analysis	43 - 61
Report on Corporate Governance	62 - 77
Standalone Financials	
Break-up of Total Expenses	78
Auditors' Report	79 - 83
Balance Sheet	84
Statement of Profit and Loss	85
Cash Flow Statement	86 - 87
Notes to Financial Statements	88 - 131
Financial Statistics	132 - 133
Consolidated Financials	
Auditors' Report	134 - 141
Financial Statements	142 - 195
Statement under Section 129(3) of the Companies Act, 2013 in Form AOC-1 relating to subsidiaries, associates and joint ventures	196-197
Consolidated Financial Statistics	198

The Indian Hotels Company Limited

COMPANY INFORMATION

Board of Directors

Cyrus P. Mistry	Chairman
K. B. Dadiseth	
Deepak Parekh	
Shapoor Mistry	
Nadir Godrej	
Ireena Vittal	
Jagdish Capoor	
<i>(retired w.e.f. July 1, 2014)</i>	
Guy Crawford	
<i>(resigned w.e.f. September 8, 2014)</i>	
Gautam Banerjee	
<i>(appointed w.e.f. September 10, 2014)</i>	
Vibha Paul Rishi	
<i>(appointed w.e.f. September 10, 2014)</i>	
Raymond N. Bickson	Managing Director
<i>(resigned w.e.f. August 31, 2014)</i>	
Abhijit Mukerji	Executive Director – Hotel Operations
<i>(resigned w.e.f. April 13, 2015)</i>	
Rakesh Sarna	Managing Director & CEO
<i>(appointed w.e.f. September 1, 2014)</i>	
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 (Delhi)
Farhat Jamal	Senior Vice President – Operations (Mumbai)
Prabhat Verma	Senior Vice President – Operations (Bangalore)
Suma Venkatesh	Vice President – Development
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
HDFC Bank Ltd.
ICICI Bank Ltd.
State Bank of India

FINANCIAL HIGHLIGHTS

	2014-15 ₹ crores	2013-14 ₹ crores
Gross Revenue	2,103.60	1,977.33
Profit Before Tax and Exceptional Items	230.58	216.20
Profit/(Loss) Before Tax	1.88	(520.90)
Profit/(Loss) After Tax	(82.02)	(590.49)
Retained Earnings*	249.32	218.77
Total Assets	7,198.38	6,766.37
Net Worth^	3,615.06	2,693.84
Borrowings	2,209.08	2,690.60
Debt : Equity Ratio^	0.61:1	1:1
Net Worth Per Equity Share of ₹ 1/- each - In ₹ ^	44.77	33.36
Earnings Per Equity Share (Basic & Diluted) - In ₹ **	(1.02)	(7.31)

* Excludes ₹ 213.49 crores (previous year ₹ 687 crores) being provision for diminution in value of long term investments.

^Compulsorily Convertible Debentures (CCDs), convertible into Equity shares on March 1, 2016 have been considered as part of Equity for computation of Net Worth and Debt Equity Ratio.

** As the impact of the CCDs is anti-dilutive as on March 31, 2015, resulting in a decrease in loss per share from continuing ordinary activities, the effect thereof has been ignored whilst calculating diluted earnings per share.

The Indian Hotels Company Limited

NOTICE

NOTICE is hereby given that the HUNDRED AND FOURTEENTH (114th) ANNUAL GENERAL MEETING of THE INDIAN HOTELS COMPANY LIMITED will be held on Monday, August 10, 2015, 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, 2015, 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, 2015 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Shapoor Mistry (DIN: 00010114) who retires by rotation and is eligible for re-appointment.
3. Ratification of appointment of Statutory Auditors of the Company and to fix their remuneration.

To consider and, if thought fit, to pass with or without modification(s), 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 Rules framed thereunder, 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) and PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), as the Joint 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 2016 to examine and audit the accounts of the Company for the financial year 2015-16, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Joint Statutory Auditors."

4. **Appointment of Ms. Vibha Paul Rishi as an Independent Director of the Company.**

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

"RESOLVED THAT Ms. Vibha Paul Rishi (DIN: 05180796), who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 10, 2014, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (Act) 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 her candidature for the office of Director, be and is hereby appointed as a Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and Clause 49 of the Listing Agreement, Ms. Vibha Paul Rishi who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from September 10, 2014 up to September 9, 2019."

5. **Appointment of Mr. Gautam Banerjee as an Independent Director of the Company.**

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

"RESOLVED THAT Mr. Gautam Banerjee (DIN: 03031655), who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 10, 2014, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (Act) 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 Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Act, read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and Clause 49 of the Listing Agreement, Mr. Gautam Banerjee who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from September 10, 2014 up to September 9, 2019."

6. Creation of charge.

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

"RESOLVED THAT in supersession of the Resolution No. 2 passed vide Postal Ballot on June 18, 2010 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, the consent of the Company be and is hereby accorded, to the creation by the Board of Directors of the Company (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) of such charges, mortgages and hypothecations, in addition to the existing charges, mortgages and hypothecations created by the Company, as the Board may direct, on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management/undertaking of the Company in certain events, to or in favour of all or any of the financial institutions/banks/ insurance companies/ any other investing agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/ insurance companies/ any other investing agencies or any other person(s)/bodies corporate by private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as Loans) provided that the total charge on amount of the Loans, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the agreements/arrangements entered into/to be entered into by the Company in respect of the said Loans shall not at any time exceed the limit of ₹ 3000 crores (Rupees Three Thousand crores),

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with the aforesaid parties or any of them, the documents for creating the mortgages/charges/hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

NOTES:

1. The relative Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013, (the Act) in respect of the business under Item Nos. 3 to 6 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. 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 shareholder. Proxies in order to be effective should be received 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. The Register of Members and the Share Transfer Books will remain closed from August 8, 2015 to August 10, 2015, both days inclusive.
4. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting. Corporate Members intending to send their authorised representatives to attend the Meeting 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.
5. **Unclaimed Dividends:**

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 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, 2015 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, 2008 is proposed to be transferred to the IEPF on June 20, 2015. The Company has sent reminders to such Members on February 25, 2015 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.

In order to help the Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended March 31, 2008 and subsequent years on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the website of the Company viz. www.tajhotels.com as also on the website of the Ministry of Corporate Affairs viz. www.mca.gov.in

The Indian Hotels Company Limited

6. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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 demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. 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 in electronic form must send the advice about change in address to their respective Depository Participants.

8. **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. Members holding shares in electronic form must submit the forms to their respective Depository Participants.

9. 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.

10. **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 requested to submit the filled in form to the Company and Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

11. 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.
12. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/re-appointment at the Meeting are annexed to the Notice.
13. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, during business hours, upto the date of the Annual General Meeting (AGM).
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.
16. The Notice of the AGM along with the Annual Report of 2014-15 is being sent by electronic mode to those Members whose email addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copy is being sent by permitted mode. To support 'Green Initiative' Members who have not registered their email addresses are requested to register the same with the Company / Depository.

17. **Voting through electronic means:**

In compliance with 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 Clause 35B of the Listing Agreement, 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 Central Depository Services Limited (CDSL) on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

(A) In case of Members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and Click on "Login").
- (iv) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

	For Members holding shares in Demat Form and in Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participants are requested to use the first two letters of their name and the sequence number in the PAN field. Incase the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login for the said demat account or folio.</p> <ul style="list-style-type: none"> If both the details are not recorded with the Depository or Company please enter the Member Id / Folio number in the Dividend Bank details field as mentioned in instruction (iii)

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN of The Indian Hotels Company Limited.
- (ix) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xi) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
- (xiv) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on "Forgot Password" & enter the details as prompted by the system.
- (xv) **Non-Individual shareholders** (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com prior to the e-voting.

After receiving the login details a compliance user should be created using the ADMIN login and password. The compliance user would be able to link the account(s) for which they wish to vote on and the list of accounts should be mailed to helpdesk.evoting@cdslindia.com prior to the voting and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format should be uploaded in the system for the scrutinizer to verify the same.

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

Please follow all steps from sl. no. (i) to sl. no. (xv) above to cast vote.

(C) Other Instructions:

- (i) The e-voting period begins on August 7, 2015 at 9.00 a.m. Indian Standard Time (IST) and ends on August 9, 2015 at 5.00 p.m IST. The e-voting module shall be disabled by CDSL for voting thereafter. 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 3, 2015, may cast their vote electronically. Once the vote on a Resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast the vote again.

The Indian Hotels Company Limited

- (ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at www.evotingindia.com under Help section or write an email to helpdesk.evoting@cdslindia.com.
 - (iii) 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 3, 2015. 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 remote e-voting, voting through Ballot Form, as well as voting at the AGM.
 - (iv) 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 cast their vote by remote e-voting or Ballot Form or through Poll at the Meeting. However, if you are already registered with CDSL for remote e-voting then you can use 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.evotingindia.com.
 - (v) 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 process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 - (vi) 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 three 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.
 - (vii) Members who do not have access to the e-voting facility may send their assent or dissent in writing in respect of the resolutions as set out in this Notice, through the duly completed Ballot Form in the enclosed self-addressed postage prepaid envelope (enclosed with the Annual Report) directly to the Scrutinizer so as to reach the Scrutinizer, Mr. Shreepad Korde, Practicing Company Secretary, (Membership No. 563), at the Registered Office of the Company not later than August 9, 2015 at 5.00 p.m. IST. The instructions for Ballot Form are given on the reverse of the said Form.
 - (viii) The Members who have cast their vote by remote e-voting or by Ballot Form prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again at the Meeting.
 - (ix) Members have the option to request for duplicate physical copy of the Ballot Form by sending an e-mail to investorrelations@tajhotels.com by mentioning their Folio / DP ID and Client ID. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than August 9, 2015 at 5.00 p.m. IST.
 - (x) Ballot Form received after August 9, 2015 at 5.00 p.m. IST will be treated as invalid.
 - (xi) A Member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid. Facility of voting through either electronic voting system or Ballot / Poll, shall also be available at the Meeting. Members holding shares as on cut off date i.e. August 3, 2015 and attending the Meeting, who have not already cast their vote by remote e-voting or through Ballot Form shall be able to exercise their right at the Meeting.
 - (xii) 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 CDSL 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 10, 2015.

By Order of the Board of Directors

BEEJAL DESAI

Vice President – Legal and Company Secretary

Mumbai, May 29, 2015

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. 3 to 6 of the accompanying Notice dated May 29, 2015.

Item No. 3

2. This explanatory statement is provided though strictly not required as per Section 102 of the Act.
3. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W/W-100018) and PKF Sridhar and Santhanam LLP, Chartered Accountants (Firm Registration No. 003990S/S200018), were appointed as Joint Statutory Auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on August 27, 2014.
4. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM.
5. Accordingly, ratification of the Members is being sought for the proposal contained in the Resolution set out at Item No. 3 of the Notice.
6. The Board commends the Resolution at Item No. 3 for approval by the Members.
7. None of the Directors or Key Managerial Personnel (KMP) or their respective relatives are in any way concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item Nos. 4 and 5

8. The Board of Directors appointed Ms. Vibha Paul Rishi and Mr. Gautam Banerjee as Additional Directors as also Independent Directors of the Company for a term of five consecutive years with effect from September 10, 2014, subject to the approval of the Members. In terms of Section 161 of the Act and Article 132 of the Articles of Association of the Company, they hold office as Additional Directors up to the date of the forthcoming AGM of the Company, but are eligible for appointment as Directors. The Company has received Notices pursuant to Section 160 of the Act, from a Member proposing their candidatures for the office of Directors of the Company at the forthcoming AGM of the Company. The Board commends to the Members their respective appointments as Directors of the Company.
9. Ms. Vibha Paul Rishi holds a degree of M.B.A with a specialization in Marketing from the Faculty of Management Studies, New Delhi, India and has a Bachelor of Arts (Honours) degree from the Lady Shri Ram College, New Delhi. She is a seasoned marketing professional with extensive experience in the Indian and international markets, spearheading global marketing campaigns for high-visibility consumer products. She was previously the Executive Director – Brand and Human Capital of Max India Ltd and Group Director, Customer Strategy and Marketing at the Future Group, India's largest retail group. Prior to this, she spent 17 years at PepsiCo in marketing and innovation roles in India, US and UK. She was also associated with Pratham, a NGO that works to provide education to underprivileged children in India. She is currently on the Boards of several companies including Tata Chemicals Limited, Future Consumer Enterprises Limited, Asian Paints Limited, Escorts Limited, PNB Metlife India Insurance Company Limited and Tata Teleservices Limited.
10. Mr. Gautam Banerjee is a fellow of the Institute of Chartered Accountants in England and Wales and the Institute of Singapore Chartered Accountants. He holds a Bachelor of Science (Honours) degree from the University of Warwick, England and was also awarded an Honorary Doctor of Laws (LLD) by the same University recently. Mr. Gautam Banerjee, is the Senior Managing Director and Chairman of Blackstone Singapore Pte Limited and also the Co-Chairman of the firm's Asia Operating Committee. Previously, Mr. Banerjee served as Executive Chairman of PricewaterhouseCoopers (PWC) Singapore for nine years until his retirement on December 31, 2012. He has spent over 30 years with the firm in various leadership roles in Singapore, India and East Asia. Mr. Banerjee is an Independent Director on the Board of Singapore Airlines Limited and Piramal Enterprises Limited and also a Board Member of GIC Private Limited and EDB Investments Pte Limited. He is the Vice Chairman of the Singapore Business Federation and Chairman of the Singapore Centre for Social Enterprise Limited, besides serving on the Boards of various other non-profit organisations. He was a Nominated Member of Parliament in Singapore from 2007 to 2009 and was awarded the Public Service Medal by the Singapore Government on May 30, 2015.
11. Ms. Vibha Paul Rishi and Mr. Gautam Banerjee are Non-Executive Directors and considered as Independent under the Act and Clause 49 of the Listing Agreement.
12. As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation. Ms. Vibha Paul Rishi and Mr. Gautam Banerjee have given declarations to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act.

The Indian Hotels Company Limited

13. The matter regarding the appointments of Ms. Vibha Paul Rishi and Mr. Gautam Banerjee as Independent Directors was placed before the Nomination and Remuneration Committee, which commends their appointments as Independent Directors of the Company.
14. In the opinion of the Board, they fulfil the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and are independent of the management.
15. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointments of Ms. Vibha Paul Rishi and Mr. Gautam Banerjee are now being placed before the Members for their approval.
16. The terms and conditions of their appointment shall be open for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day of the Company upto the date of the AGM.
17. Ms. Vibha Paul Rishi and Mr. Gautam Banerjee may be deemed to be concerned and interested in Item Nos. 4 and 5, respectively, as they relate to their respective appointments as Directors and Independent Directors of the Company. Other than the aforesaid Directors 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. 4 and 5 of the accompanying Notice.
18. The Board commends the Resolutions at Item Nos. 4 and 5 of the accompanying Notice for acceptance by the Members.

Item No. 6

19. Pursuant to the provisions of the erstwhile Section 293 (1)(a) of the Companies Act, 1956 and the consent of the Members obtained by Ordinary Resolution on June 18, 2010, the Board of Directors could create charge / mortgage or hypothecate the Company's assets, both present and future, in favour of the lenders or trustees for the holders of debentures or bonds, to secure the repayment of moneys borrowed by the Company upto ₹ 3000 crores (Rupees Three Thousand crores).
20. In view of the Rights Issue of the Unsecured Compulsorily Convertible Debentures of ₹ 999.91 crores (Rupees Nine Hundred Ninety Nine crores and Ninety One Lakhs), and as per the requirement of the Act, the Members had on August 27, 2014 approved by way of a Special Resolution under Section 180 (1)(c) of the Act, to increase the borrowing limit previously sanctioned by the Members to ₹ 5000 crores (Rupees Five Thousand crores).
21. Pursuant to the provisions of the new Section 180(1)(a) of the Act, the power to create charge/ mortgage or hypothecate the Company's assets can be exercised by the Board only with the consent of the Members obtained by Special Resolution.
22. Accordingly, it is necessary to revalidate the old approval of the Members by means of Special Resolution under Section 180(1)(a) of the Act. The limit under the Section 180 (1) (a) of the Act is proposed to be at the same level as under the erstwhile Section 293(1)(a) of the Companies Act, 1956, i.e. to ₹ 3000 crores (Rupees Three Thousand crores).
23. The Company's total debt (excluding funds raised through the Compulsory Convertible Debentures issue) as on March 31, 2015 is ₹ 2209.08 crores; of which debt amounting to ₹ 790 crores is secured by mortgage of the Company's movable and immovable properties.
24. None of the Directors, Key Managerial Personnel of the Company and their respective relatives are in any way concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.
25. The Board commends the Resolution at Item No. 6 of the accompanying Notice for acceptance by the Members.

By Order of the Board of Directors

BEEJAL DESAI

Vice President – Legal and Company Secretary

Mumbai, May 29, 2015

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

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

Name of Director	Shapoor Mistry	Vibha Paul Rishi	Gautam Banerjee
Date of Birth	September 6, 1964	June 19, 1960	October 21, 1954
Date of Appointment	April 17, 2003	September 10, 2014	September 10, 2014
Expertise in specific functional areas	Management	Marketing	Finance
Qualifications	BA (England) Business & Economics	MBA (Marketing), B.A. (Hons.) in Economics	FCA (England & Wales and Singapore), B.Sc. (Hons.) and LLD, England
Details of shares held in the Company	Nil	Nil	Nil
List of Companies in which outside Directorships held as on 31.03.2015(excluding private & foreign companies)	<ul style="list-style-type: none"> • Shapoorji Pallonji Finance Limited • Shapoorji Pallonji Power Company Limited • Forbes & Company Limited • Eureka Forbes Limited • Forvol International Services Limited • Afcons Infrastructure Limited • Shapoorji Pallonji Infrastructure Capital Co. Limited 	<ul style="list-style-type: none"> • Future Consumer Enterprise Limited • Asian Paints Limited • Escorts Limited • Tata Chemicals Limited • PNB Metlife India Insurance Company Limited • Tata Teleservices Limited 	<ul style="list-style-type: none"> • Piramal Enterprises Limited
Chairman / Member of the *Committees of other Companies on which he is a Director as on 31.03.2015	Nil	Audit Committee: <ul style="list-style-type: none"> • Future Consumer Enterprise Limited • PNB Metlife India Insurance Company Limited • Tata Teleservices Limited 	Nil

*The Committees include the Audit Committee and the Stakeholders Relationship Committee.

By Order of the Board of Directors

BEEJAL DESAI
Vice President – Legal and Company Secretary

Mumbai, May 29, 2015

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The Indian Hotels Company Limited

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the 114th Annual Report of the Company together with its Audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as on that date:

FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	2014-15 ₹ crores	2013-14 ₹ crores	2014-15 ₹ crores	2013-14 ₹ crores
Total Income	2,103.60	1,977.33	4,287.35	4,125.94
Profit before Depreciation, Finance Costs and Tax	437.89	437.28	587.29	619.32
Less: Depreciation	117.85	122.26	291.29	308.13
Less: Finance Costs	89.46	98.82	175.57	168.51
Profit before Tax & Exceptional Item	230.58	216.20	120.43	142.68
Less: Exceptional Items	228.70	737.10	352.91	554.84
Profit/(Loss) before Tax	1.88	(520.90)	(232.48)	(412.16)
Less: Provision for Tax	125.27	74.43	159.59	136.38
Add : MAT Credit	41.37	-	42.94	0.59
Add: Excess Provision of Tax of earlier years (Net)	-	4.84	2.05	24.84
Loss after Tax	(82.02)	(590.49)	(347.08)	(523.11)
Profit/ (Loss) attributable to Minority Interest	-	-	(30.98)	(17.49)
Share of Profit/ (Loss) of Associates	-	-	(0.04)	(13.25)
Loss after Tax, Minority Interest & Share of Associates	(82.02)	(590.49)	(378.10)	(553.85)
Add: Balance brought forward from the previous year	(389.48)	65.29	(1,294.54)	(862.50)
Add: Transfer from Debenture Redemption Reserve	-	135.00	-	135.00
Less: Transfer to General Reserve	-	-	(1.65)	(3.45)
Less: Transfer to Reserve Fund	-	-	(3.00)	(2.50)
Add: Tax credit for Dividend Distribution Tax	-	0.72	-	-
Amount available for Appropriation	(471.50)	(389.48)	(1,677.29)	(1,287.30)
APPROPRIATIONS				
Tax on Dividend	-	-	3.53	7.24
Balance carried to Balance Sheet	(471.50)	(389.48)	(1,680.82)	(1,294.54)
	(471.50)	(389.48)	(1,677.29)	(1,287.30)

STATE OF AFFAIRS OF THE COMPANY /BUSINESS OVERVIEW

GDP growth in India during the year is estimated at 7.4%. Inflation has decreased significantly from as high as 11.2% in November, 2013 to 5.2% in March, 2015. Inflation expectation in the future has softened to single digit. The Indian Rupee was relatively stable against the US Dollar and from 59/\$ as at the beginning of the year, the exchange rate hovered around 61/\$ levels on the average and closed at 62/\$ at the year end. All the above factors have led the Indian Economy on a recovery and growth path.

International tourist arrivals, worldwide, have grown to 1.14 billion in 2014, 4.7% above 2013 and are likely to grow 3% to 4% in 2015.

Foreign Tourist Arrivals, in India, during 2014 was 7.46 million, which translates to a 7.1% growth over the previous year. Foreign Exchange Earnings (FEEs) have grown by 6.6% at US\$ 19.65 billion for the year.

Taj Group launched one new Vivanta by Taj hotel during the latter part of the year at Dwarka, New Delhi, besides three new Gateway hotels at Raipur, Gondia and Gurgaon, respectively. The Group also entered into a new management

contract for a new Taj at Downtown, Dubai (296 rooms). Also, the Taj Group exited two of its international properties at Marrakech and Sydney, respectively. The Group currently has a portfolio of 33 Ginger hotels with an inventory of 3,038 rooms (including 5 hotels under management contract and one transit guest house). The inventory of the Taj Group of Hotels now stands at 131 hotels with 15,751 rooms.

Your Company continues to pursue expansion both in the domestic and international market, under various brands to achieve sustainable and profitable growth.

INCOME

Total Income for the year ended March 31, 2015 at ₹ 2,103.60 crores was higher than previous year by 6%. While Room Income was higher by 3% than the previous year due to improved ARR, Food & Beverage income increased by 5% over the previous year, aided by growth in restaurant sales and banqueting income.

DEPRECIATION AND FINANCE COSTS

Depreciation for the year was lower at ₹ 117.85 crores as compared to ₹ 122.26 crores for the previous year.

Finance costs for the year ended March 31, 2015, net of currency swap gains, at ₹ 89.46 crores were lower than the finance costs of the preceding year by ₹ 9.36 crores due to retirement of debt during the year out of the Rights Issue proceeds.

PROFIT BEFORE TAX & EXCEPTIONAL ITEM

Profit before Tax & Exceptional Item at ₹ 230.58 crores was higher than the previous year by 7%.

EXCEPTIONAL ITEMS

Exceptional Items includes foreign exchange loss of ₹ 24.75 crores pertaining to amortization of the exchange loss on the year end revaluation of the US\$ 95 million External Commercial Borrowing (ECB) that is due to be retired commencing January 22, 2016.

Performance of long-term investments are being monitored by the Company on a continuous basis and based on review undertaken on any adjustments necessary to the carrying value of these investments, the Company, during the quarter ended March 31, 2015 has recognised a diminution, other than temporary of ₹ 213.49 crores. Diminution, other than temporary of ₹ 150 crores has been recognised in the Company's investment in Taj International Hotels (H.K.) Ltd (a wholly owned subsidiary) which in turn holds investments in the Company's various international entities, one of which holds its investment in Belmond Ltd (previously Orient-Express Hotels Limited), ₹ 57.09 crores in the investment held in IHMS Hotels (SA) Proprietary Ltd (a jointly controlled entity) and ₹ 6.40 crores in the investment held in Taj Safaris Limited (a jointly controlled entity).

During the year, the Company has divested its investments in the following non-operating subsidiaries to an associate:

- Ideal Ice and Cold Storage Co. Ltd.
- Residency Food and Beverages Ltd.
- Taj Rhein Shoes Co. Ltd.

The objective of the foregoing was to simplify the Company's operating structure. Consequent to the above, a loss on sale of investments, to the tune of ₹ 2.02 crores, has been booked.

The Company has written back provision of ₹ 11.56 crores earlier carried towards an obligation of an associate company, that is now no longer required.

BORROWINGS

Total borrowings (excluding Compulsorily Convertible Debentures) stood at ₹ 2,209.08 crores at March 31, 2015 against ₹ 2,690.60 crores on March 31, 2014 for the Standalone entity; a decrease of ₹ 481.52 crores due to repayment of debt out of Rights Issue proceeds.

PROFIT/ (LOSS)

Profit before Tax for the year was at ₹ 1.88 crores, as compared to the previous year's Loss of ₹ (520.90) crores. The Loss after Tax for the year was at ₹ (82.02) crores, as compared to previous year's Loss of ₹ (590.49) crores.

The Indian Hotels Company Limited

CONSOLIDATED FINANCIAL RESULTS

Consolidated turnover of the Company for the year ended March 31, 2015, aggregated to ₹ 4,287.35 crores against ₹ 4,125.94 crores for the previous year. Consolidated turnover increased by 4% due to improved turnover of the Parent Company and new hotels made operational during the year.

Profit before Tax and Exceptional Items of ₹ 120.43 crores declined over the corresponding profit for the preceding year by 16%. However, Loss after Tax aggregated to ₹ (378.10) crores for the year against Loss after Tax of ₹ (553.85) crores for the previous year.

Consolidated financial results were impacted due to Exceptional Items recognised, aggregating to ₹ 352.91 crores, which includes the settlement of a financial exposure of Taj International Hotels (H.K) Limited, a Wholly Owned Subsidiary (WOS) of ₹ 25.85 crores, diminution in value of long term investments of ₹ 306.51 crores which comprises mainly diminution in investment held by Samsara Properties Limited (a WOS) , impairment of goodwill by IHMS Hotels (SA)(Pty) Ltd (a jointly controlled entity) of ₹ 16.00 crores, exchange loss on long term borrowings / assets of ₹ 51.07 crores, profit on sale of the Blue Hotel, Sydney of ₹ 27.97 crores and profit on sale of investments arising out of divestment of certain domestic subsidiaries of ₹ 18.55 crores.

During the year, the Company continued to face a challenging environment, not just in the domestic market, but also across key international markets wherein the Company owns / operates hotels.

The Company's hotels in the US 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.

CAPITAL EXPENDITURE

During the year under review, the Company incurred ₹ 137.65 crores towards capital expenditure, most part of which was incurred on the Company's projects covering Vivanta by Taj hotels at Dwarka, Guwahati and new IT initiatives.

DIVIDEND

On account of the Loss After Tax reported by the Company during the current year, resultant of the recognition of the other than temporary, diminution in the value of some of the investments, the Board of Directors did not recommend any dividend for the year 2014-15 (previous year Nil).

FIXED DEPOSITS

The outstanding amount of Fixed Deposits placed with your Company was Nil (Previous year Nil) excluding ₹ 1.04 crores (Previous year ₹ 1.75 crores), which remained unclaimed by depositors as on March 31, 2015. Your Company has stopped accepting and/or renewing Fixed Deposits from the general public and shareholders.

LOANS, GUARANTEES OR INVESTMENTS

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

CORPORATE SOCIAL RESPONSIBILITY

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal 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 the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of 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.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The 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 the Company's Code of Conduct. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act and the revised Clause 49 of the Listing Agreement. The Whistle Blower Policy can be accessed on the Company's website at the link: http://www.tajhotels.com/tajcorporate/pdf/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 is annexed herewith as Annexure II.

AUDIT COMMITTEE

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

RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPTs) that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. For one RPT, where the Company divested its entire stake, along with that of its other subsidiaries in Ideal Ice and Cold Storage Co Ltd, Residency Food and Beverages Ltd and Taj Rhein Shoes Co Ltd in favour of Taida Trading and Industries Limited, a Related Party at a price determined through a third party valuation, it being not in the ordinary course of business, the requisite approval of the Audit Committee and the Board was obtained.

There were no materially significant RPTs entered into by the Company during the year. The Company has formulated a policy on dealing with RPTs which can be accessed on the Company's website under the link: http://www.tajhotels.com/tajcorporate/pdf/policy_on_related_party_transactions.pdf.

RISK MANAGEMENT

Although not mandatory, the 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.

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

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

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

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Consolidated Financial Statements of the 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.

The Company has 23 subsidiaries, 8 Joint Ventures and 6 associates as on March 31, 2015. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

The Indian Hotels Company Limited

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

During the year under review, the Company divested its investments, along with that of its subsidiaries in some of its existing subsidiaries viz. Ideal Ice and Cold Storage Co Ltd, Residency Food and Beverages Ltd, Taj Rhein Shoes Co Ltd and Tifco Security Services Ltd in favour of Taida Trading and Industries Limited. Accordingly, they ceased to be subsidiaries of the Company with effect from March 30, 2015.

During the year under review, Samsara Properties Limited, an offshore wholly owned subsidiary of the Company, divested its entire shareholding in IHMS (Australia) Pty Limited which owned "The Blue Hotel", in Sydney. Accordingly, IHMS (Australia) Pty Limited ceased to be a subsidiary of the Company with effect from October 31, 2014.

Apex Hotels Management Services Australia (Pte) Limited, a Company incorporated under the laws of Australia was created as a subsidiary of the Company with effect from October 2, 2014.

The policy for determining material subsidiaries can be accessed on the Company's website under the link <http://www.tajhotels.com/tajcorporate/pdf/policy-for-determining-material-subsidiaries.pdf>.

RIGHTS ISSUE

The Company, vide its Letter of Offer dated July 16, 2014, had offered up to 18,18,18,181 Compulsorily Convertible Debentures (CCDs) of face value of ₹ 1 each, at a price of ₹ 55 per CCD, for an amount aggregating up to ₹ 1000 crores, on Rights basis, in the ratio of 9 CCDs for every 40 equity shares held by the equity shareholders. The issue had opened on August 4, 2014 and closed on August 20, 2014. Consequently, on September 1, 2014, the Company allotted 18,18,01,228 CCDs of ₹ 55 each aggregating to ₹ 999.91 crores. 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 CCD i.e. on March 1, 2016.

DEBENTURES

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

- 1,500- 2% Unsecured Non-Convertible Debentures of the face value ₹ 10,00,000 (Rupees Ten lakhs only) each, allotted on December 9, 2009 aggregating ₹ 150 crores and repayable at the end of the 5th year, along with redemption premium of 4.37 lakhs per debenture.
- Out of the 3000, 2% Secured Non-Convertible Debentures of the face value of ₹ 10,00,000 (Rupees Ten lakhs only) issued on a private placement basis aggregating to ₹ 300 crores (Rupees Three Hundred Crores), first instalment for 20% of the face value was redeemed on March 23, 2015 for an aggregate value of ₹ 60 crores (Rupees Sixty Crores), along with redemption premium of ₹ 6.13 lakhs per debenture.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Appointments

In terms of Section 149 of the Act, the Members at their meeting held on August 27, 2014, had appointed Mr. K. B. Dadiseth, Mr. Deepak Parekh, Mr. Nadir Godrej and Ms. Ireena Vittal as Independent Directors of the Company for a period of five years or upto their date of retirement, whichever was earlier.

Ms. Vibha Paul Rishi and Mr. Gautam Banerjee were appointed as Additional Directors of the Company effective September 10, 2014 and they hold office upto the date of the forthcoming Annual General Meeting and are further proposed to be appointed as Independent Directors of the Company for a period of five years commencing from September 10, 2014 .

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Rakesh Sarna was appointed as Managing Director and Chief Executive Officer of the Company for a period of 5 years with effect from September 1, 2014, vide Members approval dated March 13, 2015. Mr. Sarna is a hospitality industry veteran, having spent over three decades with Hyatt Hotels Corporation. He was previously Group President of Americas and Executive Vice-President at Hyatt Hotels Corporation.

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

Your approval for their appointments / re-appointment as Directors has been sought in the Notice convening the Annual General Meeting of the Company.

In terms of Section 203 of the Act the following were designated as KMP of your Company by the Board:

- Mr. Rakesh Sarna, Managing Director and Chief Executive Officer
- Mr. Anil P. Goel, Executive Director and Chief Financial Officer
- Mr. Mehernosh S. Kapadia, Executive Director - Corporate Affairs
- Mr. Beejal Desai, Vice President - Legal & Company Secretary

Retirement / Resignations

Mr. Raymond N. Bickson stepped down as the Company's Managing Director with effect from August 31, 2014 to pursue his professional interests elsewhere. During Mr. Bickson's tenure, Taj expanded its footprint across India and around the world and grew from a portfolio of 62 hotels into a multi brand chain of 127 hotels, worldwide. Mr Bickson steered the brand architecture within the Company, as per which the Company moved away from umbrella branding to managing its portfolio under Taj Groups four brands i.e. Taj Hotels Resorts and Palaces, Vivanta by Taj, Gateway Hotels and Ginger Hotels.

Mr. Abhijit Mukerji stepped down as the Company's Executive Director – Hotel Operations with effect from April 13, 2015. Mr. Mukerji served the Company for more than thirty years and held many positions of increasing responsibility. His keen focus on attention to detail and process discipline improved the quality of our hotel operations to meet world class standards.

In accordance with the Tata Group guidelines on retirement age, Mr. Jagdish Capoor retired as a Director of the Company, effective July 1, 2014. Mr. Guy Crawford resigned as a Director of the Company effective September 8, 2014.

The Board places on record its appreciation of the services rendered and the enormous contribution made by Mr. Raymond N. Bickson, Mr. Abhijit Mukerji, Mr. Jagdish Capoor and Mr. Guy Crawford, to the Company during their respective tenures.

BOARD MEETINGS

During the year under review, 5 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

The 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. It also covers 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 Securities Exchange Board of India (SEBI) under Clause 49 of the Listing Agreement.

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 the criteria 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.

The Indian Hotels Company Limited

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.

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 the 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 Clause 49 of the Listing Agreement 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, Clause 49 of the Listing Agreement and the Tata 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 has a mix of members with different educational qualifications, knowledge and with 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 the 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 the Company.

C. Remuneration Policy

The Company had adopted a Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of the Act and Clause 49 of the Listing Agreement.

The key principles governing the 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 the Company, taking into consideration the challenges faced by the Company and its future growth imperatives.
- Remuneration paid should be reflective of the size of the Company, complexity of the sector/ industry/Company's operations and the Company's capacity to pay the remuneration and be consistent with recognized best practices.
- The aggregate commission payable to all the NEDs 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 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 the Company, complexity of the sector/ industry/ Company's operations and the 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, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings. The 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 etc. The Company provides retirement benefits as applicable.
- In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings 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.
- The Company provides the management employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

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

STATUTORY AUDITORS

At the Annual General Meeting, the Members will be requested to ratify the re-appointment of Deloitte Haskins & Sells LLP, (DHS LLP) Chartered Accountants (Firm No. 117366W/W-100018), and PKF Sridhar & Santhanam LLP, (PKF LLP) Chartered Accountants (Firm No. 003990S/ S200018) as the Joint Auditors for the current year and authorise the Board of Directors to fix their remuneration.

The Company had received an intimation from PKF LLP stating that PKF Sridhar & Santhanam had been converted into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 with effect from April 21, 2015. The Board of Directors of the Company have taken due note of this change.

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, the Company has appointed M/s P.K.Pandya and Associates to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report is annexed herewith as Annexure III. 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.

The Indian Hotels Company Limited

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 outgo is given in note 40 and 41, page 122 of the Notes to the financial statements.

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 IV 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 the 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 the Company. The full Annual Report including the aforesaid information is available on the Company's website.

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

The 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 the Company has received 17 complaints on sexual harassment and all the complaints have been disposed of and appropriate action taken and no cases remain pending.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the existing system of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and secretarial auditors and representation made by the Management to the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, confirms that:

- (i) In the preparation of the accounts for the year ended March 31, 2015, the applicable accounting standards have been followed and that there are no material departures;
- (ii) That 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 the Company at the end of the financial year and of the loss of the Company for that period;
- (iii) That 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 Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That they have prepared the accounts for the year ended March 31, 2015 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 Clause 49 of the Listing Agreement with the Stock Exchanges, 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 their global stakeholders including Members, customers, lenders, vendors, business partners, the Government of India for their continued co-operation and support.

On behalf of the Board of Directors

Cyrus P. Mistry
Chairman

Mumbai, May 29, 2015

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

THE ANNUAL REPORT ON CSR ACTIVITIES

1. The Company's CSR Policy imbibes the values and tradition of giving back to the society. In 2014-15, the Company focused on the theme of "Building Sustainable Livelihoods" where the focus is on vocational skill training & certifications to provide less privileged & marginalized youth opportunities for economic empowerment. The Company works in partnership with Governmental & non-Governmental organizations across India. The Company also actively contributes towards neighbourhood initiatives like maintaining public gardens, taking up activities to contribute to clean India movement, local education and support for preservation & promotion of local art & culture.

Over the last year, the main focus areas of the CSR Policy were:

- Vocational skill development programs
- Partnerships to preserve & promote indigenous heritage, culture, arts and handicrafts & local environment
- Disaster relief and rehabilitation programs
- Income-generation and livelihood enhancement programs

The CSR Policy has been disclosed on the Company's website under the web link <http://www.tajhotels.com/about-taj/investor-relations/policies.html>

2. The Composition of the CSR Committee is as under:
 - (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: ₹ 192.51 crores.
4. The prescribed CSR Outlay (two per cent of the average net profit) is ₹ 3.85 crores.
5. CSR spend during the financial year.

As per the parameters outlined in the Act, IHCL properties across locations spent a total of ₹ 1.63 crores towards skill training & certification of less privileged youth and other neighbourhood support initiatives ranging from maintaining public gardens to cleanliness and hygiene campaigns, support to art, culture, local charitable organizations, NGOs and so on.

Total amount to be spent for the financial year	₹ 3.85 crores
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Amount unspent, if any	₹ 2.22 crores
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However, overall the Taj group hotels spent over ₹ 2.89 crores on its various CSR initiatives. This includes spends that do not qualify to be reported as per the framework recommended by the Act, because they are based on providing economic empowerment to local NGO / Self Help Groups which provide a business connect to Taj, for example having organic soups made and selling them to our guests.

Manner in which the amount spent during the financial year is detailed below:

₹ crores

CSR project or activity defined	Sector in which the Project is covered	Projects or Programs: 1) Local area or other 2) the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs 2) Overheads	Total Amount spent: Direct or through implementing agency
Distribution of food to local charities/orphanages	Eradicating Hunger & Poverty - Schedule VII (i)	Local areas around our hotels	0.76	0.32	0.32
Set up of skill training centers AND/OR providing support and training to less- privileged & marginalized youth across India (in partnerships with NGOs/ Govt bodies, etc.)	Employment Enhancing Vocational Skills/ Promotion of Education - Schedule VII (ii)	Maharashtra, Karnataka, Uttar Pradesh, West Bengal, Rajasthan, Goa	1.54	0.65	0.65
Maintenance of public gardens, public areas, contribution to surrounding environment, local arts, heritage, etc	Environment Sustainability & Upkeep of Public Facilities & Properties – Schedule VII (iv)	Same regions as above	0.51	0.22	0.22
Donations made to support community education & other miscellaneous requirements of neighbouring communities	Donations to CSR partners/projects - Rule 4(2) of Companies (CSR) Rules, 2014	Same regions as above	1.04	0.44	0.44

Details of implementing agencies:

Pratham, Don Bosco Tech, CII Skill Institute – Chhindwara, Govt. ITI Lonavala, Prem Daan, Father Agnes Home, Bala Jyoti, Kudumbashree, Snehalaya, Mercy Home, Naad Foundation

6. The Taj Group believes that the benefits we derive by operating hotels in various locations, especially in remote and culturally rich destinations, can better the lives of communities, not just in our neighbourhoods but also in areas which deserve support and access to opportunities for economic betterment. Beyond this, our company considers itself a custodian of Indian tradition and believes it is part of our responsibility to provide sustainable livelihood opportunities for artisans and weavers to promote this quintessential heritage and craftsmanship. We continue to carry forward the legacy of 'giving back' to communities initiated by Mr. Jamsetji Tata decades ago by contributing to the sustainability of tourism and culture in the locations where we operate.

Till date, the company's approach has been to partner with knowledge-based organizations and supplement their work with our own resources. We focus especially on building livelihood opportunities for the marginalized & underprivileged sections of society.

At the same time we aim to develop our regular business operations to be more socio-environmentally conscious and inclusive. To this end our hotels work with small scale entrepreneurs, women's SHGs and NGOs' income generation projects, to source select goods and services. These range from supplies of fresh fish, vegetables, laundry bags, honey, candles, to gift items for guests, and allied services like 'roti-making'. We provide our brand platform to showcase indigenous art, crafts and culture to tourists, which encourages the artisans to keep these traditions alive, and provides them a market for their goods.

The Indian Hotels Company Limited

Thus, a large portion of our CSR spend had been geared towards capacity building of these partner organizations, artisans and internal procurement teams, much of it being un-reportable as per the framework of the Companies Act, 2013 (the Act).

Within the Act guidelines, we also partner with NGOs, Government ITIs and other Tata Group companies to offer hospitality training and certification to less-privileged youth. These are mostly rural youth who have dropped out from school or come from Scheduled Caste Scheduled Tribe background and would otherwise have no access to skill training for employment. We currently partner with 36 skill training centers across India. Over the last 5 years these centres have attained over 95% placement ratio in the hospitality industry.

7. Going Forward: 2015/16

With the Act, framework for CSR becoming applicable from 2014-15 onwards, we are in the process of migrating our approach, systems and partnership processes to ensure a project based approach.

A Sustainability Advisory Council has been formed with a specific mandate of ensuring deployment of required processes & programmes for CSR. This Council is led by Senior VP and Global Head Human Resources, and consists of members from our senior leadership team. It acts as the final authority to sign off on CSR initiatives, projects, partnerships and ensuring timely disbursement of defined budget outlay.

The CSR Committee has guided the internal Sustainability Council to re-structure company CSR initiatives into the following categories:

Livelihoods

- Partnerships for skill training and certification for less privileged youth (with a focus on needy youth from marginalized sections, Affirmative Action for Scheduled Castes (SC), Scheduled Tribes (ST) and other deserving target groups)

Neighbourhoods

- Schools serving low-income-groups
- Local enterprises linked with art, handicrafts and culture
- Ecological awareness, preservation of heritage monuments and facilitation of hygiene/sanitation in key tourism-relevant areas
- Disaster response and rehabilitation in identified areas through Taj Public Service Welfare Trust

The Company management is currently in the process of putting together required mechanism from the previous operational model to a centralized project based model. An appropriate deployment and reporting system is being rolled out to ensure effective project implementation, monitoring and reporting for the future.

8. The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

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, 2015

[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 |
| v) Address of the registered office
and contact details: | Mandlik House, Mandlik Road,
Mumbai- 400001 |
| vi) Whether listed company: | Yes |
| vii) 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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Short term accommodation activities	551	44.8%
2	Restaurants and mobile food service activities	561	40.2%

The Indian Hotels Company Limited

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. 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	Taj Enterprises Limited Taj Palace Hotel, Sardar Patel Marg, New Delhi	U55101DL1979PLC009746	Subsidiary	90.59	2 (87)
11	Benares Hotels Limited Nadesar Palace Compound, Varanasi 221002	L55101UP1971PLC003480	Subsidiary	53.70	2 (87)
12	Taj International Hotels (H. K.) limited 42nd floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	Foreign Company	Subsidiary	100	2 (87)
13	Chieftain Corporation N. V Kaya WFG Mensing 14, PO Box 3895, Willemstad Curacao, Netherlands Antilles	Foreign Company	Subsidiary	100	2 (87)
14	IHOCO BV Teleportboulevard 140, 1043 EJ Amsterdam	Foreign Company	Subsidiary	100	2 (87)
15	St. James Court Hotels Limited 51 Buckingham Gate, Westminster, London SW1E6AF, United Kingdom	Foreign Company	Subsidiary	89.39	2 (87)

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares Held	Applicable Section
16	Taj International Hotels Limited 51 Buckingham Gate, Westminster, London SW1E6AF, United Kingdom	Foreign Company	Subsidiary	100	2 (87)
17	International Hotel Management Services Inc 13-34, 139th Street, Flushing, New York 11357	Foreign Company	Subsidiary	100	2 (87)
18	Samsara Properties Limited Trident Chambers, PO Box 146, Road Town, Tortola British Virgin Islands	Foreign Company	Subsidiary	100	2 (87)
19	Apex Hotel Management Services Pte Limited 78, Shenton Way, #26-02A, Singapore- 079 120	Foreign Company	Subsidiary	100	2 (87)
20	Piem International (H. K) Limited 42/F, Central Plaza, 18 Harbour Road, Wanchai, Hongkong	Foreign Company	Subsidiary	100	2 (87)
21	Premium Aircraft Leasing Corporation First Floor, Fitzwilton House, Wilton Place, Dublin 2, Ireland	Foreign Company	Subsidiary	100	2 (87)
22	BAHC 5 78 Shenton Way, #26-02A, Singapore 079120	Foreign Company	Subsidiary	100	2 (87)
23	Apex Hotel Management Services (Australia) Pty Ltd Suit 701, Level 7, 120 Connell Street, Sydney NSW 2000	Foreign Company	Subsidiary	100	2 (87)
24	Taida Trading and Industries Limited Mandlik House, Mandlik Road, Mumbai 400 001	U13100MH1959PLC011396	Associate	48.74	2 (6)
25	Oriental Hotels Limited Paramount Plaza, Taj Coromandel, 37 M. G. Road, Chennai 600034	L55101TN1970PLC005897	Associate	37.05	2 (6)
26	Taj Madurai Limited Taj Coromandel, 37, M.G. Road, Chennai 600 034	U55101TN1990PLC018883	Associate	26	2 (6)
27	TAL Lanka Hotels Plc 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.62	2 (6)
28	Lanka Island Resorts Limited 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.66	2 (6)
29	Bjets Pte Limited 80 Raffles Place, #32-01, UOB Plaza 1, Singapore 048624	Foreign Company	Associate	45.69	2 (6)

The Indian Hotels Company Limited

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

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on 01.04.2014)				No. of Shares held at the end of the year (i.e. as on 31.03.2015)				% 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	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	30,30,66,224	0	30,30,66,224	37.53	30,30,66,224	0	30,30,66,224	37.53	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) 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	30,30,66,224	0	30,30,66,224	37.53	0
(2) Foreign									
a) NRIs -									
Individuals	0	0	0	0	0	0	0	0	0
b) Other –									
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 / Promoter Group (A)=(A)(1)+(A)(2)	30,30,66,224	0	30,30,66,224	37.53	30,30,66,224	0	30,30,66,224	37.53	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	103,55,084	1,57,663	105,12,747	1.30	706,51,210	157,663	708,08,873	8.77	7.47
b) Banks / FI	12,64,52,753	15,500	12,64,68,253	15.66	882,25,351	15,500	882,40,851	10.93	(4.73)
c) Central Govt	2,500	0	2,500	0.00	2,500	0	2,500	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	3,66,42,207	1500	3,66,43,707	4.54	330,47,463	0	330,47,463	4.09	(0.45)
g) FIs	13,63,95,601	19,720	13,64,15,321	16.89	1,480,86,669	19,720	1,481,06,389	18.34	1.45
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
Foreign Financial Institutions/Banks	5,951	0	5,951	0	5,951	0	5,951	0	0
Sub-total (B)(1):-	30,98,54,096	1,94,383	31,00,48,479	38.40	4,00,19,144	192,883	34,02,12,027	42.13	3.73

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. as on 01.04.2014)				No. of Shares held at the end of the year (i.e. as on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,84,35,750	98,925	2,85,34,675	3.53	288,89,862	97,345	289,87,207	3.59	0.06
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1lakh	12,35,78,333	1,64,13,082	13,99,91,415	17.34	1,007,05,313	153,94,345	1,160,99,658	14.38	(2.96)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1,04,96,194	6,81,740	1,11,77,934	1.38	103,51,111	632,240	109,83,351	1.36	(0.02)
c) Others (specify)									
i) Trusts	46,48,419	0	46,48,419	0.58	104,892	0	104,892	0.01	(0.57)
ii) Directors and relatives	1,62,225	0	1,62,225	0.02	157,225	0	157,225	0.02	0
iii) Foreign Nationals and Non-residents	52,86,457	50,280	53,36,737	0.66	44,72,196	50,280	45,22,476	0.56	(0.1)
iv) Clearing members	5,79,110	0	5,79,110	0.07	735,287		735,287	0.09	0.02
v) HUF's	36,81,189	0	36,81,189	0.46	2,408,060	0	2,408,060	0.3	(0.16)
Sub-total (B)(2):-	17,68,67,677	1,72,44,027	19,41,11,704	24.04	1,478,23,946	161,74,210	1,639,98,156	20.31	(3.73)
Total Public Shareholding (B)=(B)(1)+(B)(2)	48,67,21,773	1,74,38,410	50,41,60,183	62.44	48,78,43,090	163,67,093	5,042,10,183	62.44	0.00
Total (A) + (B)	78,97,87,997	1,74,38,410	80,72,26,407	99.97	79,09,09,314	163,67,093	80,72,76,407	99.98	0.01
C. Shares held by Custodian for GDRs & ADRs									
Public	2,46,380	0	2,46,380	0.03	1,96,380	0	1,96,380	0.02	(0.01)
Grand Total (A+B+C)	79,00,34,377	1,74,38,410	80,74,72,787	100	79,11,05,694	1,63,67,093	80,74,72,787	100	0

The Indian Hotels Company Limited

(ii) Shareholding of Promoters

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year (i.e. as on 01.04.2014)			Share holding at the end of the Year (i.e. as on 31.03.2015)			% 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	2.20	0	0
2	Sir Dorabji Tata Trust	5,02,21,040	6.22	0	5,02,21,040	6.22	0	0
3	Sir Ratan Tata Trust	1,10,23,220	1.37	0	1,10,23,220	1.37	0	0
4	Tata Sons Limited	20,20,52,004	25.02	0	20,20,52,004	25.02	0	0
5	Tata Investment Corporation Limited	98,94,060	1.23	0	98,94,060	1.23	0	0
6	Ewart Investments Limited	13,18,543	0.16	0	13,18,543	0.16	0	0
7	Tata Chemicals Limited	72,71,666	0.90	0	72,71,666	0.90	0	0
8	Tata Global Beverages Limited	16,87,742	0.21	0	16,87,742	0.21	0	0
9	Tata Industries Limited	4,52,571	0.06	0	4,52,571	0.06	0	0
10	Tata Capital Limited	12,000	0	0	12,000	0	0	0
11	Oriental Hotels Limited	5,11,836	0.06	0	5,11,836	0.06	0	0
12	Taida Trading & Industries Limited	1,27,768	0.02	0	1,27,768	0.02	0	0
13	Taj Madurai Limited	7,65,574	0.09	0	7,65,574	0.09	0	0
	TOTAL	30,30,66,224	37.53	0	30,30,66,224	37.53	0	0

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

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Name of the Promoter At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year	No Changes			

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

Sr. No.	Name	No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Life Insurance Corporation of India	124,250,727	15.39	01 April 2014				
				11 April 2014	-900,000	Sale of Shares	123,350,727	15.28
				18 April 2014	-295,836	Sale of Shares	123,054,891	15.24
				23 May 2014	-1,900,000	Sale of Shares	121,154,891	15.00
				30 May 2014	-1,525,000	Sale of Shares	119,629,891	14.82
				06 June 2014	-1,970,901	Sale of Shares	117,658,990	14.57
				13 June 2014	-1,663,439	Sale of Shares	115,995,551	14.37
				20 June 2014	-1,194,085	Sale of Shares	114,801,466	14.22
				30 June 2014	-2,450,000	Sale of Shares	112,351,466	13.91
				04 July 2014	-854,961	Sale of Shares	111,496,505	13.81
				11 July 2014	-1,077,229	Sale of Shares	110,419,276	13.67
				18 July 2014	-300,000	Sale of Shares	110,119,276	13.64
				25 July 2014	-100,000	Sale of Shares	110,019,276	13.63
				12 September 2014	-25,361	Sale of Shares	109,993,915	13.62
				19 September 2014	-100,000	Sale of Shares	109,893,915	13.61
				30 September 2014	-17,300	Sale of Shares	109,876,615	13.61
				10 October 2014	-205,000	Sale of Shares	109,671,615	13.58
				17 October 2014	-100,000	Sale of Shares	109,571,615	13.57
				31 October 2014	-310,959	Sale of Shares	109,260,656	13.53
				07 November 2014	-1,019,650	Sale of Shares	108,241,006	13.40
				14 November 2014	-215,931	Sale of Shares	108,025,075	13.38
				21 November 2014	-495,388	Sale of Shares	107,529,687	13.32
				28 November 2014	-350,001	Sale of Shares	107,179,686	13.27
				05 December 2014	-4,705,983	Sale of Shares	102,473,703	12.69
				12 December 2014	-1,193,776	Sale of Shares	101,279,927	12.54
				19 December 2014	-625,308	Sale of Shares	100,654,619	12.47
				31 December 2014	-1,910,763	Sale of Shares	98,743,856	12.23
				09 January 2015	-2,148,864	Sale of Shares	96,594,992	11.96
				16 January 2015	-2,594,083	Sale of Shares	94,000,909	11.64
				23 January 2015	-773,528	Sale of Shares	93,227,381	11.55
				30 January 2015	-545,588	Sale of Shares	92,681,793	11.48
				06 February 2015	-399,289	Sale of Shares	92,282,504	11.43
				13 February 2015	-1,472,884	Sale of Shares	90,809,620	11.25
				20 February 2015	-805,321	Sale of Shares	90,004,299	11.15
				27 February 2015	-530,586	Sale of Shares	89,473,713	11.08
				06 March 2015	-1,357,265	Sale of Shares	88,116,448	10.91
				13 March 2015	-301,244	Sale of Shares	87,815,204	10.88
				31 March 2015	-469,680	Sale of Shares	87,345,524	10.82
		87,345,524	10.82					
2	Government Pension Fund	40,454,747	5.01	01 April 2014				
				11 April 2014	-154043	Sale of Shares	40,300,704	4.99
				18 April 2014	-126409	Sale of Shares	40,174,295	4.98
				25 April 2014	-168616	Sale of Shares	40,005,679	4.95
				02 May 2014	-170389	Sale of Shares	39,835,290	4.93
				09 May 2014	-176734	Sale of Shares	39,658,556	4.91
				16 May 2014	-33865	Sale of Shares	39,624,691	4.91
				23 May 2014	-25000	Sale of Shares	39,599,691	4.90
				30 May 2014	-247317	Sale of Shares	39,352,374	4.87
				06 June 2014	-293695	Sale of Shares	39,058,679	4.84
				13 June 2014	-251015	Sale of Shares	38,807,664	4.81
				20 June 2014	-279176	Sale of Shares	38,528,488	4.77
				30 June 2014	-276319	Sale of Shares	38,252,169	4.74
				04 July 2014	-509903	Sale of Shares	37,742,266	4.67
				11 July 2014	-442842	Sale of Shares	37,299,424	4.62
				18 July 2014	-297247	Sale of Shares	37,002,177	4.58
				25 July 2014	-499454	Sale of Shares	36,502,723	4.52
				08 August 2014	-420000	Sale of Shares	36,082,723	4.47
				23 August 2014	-2624356	Sale of Shares	33,458,367	4.14
				12 September 2014	-1820000	Sale of Shares	31,638,367	3.92
				19 September 2014	-100000	Sale of Shares	31,538,367	3.91
				05 December 2014	-30000	Sale of Shares	31,508,367	3.90
				09 January 2015	-100000	Sale of Shares	31,408,367	3.89
				13 February 2015	-25000	Sale of Shares	31,383,367	3.89
		31,383,367	3.89					

The Indian Hotels Company Limited

Sr. No.	Name	No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
3	General Insurance Corporation of India	14,507,509	1.80	01 April 2014				
				04 April 2014	-7,349	Sale of Shares	14,500,160	1.80
				30 June 2014	-159,147	Sale of Shares	14,341,013	1.78
				04 July 2014	-300,000	Sale of Shares	14,041,013	1.74
				11 July 2014	-40,853	Sale of Shares	14,000,160	1.73
				23 August 2014	-200,000	Sale of Shares	13,800,160	1.71
				29 August 2014	-300,000	Sale of Shares	13,500,160	1.67
				31 October 2014	-313,012	Sale of Shares	13,187,148	1.63
				07 November 2014	-186,988	Sale of Shares	13,000,160	1.61
				09 January 2015	-350,000	Sale of Shares	12,650,160	1.57
				23 January 2015	-24,524	Sale of Shares	12,625,636	1.56
				30 January 2015	-25,476	Sale of Shares	12,600,160	1.56
		12,600,160	1.56					
4	SAIF III Mauritius Company Limited	13,107,574	1.62	01 April 2014	0	Nil Movement during the year		
		13,107,574	1.62					
5	Siwa Holdings Limited	11,923,042	1.48	01 April 2014				
				25 July 2014	-926,284	Sale of Shares	10,996,758	1.36
		9,278,805	1.15	08 August 2014	-709,886	Sale of Shares	10,286,872	1.27
				23 August 2014	-1,008,067	Sale of Shares	9,278,805	1.15
6	The New India Assurance Company Limited	11,530,462	1.43	01 April 2014				
		11,484,949	1.42	23 January 2015	-45,513	Sale of Shares	11,484,949	1.42
7	FID Funds (Mauritius) Limited # FIL Investment (Mauritius) Limited#	8,317,199	1.03	01 April 2014				
		0	0	11 April 2014		Change of name	8,317,199	1.03
				08 August 2014	-3,017,891	Sale of Shares	5,299,308	0.66
				23 August 2014	-2,398,665	Sale of Shares	2,900,643	0.36
		0	0.00	12 September 2014	-2,900,643	Sale of Shares	0	0.00
8	British Columbia Investment Management Corporation A/c Emerging Markets Equity Fund	7,365,014	0.91	01 April 2014				
				27 February 2015	-1,262,650	Sale of Shares	6,102,364	0.76
				06 March 2015	-43,152	Sale of Shares	6,059,212	0.75
		5,872,034	0.73	20 March 2015	-108,607	Sale of Shares	5,950,605	0.74
				31 March 2015	-78,571	Sale of Shares	5,872,034	0.73
9	ICICI Prudential Life Insurance Company Limited	5,696,853	0.71	01 April 2014				
				04 April 2014	8,655	Purchase of Shares	5,705,508	0.71
				11 April 2014	5,590	Purchase of Shares	5,711,098	0.71
				25 April 2014	5,702	Purchase of Shares	5,716,800	0.71
				02 May 2014	-117,046	Sale of Shares	5,599,754	0.69
				09 May 2014	-4,035	Sale of Shares	5,595,719	0.69
				16 May 2014	8,299	Purchase of Shares	5,604,018	0.69
				23 May 2014	68,451	Purchase of Shares	5,672,469	0.70
				30 May 2014	-25,821	Sale of Shares	5,646,648	0.70
				06 June 2014	220,460	Purchase of Shares	5,867,108	0.73
				13 June 2014	233,017	Purchase of Shares	6,100,125	0.76
				20 June 2014	64	Purchase of Shares	6,100,189	0.76
				30 June 2014	1,244	Purchase of Shares	6,101,433	0.76
				04 July 2014	27,676	Purchase of Shares	6,129,109	0.76
				11 July 2014	6,979	Purchase of Shares	6,136,088	0.76
				08 August 2014	117,019	Purchase of Shares	6,253,107	0.77
				23 August 2014	1,009,032	Purchase of Shares	7,262,139	0.90
				29 August 2014	910	Purchase of Shares	7,263,049	0.90
				05 September 2014	21,937	Purchase of Shares	7,284,986	0.90
				19 September 2014	313,075	Purchase of Shares	7,598,061	0.94
				30 September 2014	196,118	Purchase of Shares	7,794,179	0.97
				10 October 2014	58,000	Purchase of Shares	7,852,179	0.97
				17 October 2014	13,422	Purchase of Shares	7,865,601	0.97
				24 October 2014	227,617	Purchase of Shares	8,093,218	1.00
				31 October 2014	374,378	Purchase of Shares	8,467,596	1.05
				14 November 2014	4,356	Purchase of Shares	8,471,952	1.05
				21 November 2014	183,086	Purchase of Shares	8,655,038	1.07

Sr. No.	Name	No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				28 November 2014	125	Purchase of Shares	8,655,163	1.07
				05 December 2014	147,846	Purchase of Shares	8,803,009	1.09
				12 December 2014	16,438	Purchase of Shares	8,819,447	1.09
				19 December 2014	103,930	Purchase of Shares	8,923,377	1.11
				31 December 2014	38,597	Purchase of Shares	8,961,974	1.11
				09 January 2015	49,418	Purchase of Shares	9,011,392	1.12
				16 January 2015	14,525	Purchase of Shares	9,025,917	1.12
				23 January 2015	32,250	Purchase of Shares	9,058,167	1.12
				30 January 2015	19,167	Purchase of Shares	9,077,334	1.12
				27 February 2015	8,613	Purchase of Shares	9,085,947	1.13
				06 March 2015	7,978	Purchase of Shares	9,093,925	1.13
				13 March 2015	8,473	Purchase of Shares	9,102,398	1.13
				20 March 2015	29,488	Purchase of Shares	9,131,886	1.13
		9,198,592	1.14	31 March 2015	66,706	Purchase of Shares	9,198,592	1.14
10	Merrill Lynch Capital Markets Espana S.A.S.V.	5,097,000	0.63	01 April 2014				
				04 April 2014	335,923	Purchase of Shares	5,432,923	0.67
				11 April 2014	1,519,077	Purchase of Shares	6,952,000	0.86
				18 April 2014	830,000	Purchase of Shares	7,782,000	0.96
				25 April 2014	150,332	Purchase of Shares	7,932,332	0.98
				30 May 2014	-829,285	Sale of Shares	7,103,047	0.88
				06 June 2014	-75,115	Sale of Shares	7,027,932	0.87
				08 August 2014	-451,200	Sale of Shares	6,576,732	0.81
				31 October 2014	2,271,093	Purchase of Shares	8,847,825	1.10
				07 November 2014	573,885	Purchase of Shares	9,421,710	1.17
				14 November 2014	59	Purchase of Shares	9,421,769	1.17
				21 November 2014	4,405	Purchase of Shares	9,426,174	1.17
				28 November 2014	93,271	Purchase of Shares	9,519,445	1.18
				05 December 2014	44	Purchase of Shares	9,519,489	1.18
		8,279,989	1.03	16 January 2015	-689,900	Sale of Shares	8,829,589	1.09
				31 March 2015	-549,600	Sale of Shares	8,279,989	1.03
11	Reliance Capital Trustee Company Limited *	3,001,292	0.37	01 April 2014				
				06 June 2014	3,311,330	Purchase of Shares	6,312,622	0.78
				13 June 2014	1,512,680	Purchase of Shares	7,825,302	0.97
				20 June 2014	1,891,000	Purchase of Shares	9,716,302	1.20
				30 June 2014	2,654,608	Purchase of Shares	12,370,910	1.53
				04 July 2014	1,113,298	Purchase of Shares	13,484,208	1.67
				11 July 2014	4,380,116	Purchase of Shares	17,864,324	2.21
				18 July 2014	2,075,975	Purchase of Shares	19,940,299	2.47
				08 August 2014	1,609,078	Purchase of Shares	21,549,377	2.67
				23 August 2014	513,108	Purchase of Shares	22,062,485	2.73
				29 August 2014	125,369	Purchase of Shares	22,187,854	2.75
				05 September 2014	479,000	Purchase of Shares	22,666,854	2.81
				12 September 2014	2,836,000	Purchase of Shares	25,502,854	3.16
				19 September 2014	786,509	Purchase of Shares	26,289,363	3.26
				30 September 2014	1,015,014	Purchase of Shares	27,304,377	3.38
				03 October 2014	128,000	Purchase of Shares	27,432,377	3.40
				10 October 2014	719,970	Purchase of Shares	28,152,347	3.49
				17 October 2014	762,030	Purchase of Shares	28,914,377	3.58
				24 October 2014	557,195	Purchase of Shares	29,471,572	3.65
				31 October 2014	1,424,340	Purchase of Shares	30,895,912	3.83
				07 November 2014	2,077,838	Purchase of Shares	32,973,750	4.08
				14 November 2014	1,347,708	Purchase of Shares	34,321,458	4.25
				21 November 2014	499,773	Purchase of Shares	34,821,231	4.31
				28 November 2014	354,000	Purchase of Shares	35,175,231	4.36
				05 December 2014	4,839,600	Purchase of Shares	40,014,831	4.96
				12 December 2014	1,736,437	Purchase of Shares	41,751,268	5.17
				19 December 2014	842,792	Purchase of Shares	42,594,060	5.27
				31 December 2014	1,794,000	Purchase of Shares	44,388,060	5.50
				09 January 2015	2,980,500	Purchase of Shares	47,368,560	5.87
				16 January 2015	1,219,085	Purchase of Shares	48,587,645	6.02
				23 January 2015	500,000	Purchase of Shares	49,087,645	6.08
				30 January 2015	100,000	Purchase of Shares	49,187,645	6.09
				13 February 2015	181,000	Purchase of Shares	49,368,645	6.11
				20 February 2015	46,538	Purchase of Shares	49,415,183	6.12

The Indian Hotels Company Limited

Sr. No.	Name	No. of Shares at the beginning (01-04-14)/end of the year (31-03-15)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				27 February 2015	500,000	Purchase of Shares	49,915,183	6.18
				06 March 2015	389,000	Purchase of Shares	50,304,183	6.23
				13 March 2015	-1,406,100	Sale of Shares	48,898,083	6.06
				20 March 2015	290,054	Purchase of Shares	49,188,137	6.09
		50,395,822	6.24	31 March 2015	1,207,718	Purchase of Shares	50,395,855	6.24
12	Franklin Templeton Investment Funds *	137,350	0.02	01 April 2014				0.00
				13 June 2014	6,159,975	Purchase of Shares	6,297,325	0.78
				20 June 2014	16,994	Purchase of Shares	6,314,319	0.78
				11 July 2014	-128,665	Sale of Shares	6,185,654	0.77
				23 August 2014	1,297,783	Purchase of Shares	7,483,437	0.93
				29 August 2014	68,006	Purchase of Shares	7,551,443	0.94
				12 September 2014	-26,675	Sale of Shares	7,524,768	0.93
				14 November 2014	1,000,000	Purchase of Shares	8,524,768	1.06
				23 January 2015	1,010,000	Purchase of Shares	9,534,768	1.18
		13,638,582	1.69	27 February 2015	4,103,814	Purchase of Shares	13,638,582	1.69
				31 March 2015				

Ceased to be in the list of Top 10 shareholders as on March 31, 2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2014

* Not in the list of Top 10 shareholders as on April 1, 2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2015.

(v) Shareholding of Directors and Key Managerial Personnel:

	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Cyrus P. Mistry				
At the beginning of the year	1,05,000	0.013	1,05,000	0.013
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
At the End of the year	1,05,000	0.013	1,05,000	0.013
Mehernosh S. Kapadia (31,200 shares are jointly held with Villu Mehernosh Kapadia)				
At the beginning of the year	50,280	0.006	50,280	0.006
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
At the End of the year	50,280	0.006	50,280	0.006
Deepak Parekh (jointly held with Harsha Parekh)				
At the beginning of the year	1,845	0.0002	1,845	0.0002
Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
At the End of the year	1,845	0.0002	1,845	0.0002

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	859.34	1831.26	-	2690.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.02	12.38	-	40.40
Total (i+ii+iii)	887.36	1843.64	-	2731.00
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	69.28	415.23	-	484.51
Net Change	(69.28)	(415.23)	-	(484.51)
Indebtedness at the end of the financial year				
i) Principal Amount	790.00	1419.08	-	2209.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.08	9.33	-	37.41
Total (i+ii+iii)	818.08	1428.41	-	2246.49

Note : Compulsorily Convertible Debentures (CCDs) are considered as Equity

The Indian Hotels Company Limited

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 *	Raymond N. Bickson MD **	Anil P. Goel ED & CFO	Abhijit Mukerji ED- Hotel Operations	Mehernosh S. Kapadia ED- Corporate Affairs	Total
1)	Gross salary:-						
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	3.61	8.53	0.72	0.71	0.59	14.16
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0.69	0.99	0.31	0.30	0.24	2.53
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-	-	-	-
2)	Stock Options	NIL	NIL	NIL	NIL	NIL	NIL
3)	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL
4)	Commission paid - as % of Profit	-	2.61	0.80	0.80	0.60	4.81
5)	Others	1.87	0.30	0.40	0.15	0.25	2.97
	Total (A)	6.17	12.43	2.23	1.96	1.68	24.47

* for part of the year with effect from September 1, 2014

** for part of the year upto August 31, 2014

The remuneration to MDs 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	Jagdish Capoor	Nadir Godrej	Gautam Banerjee	Ireena Vittal	Deepak Parekh	K. B. Dadiseth	Vibha Paul Rishi	Total Amount
1	Fee for attending Board / Committee meetings	90,000	1,90,000	60,000	2,00,000	1.70,000	2,60,000	60,000	10,30,000
2	Commission*	-	-	-	-	-	-	-	-
	Total	90,000	1,90,000	60,000	2,00,000	1.70,000	2,60,000	60,000	10,30,000

Non- Executive Directors

₹

Sl. no.	Particulars of Remuneration	Cyrus Pallonji Mistry	Guy Lindsay Macintyre Crawford	Shapoor Mistry	Total Amount
1	Fee for attending Board / Committee meetings	1,80,000	60,000	60,000	3,00,000
2	Commission*	-	-	-	-
	Total	1,80,000	60,000	60,000	3,00,000

*The Directors opted to waive the commission for the year 2013/14 on account of the performance of the Company.

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

C. REMUNERATION PAID 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	0.65
	(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, specify...	
	Others	0.03
	Total	0.79

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)					

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2015**

[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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, 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:

I 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, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings and rights issue of Compulsorily Convertible Debentures;

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;
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 relating to rights issue of Compulsorily Convertible Debentures;
- iv. 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;

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, 2015:

- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (except rights issue of Compulsorily Convertible Debentures) and Overseas Direct Investment.

vi. 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.

I 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.

For the period covering financial year ended on March 31, 2015, Secretarial Standards issued by the Institute of Company Secretaries of India, were not applicable to the Company, as the same were not approved by the Central Government under Section 118 (10) of the Act.

I 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.

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

I 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.

I 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. referred to above made:

(i) rights issue of Compulsorily Convertible Debentures.

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

Place: Mumbai
Date: May 29, 2015

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

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.

The Indian Hotels Company Limited

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

Place: Mumbai
Date: May 29, 2015

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

ANNEXURE IV

Information under Section 197 of the Act 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 2014/2015 (₹ Lakhs)	Remuneration in 2013/ 2014 (₹ Lakhs)	% Increase of Remuneration in 2015 as compared to 2014	Ratio to median Remuneration	Ratio of 2014/15 Remuneration to	
					Revenue	Net Profit
Mr. Rakesh Sarna – MD & CEO*	617.02	-	-	346.04	0.29%	-8%
Mr Raymond N. Bickson – MD **	1242.45	1039.66	20%	975.53	0.59%	-15%
Mr. Anil P. Goel – ED & CFO	223.40	236.67	-6%	73.09	0.11%	-3%
Mr. Mehernosh S. Kapadia - ED – Corporate Affairs	168.00	165.37	2%	54.96	0.08%	-2%
Mr. Abhijit Mukerji – ED – Operations	195.85	208.08	-6%	64.07	0.09%	-2%
Mr. Beejal Desai, VP – Legal & Company Secretary	78.99	78.40	1%	25.84	0.04%	-1%

* for part of the year with effect from September 1, 2014

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

Non-Executive and Independent Directors	Remuneration in 2014/15 (₹ Lakhs)	Remuneration in 2013/14 (₹ Lakhs)	% Increase of Remuneration in 2015 as compared to 2014	Ratio to median Remuneration
Mr. Cyrus P. Mistry	1.8	1.4	28.57%	0.59
Mr. K.B. Dadiset	2.6	41.6	-93.75%	0.85
Mr. Deepak Parekh	1.7	11.6	-85.34%	0.56
Mr. Jagdish Capoor	0.9	23.8	-96.22%	0.29
Mr. Shapoor Mistry	0.6	4.1	-85.37%	0.20
Mr. Nadir Godrej	1.9	19.0	-90.0%	0.62
Mr. Guy Lindsay Macintyre Crawford	0.6	1.0	-40.0%	0.20
Ms. Ireena Vittal	2.0	0.4	400%	0.65
Mr. Gautam Banerjee	0.6	NA	NA	0.20
Mr. Vibha Paul Rishi	0.6	NA	NA	0.20

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. However, the Non-Executive Directors decided to forgo their Commission for the year 2013/14 as would have been receivable in 2014/15, on account of the financial performance of the Company.

- The percentage increase in the median remuneration of employees in the financial year was 7.36%
- The number of permanent employees on the rolls of company were 5,113 in number.

The Indian Hotels Company Limited

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

In view of the business performance, the Company did not undertake any major salary revision in favour of the employees. The overall percentage increase of 7.84% has been primarily provided to offset inflation cost and increase in cost of living expenses.

- 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 2014/15	2525.71
Full year Revenue	210360
% to Revenue	1.2%
Profit before Tax and Exceptional Items	23058
% to above	10.96%

- 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 capitalization of the Company as at March 31, 2015 is ₹ 9,437.74 crores, as against ₹ 5,854.18 crores as at March 31, 2014, an increase of 61.21% during the year under review. The Company has negative Earnings Per Share in the above years due to exceptional items.

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, 2015 was ₹ 116.85 per share of face value ₹ 1 each representing an increase of approximately 11585% 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 6.07% and increase in Managerial Remuneration other than the severance payment made to Ex Managing Director is 9%.
- j. The key parameters for any variable component of remuneration availed by the Directors:

Non-Executive Directors:

Based on the Company's performance, profits, returns to investors, shareholder value creation etc., the aggregate commission recommended for all the Non-Executive Directors for the year ended March 31, 2015, was distributed broadly on the following basis:

- Number of meetings of the Board and substantive committees of the Board attended
- Role and responsibility as Chairman/member of the Board/Committee
- Individual contribution at meetings and
- Time spent other than in meetings relating to the operations of the company

Executive Directors

Based on the Company's performance, profits, returns to investors, shareholder value creation etc., the aggregate commission recommended for all the Executive Directors for the year ended March 31, 2015, was distributed broadly on the basis of the achievement of their Short Term and Strategic Long term Goals.

- 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

THE INDIAN HOTELS COMPANY LIMITED
INFORMATION AS PER SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014
& FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2015

Sr. No.	Name of Employee	Designation	Age as on 31/3/2015	Gross Remuneration ₹	Net Remuneration ₹	Qualification	Experience (No. of Years) As on 31/03/15	Last Employment Held	Commencement of Employment
1	*Banerjee Sandeep	Director - Human Resources, Vivanta Hotels	45	4,169,102	3,072,341	PGDM, B.Sc (Eco. Hons)	21	Orient Fans	July, 2005
2	Basu Renu (Ms.)	Vice President - Sales	55	12,169,890	7,251,888	B.A (Hons.) L.L.B. Dip. In Business Management	33	HDFC Bank Mumbai	January, 1999
3	Beri D K	Sr. Vice President - Business & Corporate Affairs	66	10,223,170	6,837,449	B.Sc. Dip. In H.M.C.T	44	ITDC	January, 1982
4	Bhatia Prakash	Director - Legal & Secretarial (North)	56	6,250,058	4,287,709	Advance Dip. In Hotel Management (Germany) LLB, CS, M. Com, B.Com	36	Indian Overseas Bank	February, 1986
5	*Bickson. R	Managing Director & CEO	59	124,245,565	81,635,785	Advance Mgmt. Program - Harvard University Boston, MA, USA International Senior Managers Program - Harvard University Boston, MA, USA Financial Mgmt. Course - Cornell University (USA) Production & Services - Ecole Lermania de Lausanne, Switzerland Honorary Doctorate in Hospitality Management from Johnson & Wales University, USA	42	The Mark Hotel New York, U.S.A	January, 2003
6	Chachra Brij Bhushan	Corporate Director of Revenue Management	39	6,119,708	4,453,750	Dip in Hotel Management	18	Preferred Hotel Group	April, 2013
7	Chander Parveen Kumar	Dy. General Manager - The Taj Mahal Palace, Mumbai	44	8,096,562	4,438,719	Dip in Hotel Management	23	First Employment	June, 1992
8	Choubal Vikram Rajaram	Vice President - Projects	52	6,851,046	3,815,782	Marine Engineer	30	Market City Resources Pvt Ltd	December, 2012
9	Desai Beejal A.	Vice President - Legal & Company Secretary	50	7,913,835	5,356,822	CS, LLB, B.Com, Dip in Computer Mgmt.,	30	Bharat Forge Limited	May, 2011
10	Gandotra Ananya (Ms.)	Head of Technical Services	46	8,083,594	5,724,646	PhD, (Cardiff University) B Arch. IIT, Delhi	21	DLF House Development Ltd	April, 2011
11	*Ganesh Babu Kanamma (Ms.)	Executive Housekeeper - Taj Coromandel, Chennai	61	1,710,494	1,239,170	B.Sc	37	First Employment	March, 1977
12	Goel Anil P	Executive Director - Finance	58	22,340,314	11,664,788	B.Com.(Hons.) A.C.A	32	Tata Tea Limited	July, 2004
13	Kapadia Mehnosh	Executive Director - Corporate Affairs	62	16,800,270	9,281,449	S S C	40	Universal Express Travels & Tours	May, 1977
14	*Kumar Perpetua (Ms.)	General Manager - Vivanta by Taj Yeshwantpur, Bengaluru	60	5,112,463	3,547,579	B.A (Hons.)	38	First Employment	August, 1976
15	Mehendale Mangesh	Director - Mergers & Acquisitions	41	7,897,566	4,800,404	B. Com, ACA	21	Edelweiss Capital	July, 2008
16	*Misra Deepa Harris (Ms.)	Senior Vice President - Sales & Marketing	57	29,162,548	19,013,759	B.A, M.A (English.), Dip. In Journalism	31	Fashion Magazine	July, 1983
17	Mohd Saleem Yousoff	Area Director - Goa & General Manager - Taj Exotica, Goa	51	6,277,444	4,254,367	B.A	28	First Employment	October, 1986
18	Momen Faisal	Chief Operating Officer - TTT & Inditravel Limited	46	10,017,936	5,914,205	B.B.A (Wharton School of Business)	23	White Cliff Tea (P) LTD	August, 2002
19	Mukerji Abhijit	Executive Director - Hotel Operations	53	19,584,755	11,658,672	University of Pennsylvania Dip. In Hotel. Management, MBA - Cornell - Essec, CHA, TGMP (Harvard University)	31	First Employment	December, 1984
20	Narang Jyoti (Ms.)	Chief Operating Officer - Luxury India	57	13,331,255	7,722,995	B.A. (Eco), M.B.A	36	Spica Group of Industries	October, 1982
21	Nataraj Prakash	Director-Operations, OHL Chennai	52	8,156,244	5,537,956	B.Com	26	Food Specialties Limited	August, 1988

The Indian Hotels Company Limited

Sr. No.	Name of Employee	Designation	Age as on 31/3/2015	Gross Remuneration ₹	Net Remuneration ₹	Qualification	Experience (No. of Years) As on 31/03/15	Last Employment Held	Commencement of Employment
22	Natarajan K	Corporate Chief - The Gateway Hotels	59	8,767,641	5,954,490	B.Sc. D.H.M.C.T	34	First Employment	September, 1981
23	Newar Rajeev	Vice President - Finance	47	9,555,019	6,438,766	ACA, CS, B.Com (Hons.)	23	Birla Corporation Limited	April, 1992
24	Oberoi H.K.	Corporate Chief - Luxury Hotels	61	12,154,465	7,791,728	Dip. in H.M.C.T.	40	First Employment	July, 1974
25	Parekh Rajeshkumar H.	Director - Finance International Companies	53	7,048,676	4,847,412	ACA, ACS, B.Com	30	Tata Chemicals Limited	September, 2000
26	*Patel Bina (Ms.)	Vice President - SPA Operations & Development	44	8,566,293	6,170,576	Corporate Law (Hons)	24	Gurudev Siddha Peeth, Ganeshpuri	August, 2003
27	Patel Gev	Vice President - Sales (Luxury International)	54	7,966,243	5,483,421	B.Sc.	29	Eureka Forbes Ltd.,	March, 1984
28	Pokhariyal Gaurav	General Manager - The Taj Mahal Palace Hotel, Mumbai	47	9,155,088	5,212,092	Dip in Hotel Management	22	Surrendra Paul Group of Hotels	June, 1993
29	*Poupon Yannick	Chief Operating Officer - Luxury International	66	10,035,373	7,212,543	Graduate Hotel Management School Strasbourg, France	43	Intercontinental Group	September, 2001
30	Rao Shalini (Ms.)	Director - Marketing	46	10,851,652	7,150,986	MMM (Griffith University, Australia)	21	Tetrapak India	February, 2012
31	Rathore Mahavir Singh	Head - Group Security	57	8,397,282	4,859,522	B.A(Hons)	32	First Employment	October, 1982
32	*Rawat Manoj	Manager - Human Resources	45	1,695,156	1,046,950	MSW, LLB, MBA	21	East Indian Hotels Ltd	October, 2006
33	Sahay Prabhat Verma	Chief Operating Officer - The Gateway Hotels	44	10,693,892	5,925,510	Dip. In Hotel Mgmt	24	First Employment	September, 1980
34	*Sarna Rakesh	Managing Director & CEO	58	43,710,952	24,414,399	Diploma in Hospitality Administration	30	Hyatt Hotels Corporation	2014
35	Siganporia Khushru	Director - Information Systems	50	6,775,422	4,597,204	PG Dip In Comp. Architecture & Mtce., BSC.	26	Everest Marketing Pvt Ltd.	December, 1990
36	Singh Sarabjeet	Director-Operations, Taj GVK Hotels & Resorts Limited	50	7,812,084	5,042,095	Dip in Hotel Management	27	First Employment	September, 1988
37	Singh Taljinder	General Manager - Taj Palace Hotel, New Delhi	46	7,340,633	4,724,630	B.Com	25	First Employment	September, 1990
38	Singh Veer Vijay	Chief Operating Officer - Vivanta Hotels	61	12,604,243	7,375,180	Dip. In Hotel Management, IHM PUA	39	First Employment	December, 1976
39	Solomon Ananda	Corporate Chief- Vivanta Hotels	59	12,546,648	7,999,939	Dip. In H.M.C.T	32	Hotel Blue Diamond	March, 1990
40	*T Damu	Vice President - Corporate Affairs (South)	72	1,229,800	1,030,042	Diploma in Advertising and Public Relation	47	Tata Tea Limited	January, 2001
41	*Venkata Ramana Murthy Piniseti	Senior Vice President & Global Head - HR	54	22,094,873	14,277,910	PH.D (Strategic HR Management), B.Law, B.Com	29	Hindustan Coca Cola Beverages Pvt Ltd	April, 2014
42	Venkatesh Suma (Ms.)	Vice President - Development	46	9,827,323	6,926,114	B E (Electrical), MBA	25	Portman Overseas	October, 2002
43	Vesavevala Rustom	Vice President - Learning & Development	50	6,729,245	4,529,365	MMS, B Com	26	Tata Administrative Service	June, 1989
44	Yagna Raman Santanam	Director - Group Internal Audit	50	7,471,079	5,127,623	CA, AICWA, CS	27	Tata Tea Limited	July, 1988
45	Zorniger Birgit (Ms)	General Manager - Taj Lands End, Mumbai	51	15,932,332	8,077,852	German Professional Hotel & Restaurant Diploma (Hons)	31	The Mark Hotel, New York	March, 2003

Note :

1. Net Remuneration is arrived at by deducting from the remuneration received, Income Tax, Company's Contribution to provident fund and superannuating fund.
2. All employees are entitled to Gratuity, Medical Benefits & Leave Travel Assistance as per rules of the Company.
3. All the employees have adequate experience to discharge the responsibilities assigned to them.
4. The nature of employment in all cases is contractual.
5. No Employees are related to any director of the company.
6. None of the above employees hold more than 2% of paid up capital of the company.
- * 7. Employed only for part of the year.

Mumbai, May 29, 2015

On behalf of the Board of Directors

Cyrus Mistry
Chairman

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, 2014 to March, 2015, 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.

OVERVIEW OF THE GLOBAL & INDIAN TOURISM INDUSTRY

Over the past few years, tourism has proven to be a strong and resilient economic activity and a fundamental contributor to the economic recovery by generating billions of dollars in exports and creating millions of jobs at a global scale. Travel & Tourism not only outpaced the general economy worldwide but also grew faster than major industries such as automotive manufacturing, financial services and health care.

2014 proved to be yet another successful year for the Travel & Tourism sector, off the back of a modestly stronger economic environment. The uplift in Travel & Tourism sector growth in 2014 improved though the actual growth achieved trailed the forecast.

As per the United Nations World Tourism Organisation (UNWTO), World Tourism Barometer, it is estimated that international tourist arrivals globally grew by 4.7% in 2014, reaching a record of 1.14 billion from 1.09 billion last year.

International tourism receipts increased by US\$48 billion in 2014 to touch a record US\$1,245 billion (UNWTO World Tourism Barometer). An additional US\$ 221 billion was generated from international passenger transport, bringing total receipts to US\$ 1.5 trillion.

Demand for International tourism was strongest for destinations in the Americas (+7%), Asia and the Pacific (+5%) while the increase in Europe (+4%), the Middle East (+4%) and Africa (+2%) was at a slightly more modest pace. By sub region, North America (+8%) saw the best results, followed by North-East Asia, South Asia, Southern and Mediterranean Europe, Northern Europe and the Caribbean, all increasing by 7%.

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, increases in disposable incomes and the burgeoning middle class.

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

During 2015, the industry's contribution to global GDP is expected to grow by 3.7% and employment by 2.6%. By the end of 2015, the Travel & Tourism sector will contribute US\$ 7,860 billion, 10% of global GDP, once all direct, indirect and induced impacts are taken into account. The sector is estimated to account for 284 million jobs, representing 9.5% of total employment.

World Travel & Tourism GDP growth estimated at 3.7% is expected to be stronger than the overall economy growth of 2.9% and is expected to exceed the overall GDP growth in over half of the 184 countries covered by the World Travel & Tourism Council (WTTC) annual economic impact research. South Asia is expected to experience the highest growth in 2015 at 6.9%, whilst Europe and Latin America are the regions with the lowest forecast growth of 2.4%.

In 2015, Travel & Tourism is expected to generate in the region of 7.2 million new jobs in total, with 2.1 million new jobs directly created within the sector.

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 have a long term impact for the travel and tourism industry. WTTC predicts that the travel and tourism industry in India will grow by 7.5% in 2015. This demonstrates the sector's enduring ability to generate economic growth, as the GDP is also targeted to increase by 7.5% in 2015-16. By the end of 2015, the travel and tourism sector will contribute 7% of India's GDP, and generate 37.4 million jobs; more than 1.8% of those generated in 2014.

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Leisure travel spending is expected to grow by 6.5% in 2015 to ₹ 5,859.3 billion and domestic travel spending is expected to grow by 7.0% in 2015 to ₹ 5,737.5 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.

The Taj Group has over 870 Rooms in development in the pipeline over 2015-16 of which 280 rooms are under the Gateway Hotels, 307 rooms under Vivanta by Taj and 283 rooms under the Taj brand.

Expansion In Domestic And International Markets

Despite India and the world economy still recovering from recession for the better part of this year, your Company succeeded in signing four new management contracts and is also in active discussions for many more opportunities that are likely to fructify in the next year.

Accordingly, management contracts were signed this year for a Taj hotel with Bangalore International Airport Limited (BIAL) and three Gateway hotels at Zirakpur, Dehradun and Wayanad, respectively.

On the domestic front, projects are progressing at a good pace and there are six new hotels slated to open this year. There are two Taj hotels at Santacruz, Mumbai and the other at BIAL, Bangalore which will open this year. Within the Vivanta by Taj portfolio, two new hotels are expected to open by the end of the year which include Guwahati and Amritsar. Two Gateway hotels at Hinjewadi, Pune and the other a resort at Corbett are likely to open this year as well. Additionally, The Gateway Hotel, Nashik will open its additional block of 78 keys later this year.

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

PRODUCT UPGRADE / RENOVATION

Your Company undertook renovation projects for certain key properties as per the ongoing product upgrade initiatives. As part of this renovation, redesigning works at Taj Exotica, Goa and Vivanta by Taj, Fort Aguada, are in process.

The widely acclaimed Ming Yang restaurant at Taj Lands End, Mumbai, has also been redesigned and its renovation has commenced. The newly renovated restaurant is expected to be opened to guests in the first half of the year.

At Taj Samudra, Colombo the banquet hall, Golden Dragon restaurant and one guest room floor were also renovated, thereby completing most of the planned renovations across the hotel.

WILDLIFE LODGES

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

JIVA SPA

The philosophy of Jiva Spas is rooted inherently in India's ancient approach to wellness. The ethos of the carefully recreated treatments are drawn from 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 being an eco-sensitive spa brand, has all spa products that 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 2014-15, the Company launched three new Jiva Spas at Vivanta by Taj – Blue Diamond, Pune, Taj Coromandel, Chennai and Vivanta by Taj – Dwarka, New Delhi respectively.

As on March 31, 2015, there are 33 Jiva Spas operational across the Group. Jiva Spa also runs non-branded spas i.e. "The Spa" and is operating 14 such spas in various hotels across the Taj Group.

GUEST EXPERIENCE

Taj Luxury Hotels

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

On its journey to excellence this year, your Company engaged Leading Quality Assurance, a Company that specializes in providing benchmarking analysis, quality assurance audits and training services to the global luxury hospitality industry, to raise the bar, with a fresh perspective. As part of the same, a cross functional team of operations managers worked towards enhancing the standards.

Leading Quality Assurance conducted annual brand standard audits for all your hotels to measure them vis-a-vis global and domestic benchmarks. The overall hotel compliance scores stand at 84.4% for the year. In addition to the fundamental customer indices of Loyalty, Advocacy and Overall Satisfaction which have shown an encouraging trend, the audit also measures the 'Emotional Quotient' of the staff and the correlation to the Taj Service Philosophy drivers, of Passion, Sensitivity and Giving, which stands at 82%.

The Push for the Finest program which has been running for six years has been supplemented with training focusing on sustaining the Taj Differentiation and enhancing the guest experience across all your Company's hotels. In addition to brand standards training, your Company focused on the Guest Engagement program which trains associates to emotionally connect with guests, engaging with guests as individuals and customizing to their needs.

The front of the house associates represent the brand image of the Taj. To ensure consistency of the 'Taj Look', makeup and grooming refresher sessions were conducted across all hotels.

Interaction with room reservations is the first step in the customer journey with more than 65 % of room reservations being booked through the hotel reservations offices.

Food and Beverage is a significant contributor to profit and it is imperative that your Company maintains a high quality of service for the guests. This year your Company has imparted Food and Beverage training with an emphasis on enhancing functional skills, incorporating new dining trends and guest engagement skills.

Additionally, cross exposure training was undertaken across Taj hotels to observe and spread best practices.

In order to strengthen the recruitment process, your Company has introduced psychometric assessment tests based on the Taj Luxury Service Philosophy. Several of our potential and existing associates took the test as a part of the recruitment process and to validate the agreed competencies.

Recognition remained a key focus in employee engagement and a measure to reinforce the Taj Luxury Service Philosophy drivers. Several of our associates have been recognized with Certificates of Excellence for Passion, Sensitivity and Giving in the past year.

Taj Luxury hotels accords the highest importance towards safety and security of the guests, associates, vendors, communities and assets. Your Company has implemented well-defined safety and security management systems across the hotels. The safety and well-being of the guests and associates have always been of foremost importance and your Company's hotels have consistently worked towards embracing new safety practices. Your Company's Luxury hotels have been audited by Bureau Veritas, a Company with global expertise in the field.

Diversey, a reputed international agency, conducts hygiene audits twice a year.

The Taj Service Philosophy which is inspired by traditional Indian hospitality, was unveiled in the brand campaign "The Practice of Perfect hospitality" last year. Your Company continued the thrust on the campaign in India and key global markets this year. This brand campaign celebrates the Associates of the Taj and brings into focus behind-the-scenes precision and attention that is accorded to the guests, to ensure a perfect guest experience. The synergy between communication and brand experience has helped enhance your Company's brand image.

In addition to the Taj brand campaign, dedicated Luxury adverts were released in key publications in India for the 'Room for More' tactical campaign which offered a bouquet of offers, to garner visibility across corporate audiences. This was buttressed with a digital advertising campaign across key digital channels for both domestic and international audiences.

Each of the resplendent Grand Palaces of the Taj, incredible architectural marvels and destinations of true splendour, offer the charm of yesteryears one can only dream of. The Royal Sojourn program, a bespoke journey across the Grand Palaces was launched and showcased exclusively at this year's Virtuoso Travel Mart in Las Vegas. Additionally, the Taj Holidays platform showcased the summer and winter promotions.

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With the increasing significance of the online space, your Company broadened the range of activities undertaken with a focus on reaching out to varied desired target audiences and now has more connected digital network than ever before. Your Company unveiled Instagram and Pinterest channels to enhance online presence on Social Media channels. The interactions on Facebook, Tripadvisor, Twitter, YouTube and blogs actively encourage conversation with consumers and help us enhance guest engagement in real time and these have met with favorable responses for crowd sourced events and promotions.

Vivanta by Taj – Hotels & Resorts

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.

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.

Ginger Hotels

Your Company's subsidiary, Roots Corporation Limited, which operates hotels under the "Ginger" brand, has 33 operational hotels. Two hotels have been added in Katra and Vizag during the financial year. Further projects are at various stages of execution in Tirupati, Vapi and Madgaon.

SALES & MARKETING INITIATIVES

Preferred destination of Heads of States:-

Taj has had a legacy of welcoming world renowned guests for over 100 years. Taj hotels have historically played the perfect host to the world's eminent leaders, celebrities and royalty. Some of the Heads of States that your Company played host to in 2014-15 are:

- Prime Minister Narendra Modi of India at The Taj Palace, New Delhi for Indo US CEO forum.
- President Barack Obama of USA, at The Taj Palace, New Delhi for Indo US CEO forum
- President Xi Jinping of the People's Republic of China, at Taj Palace, New Delhi.
- Prime Minister Tony Abbot of Australia at The Taj Mahal Palace, Mumbai
- H.R.H Princess Maha Chakri Sirindhorn of Thailand at Taj Bengal, Kolkata.
- H.I.M Emperor Akihito and H.I.M Empress Michiko of Japan at Taj Coromandel, Chennai and The Taj Palace, New Delhi
- H.E. Joachim Gauck, President of the Federal Republic of Germany at The Taj West End, Bangalore and The Taj Mahal, New Delhi.
- Dr Mohamed Waheed Hassan, President – Maldives at The Taj West End, Bangalore.

Taj has also hosted several prestigious events, including:

- Christies Auction at The Taj Mahal Palace, Mumbai
- World Economic Forum at The Taj Palace, New Delhi
- Indo US Business Summit at The Taj Palace, New Delhi
- Indo US CEO forum at The Taj Palace New, Delhi

Demand Drivers

- **Room For More Campaign:** Based on the successes and learnings from the new “Room For More” promotions launched in April, 2013, your Company continued the thrust of providing compelling value proposition to the consumers across hotels worldwide for the period April to September 2014 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.

New Hotel Launches

- Taj Group continued on its expansion path in India as well as in international markets in 2014. Your Company ended the year with a portfolio spanning 27 hotels in the Taj brand, 39 Vivanta by Taj Hotels & Resorts and 32 Gateway Hotels. New hotel launches and relaunches for renovated properties are 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 Dubai:** The Taj Group extended its international footprint with the opening of the 296 key Taj Dubai located in the prestigious Burj Khalifa District, downtown area of Dubai. The launch was ably supported by the campaign – “Service Tailored to Perfection” which was released in the Gulf and Indian markets.
- **Repositioning of Taj Exotica Resort & Spa (TERS), Maldives:** This year, a new campaign was launched for TERS “Discover Taj Time” to provide unique and differentiated moments to the guests. This includes a series of refreshed guest experiences to bring to life the concept of Taj Time.

Vivanta by Taj Hotels & Resorts (Upper Upscale Hotels)

- **Vivanta by Taj – Dwarka, New Delhi:** This is the 30th Vivanta by Taj hotel in the Taj portfolio and seventh hotel for The Taj Group in the National Capital Region. Strategically located within close proximity to the airport and business district of Gurgaon, the hotel is a short drive away from Lutyen’s Delhi. Contemporary in style, Vivanta by Taj – Dwarka’s architecture and interiors sets out to re-define urbanism, with its cutting edge architecture.
- **The Rebak Island Resort, Langkawi rebranded as Vivanta by Taj – Rebak Island, Langkawi:** The sole resident of a privately owned 390 acres rainforest island that commands a magnificent view of the Senari Straits bordering the Andaman Sea with a pristine and secluded beach, it promises a private Eden.

The Gateway Hotels & Resorts (Upscale Hotels)

- **The Gateway Hotel, GE Road, Raipur:** The Company launched its first hotel in the central Indian state of Chattisgarh with the commercial opening of the hotel in April 2014. Built on 3.5 acres of prime real estate, The Gateway Hotel, GE Road, Raipur is optimally located in the heart of the city centre and in close proximity of the Central Business Districts.
- **The Gateway Hotel, Balaghat Road, Gondia:** Was the first Gateway branded hotel in the Vidharbha region of Maharashtra launched in August 2014. Located on Balaghat Road and in close proximity to the principal attractions of the region, it is the first full service hotel in the city and the first one from the Taj Group in this part of the country.
- **The Gateway Resort, Damdama Lake, Gurgaon:** Was launched in November 2014, marking the debut of the ‘Resort’ brand from Gateway. Positioned as the ‘Urban Sanctuary for the Modern Nomad’, the resort provides the much sought after ‘detox’ solutions to our group targets, the ‘Millennial Traveler’.

Ginger Hotels

- **Ginger Hotel, Vizag, Vishakhapatnam:** Launched in December 2014 at Dwaraka Nagar, the hotel comprises 72 smartly furnished rooms designed to make guests’ stay comfortable and convenient.
- **Ginger Hotel, Katra, Jammu:** Launched in March 2015, it is an 80 room hotel, located at a distance of 1.5 kms from Ban Ganga which is the starting point towards Shri Mata Vaishno Devi temple.

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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 2014-15. The communication for each brand was suited towards the targeted segment, eg. Launch of Kids@Taj for the Luxury hotels, special Vivanta experiences like the Kabir project in Delhi, The Gateway brand campaign and the continuing focus on music through its Revolutions program.

Taj Hotels Resorts and Palaces

- **Launch of Kids@ Taj across hotels in India:** the program for the young adults was rolled out in the domestic hotels. The program offers young adults their own special check in, with in room amenities like children's toiletries, bath robes, slippers, specially created turn down services and special kids menu. The program also offers a selection of activities within the hotel and in the city which the kids will enjoy.
- **Launch of Svara:** the launch of the Indian wine label by the Taj also saw a marketing first in the creation of a blippar to highlight the brand Svara which is the music brand of the Taj and is inspired by the sounds of India. Your Company has used blippar to showcase the wine details, food pairings and the sounds of India. Svara has also been launched on social media.
- **25 years of Taj Bengal, Kolkata:** Your Company celebrated 25 years of Taj Bengal, Kolkata through an interesting and engaging campaign with the guests. A special logo commemorating this milestone was rolled out, along with several initiatives and events to celebrate this milestone.
- **Participation by Taj at World Economic Forum:** 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.

Vivanta by Taj Hotels & Resorts

- **"Secrets of the Rainforest":** This film, a home production which was aired on History channel, TLC, BBC News and Discovery HD, generated great interest from viewers and was also premiered on the website, You Tube channel as well as on social media channels like Facebook and Twitter.
This film has won the 3rd best film award at ITB Berlin 2015 under the Innovation category.
- **The Kabir Project:** Vivanta by Taj-Dwarka, New Delhi conceived and created the interpretive Kabir project, a contemporary narrative that renders one of the most well-known patron saints from North India i.e. Sant Kabir and famous couplets "dohas" and fuses the narrative with his music in a new age expression seen across the lobby passage and music lounge.
- **Ceramics Expression gallery at Vivanta by Taj - Dwarka, New Delhi:** Ceramics as an art expression resonates with the Vivanta values. With Terra Forma, the endeavour was to showcase the masters of Ceramics expression and bring back the personal experience of viewing works of art. A dedicated space was provided for contemporary ceramic artists to exhibit their creations and interact with the larger community of patrons, enthusiasts, fellow artists, historians and art critics.
- **Trip Tease launched in partnership with the Comedy Store:** An industry innovation, the experience brings live stand-up comedy acts exclusively to Vivanta bars followed by a DJ session.
- **Vivanta's private adventure label "BACKPACKER DIARIES" in partnership with Muddy Boots:** goes live at Pearl Island (earlier known as Gundu Island) at Vivanta by Taj, Malabar, Cochin. Tailored adventure activities at the Pearl Island with Aqua zorbing, the Tyrolean Traverse, the Burma Bridge, Skywalks etc.
- **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.
- **Jeelani Diaries launched at Vivanta by Taj - Begumpet, Hyderabad:** Viva, a personal journey through the nuances of Hyderabad cuisine and kitchens by Chef Jeelani in an interesting story telling format.
- **The Vivanta Mobile app:** The year saw Vivanta's mobile application launched across all OS platforms including Apple IOS, Windows, Blackberry 10 and Android. It is expected to get both traction as also user improvement suggestions through a content management module.

The Gateway Hotels

- **Launch of Gateway Brand Campaign 3.0:** The third generation brand campaign was launched with the introduction of two new Gateway avatars - The Foodie and The Wellness Seeker. The Foodie avatar amplifies the Gateway food philosophy developed for the Millennial Traveler by bringing to life the concepts of Active Food, Regional Home Style cuisine and Wake-up Breakfast. The Wellness Seeker amplifies the Gateway brand pillar of Fitness delivered in the hotels through Active Food, 24/7 Active Studio, Yoga Channels and Yoga Mats in hotel rooms.
- **IPL 2014 – Strategic Tie-up with ESPN Cricinfo:** In order to derive maximum visibility for the brand and promote higher usage of F&B activities in the hotels, a promotion campaign was launched during IPL 2014. A 50 day long promotion plan was launched for the Gateway brand on all mobile and digital platforms of ESPN Cricinfo. The campaign met with astounding success and also resulted in higher footfalls for bars and All Day Diners during this period.
- **HT Mint Airport Activation:** Focused media campaign launched in June 2014 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 corporate travels – the mainstay of your Company's hotels, with focused Room For More campaign for key city hotels.
- **Revolutions 3.0:** Kick-started the third successful season of Gateway Revolutions - the freedom series with a countrywide tour of four cities - Chennai, Ernakulam, Visakhapatnam and Kolkata with tribute concerts to Dire Straits, Led Zeppelin, Queen and Pink Floyd. Organized in collaboration with the Rolling Stones, the shows managed to garner attention for these hotels in both offline and online media and attracted the 'millennial' traffic to these hotels.

ENVIRONMENTAL INITIATIVES

Based on international guidelines propounded by Global Reporting Initiative (GRI - G3.1) and United Nations Global Compact (UNGC), your Company submits its Corporate Sustainability Report to UNGC. Your Company continues to voluntarily participate in the globally recognized Carbon Disclosure Project in line with the commitment to Climate Change Principles. Your Company has, over the last three years, been awarded an 'A+' certification by UNGC. This is the highest possible rating that a company can achieve. Your Company has also been included in the Carbon Disclosure Project Leadership index (CDLI). This has been achieved among a base of over 6,000 applications from 135 countries.

Energy Management

Your Company is conscious of the environmental impact across operations and strives to reduce the impact on an ongoing basis. The hotels have adopted environmental and safety management systems and instituted Environmental Certification systems. Your Company believes that responsible tourism is about more than just operating hotel premises in a sustainable way. By supporting target communities through livelihood and neighbourhood initiatives, your Company echoes the Tata mission statement to 'improve the quality of life of the communities we serve globally'. Embedding sensitivity and responsibility for local environs and neighbourhoods into our key business processes has been one of the main aspects that define the legendary Taj culture and distinguishes our brand.

Under the aegis of EARTH (Environmental Awareness & Renewal at Taj Hotels) vision and Tata values, the Taj Group has been benchmarking and certifying their hotels through EarthCheck™. EarthCheck™ is the world's leading environmental management and professional services group for the travel and tourism industry.

Your Company measures and records its direct and indirect emissions of Green House Gases, water consumption, reuse and recycling impact as well as waste generation and disposal. Your Company recognizes the need to create general awareness of environment sustainability beyond our fences and involve the community. All our hotels participate in awareness initiatives by participating in global environment awareness events like World Environment Day (5th June), Tata Sustainability month and 'Earth Hour' campaigns.

Your Company is conscious of the impact of our daily operations on the environment and is continuously taking steps to reduce dependence on fossil fuels.

Water Management

Your Company works on effective water management through ground water recharging, rain water harvesting, water reuse and recycling. Many of our hotels this year have attained the status of zero water discharge into municipal sewers, which means that these hotels completely use and reuse all the water procured. Several hotels across the Taj Group practice rain water harvesting.

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Waste Management

Whilst your Company continues to set higher milestones in its journey of environmental excellence in terms of reducing the impact of operations on natural resources, it is also committing itself to spread environmental awareness in neighbourhoods around the hotels in ecologically sensitive locations & regions with water shortage by investing in increased use of renewable energy sources and promoting water harvesting. Many of the hotels compost biodegradable food and horticulture waste.

Safety

Your Company works diligently on its commitment to safety in a three pronged manner by encompassing security, workplace safety and food safety. Taj's safety vision is guided by its Safety Policy, the Tata Code of Conduct and the Tata Safety Policy. The Senior Leadership Team emphasizes a zero tolerance for accidents and personally reviews all accidents and their root causes to drive corrective and preventive action through the apex-level Safety Council and Safety Committee meetings. Your Company has intensified its Safety audit systems at the hotels by partnering with Bureau Veritas (India) Ltd to conduct a detailed audit of hotel operations across Luxury, Vivanta, Gateway, Ginger hotels and Taj SATS. Additionally, fire safety audits are also conducted for all hotels by external domain experts.

Your Company is committed to continually improve the Food Safety Management System by training and optimizing capacities of people, processes and technologies within the system and ensuring implementation of ISO 22000 Food Safety Management System, Codex Standards and other applicable Internal and External Standards.

BUSINESS EXCELLENCE

Tata Business Excellence Model

Under the guidelines of the Tata Business Excellence Model, two focus areas were identified for deep dive. 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.

Training for Process Excellence

Your Company has implemented a continuous improvement programme to build process improvement capabilities in associates at all levels. Key features are customized workshops, the creation of specially designed process improvement tool-box and initiatives to generate total associate involvement in quality improvement.

The focus has been to build skills and capabilities to make excellence a habit across the organization so that problems are solved as close to the frontline as possible, in an empowered, effective and efficient manner, delivering guest delight.

An associate involvement initiative, called Unleash People Power, was conducted, helping to provide opportunities to all associates to contribute ideas and take ownership for improving their own processes.

Brand Standards and Mystery Shopper Audits

The brand standards were revisited for each brand and re-defined. The mystery shopper audit process has been improved, with the migration of all hotels to a single agency across all brands. This has helped to achieve consistency in brand standards and has allowed hotels to compare their performance to their competitive set.

Using Guest Feedback to Delight Guests

Your Company's focus on ensuring guest delight includes analysis of feedback from guests, data mining and identification of improvement opportunities to positively impact a guest's experience. Hotels closely monitor improvement projects based on guest feedback and work towards eliminating defects.

HUMAN RESOURCE (HR) INITIATIVES

Initiatives for workforce well being and engagement:

Benefits and Policies:

Since some of the executive benefit policies needed to be revised to ensure that your Company was aligned to market practices, an external agency was retained to do a benchmarking study in order to understand the practices of other organizations within the hospitality industry. New policies such as Extended Maternity Leave Policy and Bereavement Leave Policy were introduced along with the modifications to some of the existing policies which were released as part of the Executive Entitlement Handbook 2014.

Taj Employee Ethics Helpline:

To foster an environment where people who, in good faith, bring concerns under the Tata Code of Conduct (TCoC) and Prevention of Sexual Harassment (POSH) policy, are supported in a prompt, professional and diligent manner, the Taj Employee Ethics Helpline was launched during the year.

Taj Employee Portal :

Taj Employee Portal was successfully launched across all the hotels in India. The Portal provides a single point access to all the employees for all relevant information that facilitates communication, collaboration, and decision making. The Taj Employee Portal provides access to real time information and connects colleagues across multiple locations. It is a powerful tool which will provide avenues to employees to express themselves and share their opinions.

RISKS & CONCERNS

Industry Risk

General economic conditions

The hospitality industry is prone to impacts due to fluctuations in the economy caused by changes in global and domestic economies, changes 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, fluctuations in interest rates and foreign exchange rates and other social factors. Since demand for hotels is affected by world economic growth, a 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

Company specific risks remain by and large the same as enumerated last year. These are:

Overseas Investments

The Company has made significant investments in hotel assets in the USA as also in acquiring a stake in an international hotel chain. Such investments are long term and strategic. Because of a slowdown in the overseas markets as well, such investments will need to be nursed over a longer gestation period.

Heavy Dependence on India

A significant portion of your Company's revenues are realised from its Indian operations, making it susceptible to domestic socio-political and economic conditions. Moreover, within India, the operations and earnings are primarily concentrated in hotel properties in five cities.

Dependence on the high-end Luxury segment

Luxury hotels contribute a significant proportion of the total revenue and earnings of your Company. This segment is affected by the international events and travel behaviour and suffers from high operating leverage. Adverse development affecting these hotels or the cities in which they operate could have a materially adverse effect on the Taj Group.

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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 global chains. Several of these chains have announced their plans to establish hotels to take advantage of the demand supply imbalance. These entrants are expected to intensify the competitive environment. The success of Taj Group will be dependent upon its ability to compete in areas such as quality of accommodation, brand recognition, service level, convenience of location, the quality and scope of other amenities, including food and beverage facilities.

Increased outbound travel

Recent competitiveness in international airfares and strengthening financial health of Indian people resulted in destinations like Europe, South East Asia and Australia becoming more affordable to the average Indian traveller. This has increased outbound travel and presents a risk to the domestic segment for leisure resorts.

High Operating Leverage

The industry in general has a high operating leverage which has further increased with on-going renovations and product upgrades. 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).

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.

Risk Mitigation Initiatives

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

- Your Company has implemented various security measures at all its properties which inter alia include screening of guest's luggage, installation of metal detectors etc. to counter the security risk.
- Foraying successfully in the upper upscale and the upscale segments, your Company counters the risk of dependence on the high end luxury segment.
- 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 and leveraging the strengths of its Associates.
- 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.

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 & procedures issued by the Management covering all critical and important activities viz. Revenue Management, Hotel Operations, Purchase, Finance, Human Resources, Safety, etc. These policies & 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' (TPAM), 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.

OTHER INITIATIVES

Taj Public Service Welfare Trust

Your Company's leadership, under the aegis of Mr. Ratan Tata, Chairman Emeritus of Tata Sons, 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. From then on the Trust has been receiving support from well-wishers in India and abroad year on year.

The Trust continues to support this statement, implementing various measures with the main objective of encouraging these families to advance and become self-sustained with every progressive year.

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, 2015

Standalone Financial Results

The following table sets forth financial information of the Company for the year ended March 31, 2015

₹ crores

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Income		
Sales & Other Operating Income	2,024.38	1,929.51
Other Income	79.22	47.82
Total Income	2,103.60	1,977.33
Expenditure		
Consumption of Raw Materials	181.88	176.83
Employee Benefits Expense	531.37	472.53
License Fees	128.39	125.74
Fuel, Power and Light	174.27	165.70
Depreciation/Amortisation	117.85	122.26
Other Expenditure	649.80	599.25
Total Expenditure	1,783.56	1,662.31
Profit before Finance Cost and Tax	320.04	315.02
Finance Costs	89.46	98.82
Profit before Tax and Exceptional Items	230.58	216.20
Exceptional Items	(228.70)	(737.10)
Profit/(Loss) before Tax	1.88	(520.90)
Provision for Tax (including for earlier years)	83.90	69.59
Loss after Tax	(82.02)	(590.49)

The Indian Hotels Company Limited

Revenues

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

₹ crores

Particulars	Year Ended		% Change
	March 31, 2015	March 31, 2014	
Room Income	908.34	884.26	3
Food, Beverage & Banqueting Income	813.42	774.16	5
Other Operating Income	302.62	271.09	12
Non-Operating Income	79.22	47.82	66
Total Income	2,103.60	1,977.33	6
Statistical Information			
Average Room Rate (₹)	9,562	9,360	2
Occupancy (%)	64	64	-

- Room sales increased by 3% compared to the previous year due to marginally higher ARR in the current year.
- Food & Beverages income grew by 5% over previous year, mainly due to increase in restaurant sales of ₹ 25.36 crores and banqueting business of ₹ 13.90 crores.
- Other Operating Income constitutes mainly of income from Management Fees, Laundry, Spa & Health Club, Telephone, Business Centre Rents, etc. Other Operating Income was higher than previous year by 12%. The increase was driven by an increase in Car Hire Income (₹ 10.53 crores), Spa and health club income (₹ 1.36 crores) and Management & operating fee (₹ 12.20 crores).
- Non-Operating Income increased over the previous year by ₹ 31.40 crores on account of an increase in Interest Income (₹ 21.33 crores) and Dividend Income (₹ 12.04 crores) due to deployment of funds raised from the Rights Issue, in Fixed Deposits and Mutual Funds, pending planned deployment.

Operating Expenses

Operating expenses increased by 7% from ₹ 1,662.31 crores in the previous year to ₹ 1,783.56 crores. While the increase in variable operating costs was due to increase in volume and addition of the new hotel at Dwarka, Payroll expenses were higher than the previous year due to increments and wage settlements and increase in actuarial liabilities primarily due to fall in Government Security rate. Additionally, Power and Light expenses were higher than the previous year due to increase in tariffs, Repairs and Maintenance expenses were higher due to refurbishments done in select hotels and Rates and Taxes were higher due to incremental property taxes. Legal expenses were higher due to settlement of an arbitration claim and also there has been an increase in costs of outsourced support services.

Depreciation for the year was lower at ₹ 117.85 crores compared to ₹ 122.26 crores in the previous year.

Finance Costs

Finance costs for the year ended March 31, 2015, at ₹ 89.46 crores, net of currency swap gain, were lower than the preceding year by ₹ 9.36 crores due to retirement of debt in the latter part of previous year as well as repayment of debt/ short term loans in the current year out of Rights Issue proceeds.

Profit Before Tax & Exceptional Item

Profit before Tax & Exceptional Item at ₹ 230.58 crores was 7% higher than the previous year primarily on account of treasury income and savings in finance costs.

Exceptional Items

Exceptional Items includes items as under:

₹ crores

Particulars	Year Ended	
	Mar 31, 2015	Mar 31, 2014
Exceptional Items - Exchange Loss		
Exchange Gain/(Loss) on long term borrowings/assets	(24.75)	(22.16)
Exceptional Items - Investment		
Provision for Diminution in value of long term investments	(213.49)	(687.00)
Loss on sale of Investment	(2.02)	-
	(215.51)	(687.00)
Exceptional Items - Others		
Provision for contingency of an Associate no longer required written back	11.56	-
Expenditure on a discontinued project charged off for commercial reasons	-	(8.90)
Provision for Contingency for Property tax	-	(19.04)
	11.56	(27.94)
Total	(228.70)	(737.10)

Profit/ (Loss) before Tax

Profit before Tax for the year was at ₹ 1.88 crores, as compared to the previous year's Loss of ₹ (520.90) crores.

Loss after Tax

Loss after Tax for the year was at ₹ (82.02) crores, as compared to the previous year's Loss of ₹ (590.49) crores.

Cash Flow Data

₹ crores

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Net Cash from operating activities	399.78	367.86
Net Cash used for investing activities	(418.19)	(180.62)
Net Cash from/(used for) financing activities	261.96	(183.79)
Net Increase in cash and cash equivalents	243.55	3.45

Operating Activities

Net cash from operating activities was higher at ₹ 399.78 crores vis-à-vis ₹ 367.86 crores in the previous year due to income tax refunds received during the current year.

Investing Activities

During the year under review, the Company incurred ₹ 137.65 crores towards capital expenditure, most part of which was incurred on the Company's projects covering Vivanta by Taj hotels at Dwarka and at Guwahati. The Company has received ₹ 153.84 crores on account of partial refund of deposits from a wholly owned subsidiary.

As at March 31, 2015, ₹ 431.82 crores were invested in Liquid Mutual Funds.

The Indian Hotels Company Limited

Financing Activities

During the year, the Company allotted 18,18,01,228 Compulsorily Convertible Debentures (CCDs) of ₹ 55 each aggregating to ₹ 999.91 crores . 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 CCD. Out of the issue proceeds along with cash generated from operations, the Company has repaid long term and short term loans of ₹ 638.28 crores during the year.

Certain Financial Ratios for Standalone Financials Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Net Debt to Total Capital (Total debt less cash and cash equivalents divided by the sum of net debt and net worth)	0.35	0.50
Net Debt to Equity (Total debt less cash and cash equivalents divided by Equity and Reserves)	0.53	0.98

Note: Compulsorily Convertible Debentures, convertible into Equity shares on March1, 2016 have been considered as part of Equity.

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 following table sets forth the Consolidated Financial results for the year ended March 31, 2015.

₹ crores

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Income		
Sales & Other operating income	4188.64	4066.19
Other Income	98.71	59.75
Total Income	4287.35	4125.94
Expenditure		
Consumption of Raw Materials	443.09	427.07
Employee Benefits Expense	1462.46	1372.19
License Fees	209.61	208.15
Fuel, Power & Light	320.43	311.15
Depreciation	291.29	308.13
Other Expenditure	1264.47	1188.06
Total Expenditure	3991.35	3814.75
Profit Before Finance Cost and Tax	296.00	311.19
Finance Costs	175.57	168.51
Profit before Tax and Exceptional Items	120.43	142.68
Exceptional Items	(352.91)	(554.84)
Loss before Tax	(232.48)	(412.16)
Provision for Tax (incl. for earlier years)	114.60	110.95
Loss after Tax before Minority Interest and Share of Associates	(347.08)	(523.11)
Profit/ (Loss) attributable to Minority Interest	(30.98)	(17.49)
Share of Profit/(Loss) of Associates	(0.04)	(13.25)
Loss after Tax, Minority Interest and Share of Associates	(378.10)	(553.85)

Revenues

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

₹ crores

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Hoteliering	3,902.54	3,798.23
Others	286.10	267.96
Unallocable Income	98.71	59.75
Total Revenue	4,287.35	4,125.94

- 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

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 lower in the current year due to the change in useful life of the assets as required under the new Companies Act, 2013.

Consolidated Profits Before Finance Cost and Exceptional Items

Profit before Finance Costs and Exceptional items at ₹ 296.00 crores was marginally lower than the previous year.

Finance Costs

Finance cost, net of currency swap gains, at ₹ 175.57 crores was higher than that of the preceding year by ₹ 7.06 crores essentially due to new loans taken by an International subsidiary and refinancing done by a Jointly Controlled Entity.

Exceptional Items

Exceptional Items includes the following:

₹ crores

Particulars	Year Ended	
	Mar 31, 2015	Mar 31, 2014
Exceptional Items - Exchange Loss		
Exchange Gain/(Loss) on long term borrowings/assets	(51.07)	(29.15)
Exceptional Items - Investment		
Provision for diminution in value of long term investments	(306.51)	(351.71)
Provision for diminution in Long term advances by a Jointly Controlled Entity	-	(21.42)
Settlement/provision arising out of financial exposure in an Associate	(25.85)	(100.47)
Impairment of goodwill by a jointly controlled entity	(16.00)	-
Profit on sale of an international subsidiary	27.97	-
Profit on sale of certain domestic subsidiaries	18.55	-
Exceptional Items - Others		
Provision for Contingency for Property Tax	-	(19.04)
Project written off for commercial reason	-	(29.78)
Voluntary Retirement Scheme expenses of a subsidiary	-	(3.27)
Total	(352.91)	(554.84)

The Indian Hotels Company Limited

Loss after Tax, Minority Interest and Share of Associates

Loss after tax, Minority Interest and Share of Associates for the year was lower at ₹ (378.10) crores as compared to ₹ (553.85) 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, 2015	March 31, 2014
Net Cash from operating activities	494.77	538.92
Net Cash used in investing activities	(725.79)	(301.04)
Net Cash from/(used in) financing activities	491.05	(211.86)
Net Increase in cash and cash equivalents	260.03	26.02

Operating Activities

Net Cash from operating activities was lower at ₹ 494.77 crores as compared to ₹ 538.92 crores in the previous year, mainly due to decrease in EBITDA for the year from ₹ 619.32 crores to ₹ 587.29 crores.

Investing Activities

During the year, the Group incurred ₹ 315.13 crores towards capital expenditure, which was essentially on the Group's projects covering Vivanta by Taj- Dwarka, Vivanta by Taj- Guwahati, Gateway hotel at Gondia, Vivanta by Taj - Amritsar and ongoing renovations/expansions at certain hotels of the Group.

The Group has deployed net surplus funds of ₹ 437.84 crores, in mutual funds and other liquid investment, arising out of Rights Issue, pending deployment.

The Group also realised cash aggregating to ₹ 164.31 crores (inclusive of refund of deposits) from the sale of subsidiaries, primarily IHMS Australia Pty Ltd.

Financing Activities

As mentioned earlier, during the year, the Company has raised ₹ 999.91 crores by issue of Compulsorily Convertible Debentures (CCDs) on right basis. Out of the issue proceeds along with cash generated from operations, the Company has repaid long term and short term loans of ₹ 638.28 crores during the year. Apart from the above, certain International subsidiaries have refinanced its existing loans.

Certain Financial Ratios for Consolidated Financials

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
Net Debt to Total Capital (Total debt less cash and cash equivalents divided by the sum of net debt and net worth)	0.53	0.61
Net Debt to Equity (Total debt less cash and cash equivalents divided by Equity and Reserves)	1.13	1.55

Note: Compulsorily Convertible Debentures, convertible into Equity shares on March 1, 2016 have been considered as part of Equity for computation of the above ratios.

AWARDS AND ACCOLADES

Taj Hotels Resorts & Palaces

- Conferred the Gallup Global Great Workplace Award, fifth time in succession.
- Awarded the Best Business Hotel Group in India at the Business Traveller Awards.
- Awarded the Best Hotel Group in India and The Taj Inner Circle named the Best Hotel Loyalty Programme at the T+ L India's Best Awards.
- Ranked 15th in the list of "India's Best Companies to Work For" by Great Place to Work.
- Ranked second in the Best Hotel Employer Ranking, the third pillar of the Young Hoteliers Summit.
- Crowned with The Randstad Award 2014.
- 'Jiva Spa' won the Favourite Hotel Spas and Spa Hotels category by the Outlook Traveller Readers Survey.
- Taj Luxury Hotels awarded "the Best Brand of the year Award" by the World Branding Awards.

Taj Mahal Palace, Mumbai

- 'Wasabi by Morimoto' was on the S. Pellegrino List of top 100 Restaurants in the World and was also voted as the favourite Indian hotel restaurant by the Outlook Traveller
- Favourite Business Hotel in India by the Conde Nast Traveller Reader's Travel Awards.
- Ranked the 6th Best Business Hotel and 16th among the Hot 25 Conference Hotels in Asia at the Smart Travel Asia Awards.
- Times Food Guide-Mumbai Awards -
 - 'Golden Dragon' winner of the Best Chinese Restaurant category (South Mumbai).
 - 'The Zodiac Grill' winner of the Best European/Global Restaurant category (South Mumbai).
 - 'Wasabi by Morimoto' winner of the Best Japanese Restaurant category (South Mumbai).
 - 'Souk' winner of the Best Lebanese Restaurant category (South Mumbai).

Taj Mahal, New Delhi

- 'House of Ming' was awarded the Best Chinese Restaurant in Safari India South Asia Travel Awards PATWA.
- 'Wasabi by Morimoto' was awarded the Best Menu R&D and Innovative Culinaricians Award by Franchise India.

Taj Palace, New Delhi

- Ranked 16th in the list of the World's 500 Best Hotels Awards - Asia's best city Hotels by T+L US.
- Awarded one of the top city hotels in Asia at the T+L World's Best Hotels Awards.
- 'Blue Ginger' awarded the Best Vietnamese Restaurant in Delhi at Times Food & Nightlife Awards.

Taj Bengal, Kolkata

- Times Good Food Guide awarded Taj Bengal-
 - Best Chinese Restaurant in the five star category 'CHINOISERIE'.
 - Best Bar in the five star category 'JUNCTION'.

Taj Falaknuma Palace, Hyderabad

- 'Adaa' was included in the category of Best 100 restaurants in the World by Elite Traveller.
- Ranked 5th in the Overseas Business Hotel - Asia and India Hotels UK Condé Nast Traveller Readers' Travel Awards.
- Awarded the T+ L India's Best Heritage Hotel Award.
- Conferred the Gold E award of Excellence and recognized as World's Best Hotel by Traveller Made.

The Indian Hotels Company Limited

Taj Lake Palace, Udaipur

- Awarded at the Trip Advisor Travellers' Choice Awards, as
 - 4th on the list of Top 25 Hotels in India.
 - 6th on the list of Top 25 Luxury Hotels in India.
 - 8th on the list of Top 25 Hotels for Romance in India.
 - 6th on the list of Top 25 Hotels for Service in India.
- Ranked 10th on the T+L USA Top 100 World's Best Hotels List.
- Ranked 2nd on the T+L USA Top 15 Resorts in Asia.
- Voted as the Best Heritage Resort at the Lonely Planet Magazine India Travel Awards.

Umaid Bhawan Palace, Jodhpur

- Ranked No. 1 in the Best Heritage Hotels category by the Outlook Traveller Readers Survey.
- Featured on the Conde Nast Gold List in the Top Hotels in the World.
- Featured on Robb Report USA List of Top 100 Resorts in the world - a list of Earth's Most Exclusive Retreats.

Rambagh Palace, Jaipur

- Ranked 11th on the list of World's Best Hotels in India & Asia in the Conde Nast Traveller UK Readers' Travel Awards.
- Ranked 32nd on the T+L USA Top 100 World's Best Hotels List.
- Ranked 6th on the list of T + L USA Top 15 Resorts in Asia.

The Pierre, A Taj Hotel, New York

- Ranked 5th on the list of Top 50 Large City Hotels in Continental USA.
- Featured in the Condé Nast Traveler - Top 25 Hotels in New York City - Readers' Choice Awards.
- Forbes Travel Guide Five Star Recipient.

Taj Cape Town, South Africa

- Awarded the Best Hotel at the South Africa Tour Operator Association Awards 2014.

Taj Exotica Resort & Spa, Maldives

- Jiva Grande Spa honored as the Favourite Overseas Hotel Spa.

The Gateway Hotel, Residency Road, Bangalore

- Karavalli Restaurant at The Gateway Hotel:
 - Featured on the list of Asia's 50 Best Restaurants by Acqua Panna S Pellegrino.
 - Awarded the Best Coastal Restaurant by Times Now Foodie Award as well as by Time Out.
 - Awarded the Best Indian Restaurant by CNBC.
 - Honored with the Times Food Guide Award, Bangalore.

The Gateway Resort, Damdama Lake, Gurgaon

- Awarded the Best Architecture Hotel Category at the Artists in Concrete Awards.

Vivanta by Taj – President, Mumbai

- 'Konkan Café' was awarded the Best South Indian Casual Dining Restaurant and the Best Coastal Casual Dining Restaurant in South Mumbai at the Times Food & Nightlife Awards.
- 'Trattoria' was awarded the Best 24-Hour Casual Dining Restaurant and the Best Italian Casual Dining Restaurant in South Mumbai at the Times Food & Nightlife Awards.
- 'Thai Pavilion' was awarded the Best Thai Fine Dining Restaurant in South Mumbai at the Times Food & Nightlife Awards.

Vivanta by Taj – Connemara, Chennai

- 'Raintree' was awarded the Best Chettinad Food Restaurant Award at the Times Food Awards.

Vivanta by Taj – Panaji, Goa

- 'Tamari' was awarded the Best Pan Asian Cuisine Restaurant at the Times Food Award.

Vivanta by Taj – Malabar, Cochin

- Awarded the Best Luxury Resort in India at the Hotel Build Awards by Hotelier India & ITP Publishing Group, India.

Taj Exotica, Goa

- 'Miguel Arcanjo' was awarded the Best Mediterranean Restaurant at the Times Food Awards.

Taj Tashi, Thimpu, Bhutan

- Awarded the Best Luxury Hotel at the Safari India South Asia Travel Awards.

Brand Awards

Vivanta by Taj – Madikeri, Coorg

- The in house film ranked 3rd in the Best Film, Innovation Category : ITB Berlin.

Vivanta by Taj – Motifs Campaign

- Featured in the category of Kyoorius Design Blue Elephant Award.

Earth Check Certification

- Vivanta by Taj, Trivandrum, Kerala - Gold Certification.
- Vivanta by Taj, Coral Reef, Maldives - Gold Certification.
- Vivanta by Taj, Bentota, Sri Lanka - Gold Certification.
- Vivanta by Taj, President, Mumbai - Gold Certification.
- Vivanta by Taj, M.G.Road, Bangalore – Gold Certification.
- Jai Mahal Palace, Jaipur - Gold Certification.
- Vivanta by Taj, Rebak Island, Langkawi – Silver Certification.
- The Gateway Hotel, M.G. Road, Vijaywada – Silver Certification.
- The Gateway Hotel, Ganges, Varanasi – Silver Certification.
- The Gateway Hotel, Old Port Road, Mangalore – Silver Certification.

REPORT ON CORPORATE GOVERNANCE

Philosophy on Corporate Governance

Your Company's philosophy on Corporate Governance is founded upon a rich legacy of fair ethical governance practices which has been in practice since its inception. The Company believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, principal, employees, shareholders and with all the stakeholders of the Company.

The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of Corporate Governance requirements as detailed below for the year ending March 31, 2015:

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 and half of the Board comprising Independent Directors, of which two are Woman Directors. The Directors possess experience in fields as varied as 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 Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The details of Directors seeking appointment/re-appointment have been attached along with the Notice of the Annual General Meeting.
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 issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. 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 mentioned under Clause 49 of the Listing Agreement and Section 149 of the Companies Act 2013.
4. None of the Directors hold directorships in more than ten public companies. Further, none of them serve as members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per the requirements of the Listing Agreement. "Committees" for this purpose include the Audit Committee and the Stakeholders Relationship Committee under the said Clause 49 of the Listing Agreement.
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 five times and the period between any two meetings did not exceed 120 days. The Board Meeting dates were: May 30, 2014, August 7, 2014, August 11, 2014, November 14, 2014 and February 4, 2015. A detailed explanation, in the form of a table illustrating the above matters is given on page no. 69 for ready reference.

As required under Annexure X to Clause 49 of the Listing Agreement with the Stock Exchanges, 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. All the relevant information, as recommended by the Securities and Exchange Board of India (SEBI) / Stock Exchanges, is promptly furnished to the Board from time to time in a structured manner. Video / tele conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings.
9. During the year, a separate meeting of Independent Directors was held inter-alia to review the performance of Non-Independent Directors and the Board as a whole. 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 put in place a programme to familiarise the Independent Directors with the Company, 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 <http://www.tajhotels.com/tajcorporate/PDF/Familiarization-Programme-for-Independent-Directors.pdf>.

11. The Non-Executive Directors of the Company are paid in addition to commission, sitting fees of ₹ 20,000 per meeting for attending meetings of the Board of Directors, Audit Committee, Independent Directors and Nomination & Remuneration Committee and the sitting fees for the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee is ₹ 10,000 per meeting.
12. The Company has adopted a Code of Conduct for its Non-Executive Directors. All Non-Executive Directors and Independent Directors have affirmed compliance with the said Code for the financial year ended March 31, 2015. All Senior Management of the Company have affirmed compliance with the Tata Code of Conduct. The Code of Conduct is also displayed on the Company's web site. 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 and Ms. Ireena Vittal. 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:

- i. 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.
- ii. The recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. 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 Companies Act, 2013.
 - 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.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. 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.
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- viii. Approval or any subsequent modification of transactions of the Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the Company, wherever it is necessary.

- xi. Evaluation of internal financial controls and risk management systems.
- xii. Examination of the financial statement and the auditors' report thereon.
- xiii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- xiv. 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.
- xv. Discussion with internal auditors of any significant findings and follow up there on.
- xvi. 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.
- xvii. 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.
- xviii. 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.
- xix. To review the functioning of the Whistle Blower mechanism.
- xx. 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.

The Committee met seven times during the period under review, the details of attendance thereat are on page no. 69.

Audit Committee meetings are attended by invitation by the Managing Director & Chief Executive Officer, 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 Annual General Meeting.

2. Nomination and Remuneration Committee:

The Company has a Nomination and Remuneration Committee (NRC) which is now a mandatory requirement as per the revised Clause 49 of the Listing Agreement, as also under the Companies Act, 2013. The Committee consists of 3 Non-Executive Directors. In addition to the Chairman, Mr. K. B. Dadiseth, who is an Independent Director, the Committee comprises Mr. Cyrus P. Mistry, and Mr. Nadir Godrej. 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:

- 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 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 whereat are on page no. 69.

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 Nomination and Remuneration Committee 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 Companies Act, 2013 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. Raymond N. Bickson's contract as a Managing Director was for a period of 5 years, commencing from July 19, 2013, upto and including July 18, 2018 terminable by 6 months notice on either side. However, Mr. Raymond N. Bickson stepped down as the Managing Director of the Company with effect from August 31, 2014.

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 to 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 International Hotel Management Services Inc., USA (IHMS), 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 IHMS Inc is co-terminus with the Agreement between Mr. Sarna and the Company.

Mr. Anil P. Goel's contract as Whole-time Director of the Company is for a period of 3 years, commencing from March 17, 2013, upto and including March 16, 2016 terminable by 6 months notice on either side.

Mr. Abhijit Mukerji's contract as Whole-time Director of the Company was for a period of 3 years, commencing from March 17, 2013, upto and including March 16, 2016, terminable by 6 months notice on either side. However, Mr. Mukerji stepped down as the Whole-time Director of the Company with effect from April 13, 2015.

Mr. Mehernosh Kapadia's contract as a Whole-time Director of the Company is for a period of 5 years, commencing from August 10, 2011, up to and including August 9, 2016, terminable by 6 months notice on either side.

The Company has no scheme for stock options.

3. Stakeholders' Relationship Committee :

The Company's Stakeholders' Relationship Committee comprises of Mr. K. B. Dadiseth, Mr. Rakesh Sarna and Mr. Abhijit Mukerji. Mr. K. B. Dadiseth, Non- Executive Independent Director, is the present Chairman of the Committee who was appointed in place of Mr. Jagdish Capoor, who retired as a Director on July 1, 2014. The scope of the Stakeholders' Relationship Committee includes reporting of the status of shareholders, debentureholders, deposit-holders and any other security holders in addition to equity shareholders. The brief terms of reference of the Committee include resolving grievances of all the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

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

The Indian Hotels Company Limited

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 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. All valid share transfers lodged upto March 31, 2015, have been processed by the Committee. The status of the complaints received (inclusive of SCORES) from Members from April 1, 2014 to March 31, 2015 is as under:

Complaints received	Pending as on March 31, 2015
28	Nil

Unclaimed Dividends:

Transfer to the 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 the "Investor Education and Protection Fund" (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*
2007-08	August 15, 2008	June 20, 2015
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 ₹ 5,79,597. The Company transferred the following amounts to IEPF of the Central Government during the financial year 2014-15.

Particulars	₹
Amounts transferred upto March 31, 2014 (a)	3,60,99,316.67
Amounts transferred during financial year 2014-15:	
Unpaid / unclaimed dividend with the Company	33,03,707.00
Unpaid / unclaimed matured deposits with the Company	15,000.00
Unpaid matured debentures with the Company	-
Interest accrued on the unpaid matured deposits	39,164.00
Interest accrued on the unpaid matured debentures	-
Total (b)	33,57,871.00
Amount transferred upto March 31, 2015 (a+b)	3,94,57,187.67

Compliance Officer

Mr. Beejal Desai

Vice President - Legal & Company Secretary

The Indian Hotels Company Limited

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

Phone : 022-6665 3238

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 Companies Act, 2013, the Company has constituted a CSR Committee comprising of 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 all the Members.

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, include 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 and Compulsory Convertible Debentures of the Company held by the Non-Executive Directors as on March 31, 2015, are as under:

Name of Directors	Equity Shares	Compulsory Convertible Debentures
Mr. Deepak Parekh	1,845	716
Mr. Cyrus P. Mistry	1,05,000	23,625

Details on General Meetings:

Location, date, time and Special Resolutions passed at the Annual General Meetings held in the last 3 years are as under:

Location	Date	Time	Special Resolutions passed
Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020	August 27, 2014	} 3.00 P.M.	• 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.
	August 3, 2012		• 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. • Nil.

All Special Resolutions passed in the previous two 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.

No Special Resolutions were passed by Postal Ballot during the last year.

The Indian Hotels Company Limited

Disclosures

- i. All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement 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 Companies Act, 2013, except one, details of which are given in the Director's Report. The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website at the following link: http://www.tajhotels.com/tajcorporate/PDF/Policy_on_Related_Party_Transactions.pdf
- ii. The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.
- iii. There were no materially significant transactions with Related Parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.
- iv. 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.
- v. 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 3 years.
- vi. In accordance with requirement of the Companies Act as well as the Listing Agreement, 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 http://www.tajhotels.com/tajcorporate/PDF/Whistle_Blower_Policy_and_Vigil_Mechanism.pdf.
- vii. The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and Designated Employees of the Company.
- viii. Pursuant to the provisions of sub-clause IX of Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director and CEO and the Executive Director & CFO have issued a certificate to the Board, for the year ended March 31, 2015.

Subsidiary Companies

The Company has two material unlisted subsidiaries, viz. Piem Hotels Limited and Roots Corporation 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.

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

During the year, the Company has not disposed of any shares in its material subsidiaries or disposed or leased the assets amounting to more than twenty percent of the assets of the material subsidiary.

Names	Category	Remuneration paid			No. of outside Directorships as at March 31, 2015		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 2014-2015	Sitting Fees 2014-2015	Commission 2013-2014								
Mr. Cyrus P. Mistry (Chairman)	Promoter Non-Executive	-	1,80,000	-	9	6	-	-	5	NA	4	Y
Mr. K. B. Dadiseth	Non-Executive Independent	-	2,60,000	-	9	3	6	2	3	7	2	Y
Mr. Deepak Parekh	Non-Executive Independent	-	1,70,000	-	8	3	2	2	4	4	NA	Y
Mr. Jagdish Capoor^	Non-Executive Independent	-	90,000	-	NA	NA	NA	NA	1	2	1	NA
Mr. Shapoor Mistry	Non-Executive	-	60,000	-	9	2	-	-	3	NA	NA	Y
Mr. Nadir Godrej	Non-Executive Independent	-	1,90,000	-	9	5	2	1	5	NA	3	Y
Mrs. Ireena Vittal	Non-Executive Independent	-	2,00,000	-	7	-	6	-	4	4	NA	Y
Mr. Gautam Banerjee @	Non-Executive Independent	-	60,000	-	1	6	-	-	2	NA	NA	NA
Ms. Vibha Paul Rishi @	Non-Executive Independent	-	60,000	-	6	-	3	-	2	NA	NA	NA
Mr. Guy Crawford \$	Non-Executive Independent	-	60,000	-	NA	NA	NA	NA	3	NA	NA	N
Mr. Raymond N. Bidson#	Executive	9,81,45,568	-	2,61,00,000	NA	NA	NA	NA	3	NA	NA	Y
Mr. Rakesh Sarna*	Executive	6,17,02,115	-	-	6	6	2	-	2	NA	NA	NA
Mr. Anil P. Goel	Executive	1,43,40,314	-	80,00,000	8	11	5	-	5	NA	NA	Y
Mr. Abhijit Mukerji	Executive	1,15,84,755	-	80,00,000	5	-	2	-	5	NA	NA	Y
Mr. Mehemoth S. Kapadia	Executive	1,08,00,270	-	60,00,000	6	2	2	-	5	NA	NA	Y

* Appointed as Managing Director and CEO effective September 1, 2014. Mr. Sarna also received remuneration of US \$ 4,04,293 from IHMS Inc .

@ Appointed as Non- Executive Independent Directors effective September 10, 2014.

^ Retired as Director effective July 1, 2014

\$ Resigned effective from September 8, 2014.

Resigned effective from August 31, 2014.

NOTE:

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.

However, the Non-Executive Directors decided to forgo their commission for the year 2013-14 on account of the financial performance of the Company.

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 Analysts' Meets, where information is disseminated and analysed. Moreover, the Company also gives important Press Releases from time to time.

Corporate Filing and Dissemination System (CFDS)

The Stock Exchanges have the CFDS which is a portal jointly owned, managed and maintained by the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). It is a single source to view information filed by listed companies. All disclosures and communications to the BSE and NSE are filed electronically through the CFDS portal www.corpfiling.co.in. Hard copies of the said disclosures and correspondence are also filed with the BSE and NSE.

BSE Listing Centre

BSE Limited has launched an Online Portal - BSE Corporate Compliance & Listing Centre (the "Listing Centre") for submission of various filings by listed companies. All disclosures and periodic filings submitted to the BSE are also upload on the Listing Centre.

NSE Electronic Application Processing System (NEAPS)

The Company also files information through NEAPS – a web based application provided by NSE which facilitates online filing of Corporate Governance Report, the Shareholding Pattern by companies, Results and other disclosures.

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. 37/2011 dated June 7, 2011, 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 Financial Statements, 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 Company has adopted the Tata Governance Guidelines on Board Effectiveness which cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers 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.

3. The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
4. Shareholders Rights : In addition to publishing its quarterly results in leading English and Marathi newspaper having wide circulation, the Company uploads its quarterly results and shareholding pattern and corporate governance reports on its website www.tajhotels.com. Additionally, the same is also available on www.corpfiling.co.in.
5. Audit qualifications: For the financial year 2014-15, there are no audit qualifications to the Company's financial statements.
6. The Internal Auditor reports to the Audit Committee.
7. 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 10, 2015 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 8, 2015 to August 10, 2015 (both days inclusive)
Financial Calendar	

Financial reporting for:

• Quarter ending June 30, 2015	August 2015
• Quarter ending September 30, 2015	November 2015
• Quarter ending December 31, 2015	February 2016
• Quarter ending March 31, 2016	May 2016

Listing

Ordinary Shares	BSE Limited National Stock Exchange of India Limited
Compulsorily Convertible Debentures	BSE Limited National Stock Exchange of India Limited
Global Depository Shares	London Stock Exchange Plc.
Share Transfer Agent	The Company has been granted Certificate of Permanent Registration as Category II Share Transfer Agent by SEBI
SEBI Registration No.	INR000003746

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

The Company has paid annual listing fees to the 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
London Stock Exchange Plc.	IHTD

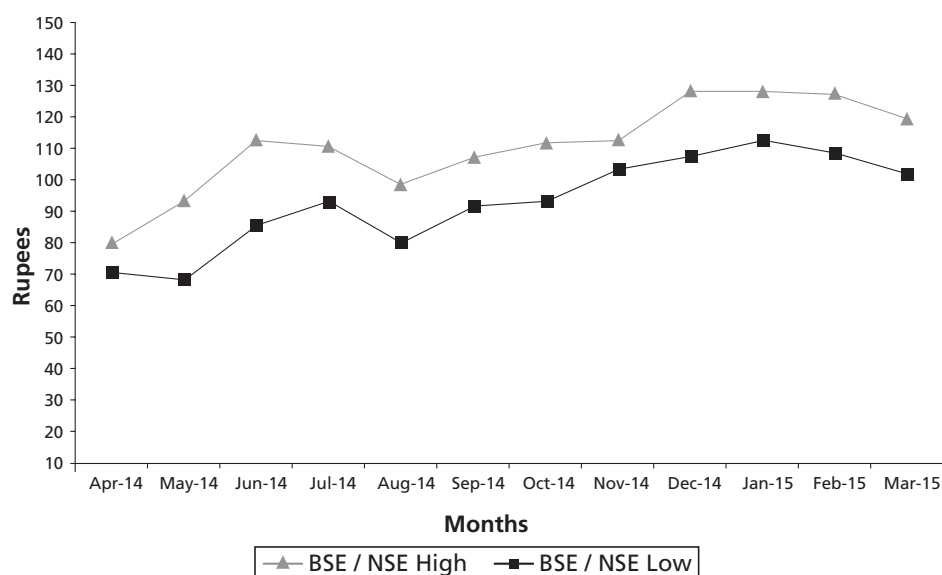
Market Price Data: High, Low during each month in last financial year

Months	BSE High	BSE Low	No. of Shares traded	NSE High	NSE Low	No. of Shares traded
Apr-14	79.00	70.00	24,27,565	77.30	70.45	98,99,553
May-14	92.50	68.00	40,99,426	93.00	68.00	2,54,35,676
Jun-14	116.60	85.25	95,31,807	112.00	84.50	3,37,49,814
Jul-14	109.85	92.50	32,80,121	109.80	92.45	2,11,57,002
Aug-14	97.20	79.65	90,57,443	98.00	79.70	1,71,07,269
Sep-14	106.60	91.20	55,39,856	106.55	91.00	2,11,71,348
Oct-14	111.10	92.95	26,02,563	111.00	92.65	1,64,29,564
Nov-14	111.90	102.95	34,71,910	112.00	103.00	1,38,87,893
Dec-14	127.25	106.75	46,30,780	127.50	106.65	1,93,84,985
Jan-15	126.85	112.00	20,95,113	126.90	112.00	1,36,27,548
Feb-15	126.95	108.00	12,47,480	126.80	108.00	1,48,07,963
Mar-15	118.10	101.45	19,06,980	118.45	101.55	1,37,22,726

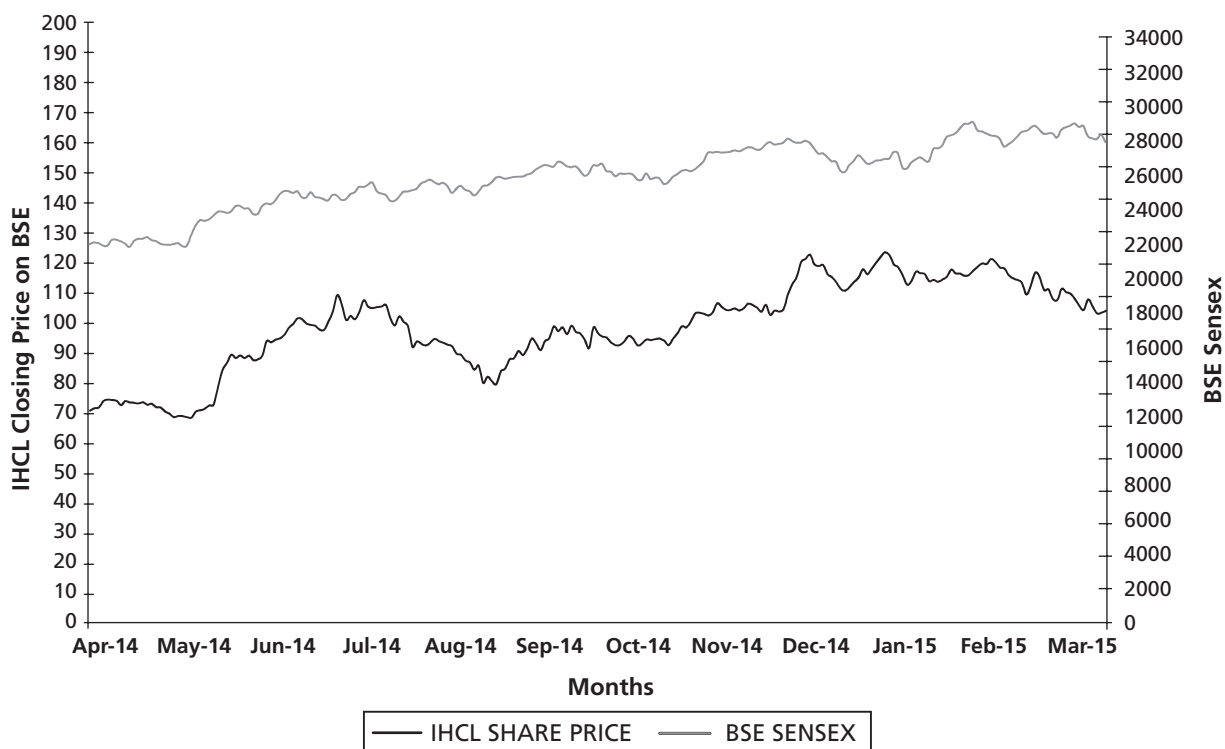
Source : www.bseindia.com and www.nseindia.com

Comparative High – Low Price on BSE and NSE

IHCL Comparative High Low Price on BSE & NSE



Performance in Comparison to broad-based indices such as BSE Sensex

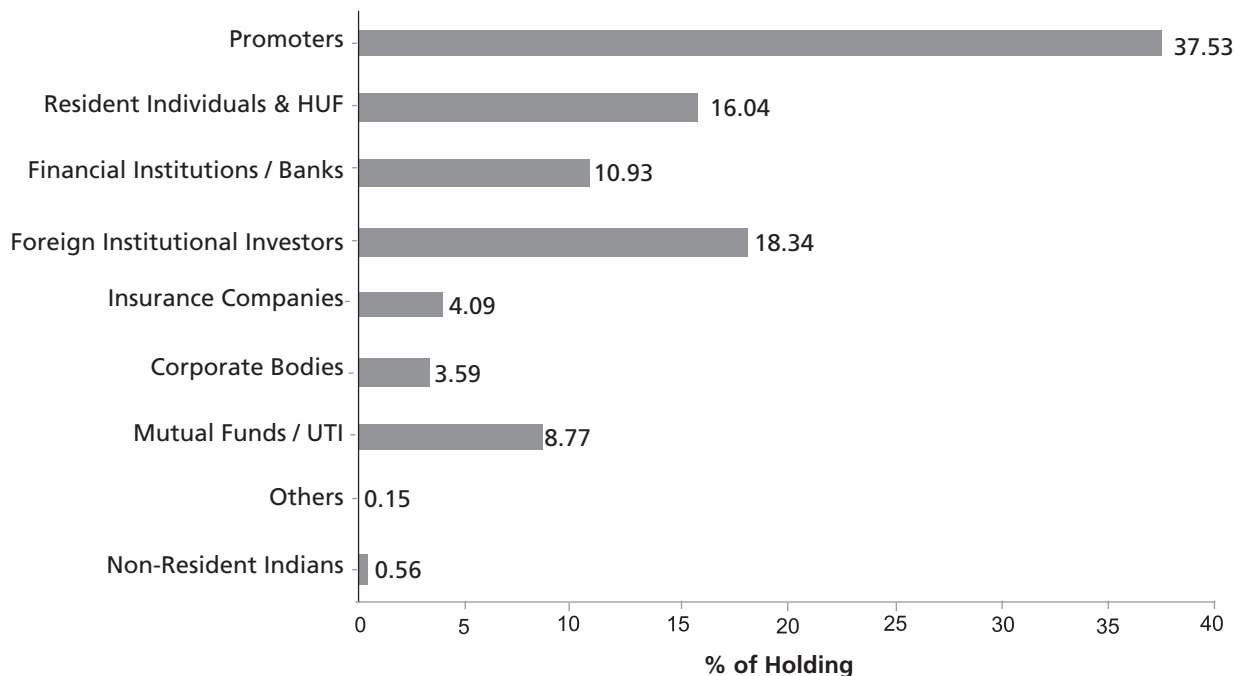


The Indian Hotels Company Limited - Distribution of Shareholding as on March 31, 2015

Category of Shareholders	No. of Shares held	% to Paid up capital
Promoters	30,30,66,224	37.53
Resident Individuals & HUF	12,94,91,069	16.04
Financial Institutions / Banks	8,82,40,851	10.93
Foreign Institutional Investors	14,81,06,389	18.34
Corporate Bodies	2,89,87,207	3.59
Insurance Companies	3,30,47,463	4.09
Mutual Funds / UTI	7,08,08,873	8.77
Others	12,02,235	0.15
Non-Resident Indians	45,22,476	0.56
Total	80,74,72,787	100.00

The Indian Hotels Company Limited

Shareholding pattern of the Company as on March 31, 2015



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

Distribution of Equity Shareholding of The Indian Hotels Company Limited as on March 31, 2015

No. of Shares held	Total Members	Total Shares	Total % to Paid up Capital
Upto 100	61,282	28,81,288	0.36
101 to 1000	54,293	2,16,59,621	2.68
1001 to 2500	12,082	1,97,74,846	2.45
2501 to 5000	5,130	1,87,10,143	2.32
5001 to 10000	3,169	2,25,57,062	2.79
10001 to 20000	1,403	1,93,65,264	2.40
20001 to 30000	340	82,77,503	1.02
30001 to 40000	135	47,31,925	0.59
40001 to 50000	84	37,98,588	0.47
50001 to 100000	164	1,12,63,198	1.39
100001 & above	220	67,44,53,349	83.53
Total	1,38,302	80,74,72,787	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 Clause 5A of the Listing Agreement with the Stock Exchanges

As per the provisions of clause 5A of the Listing Agreement, 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 an '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 & 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, 2015 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.	49	5,604
2	Number of shareholders who approached the Company (with complete documentation) for transfer of shares from the Unclaimed Suspense Account during the year.	2	870
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	2	870
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	47	4,734

Report on Corporate Governance

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly reports on Corporate Governance in hard copy and additionally electronically through CFDS portal to the BSE & NSE as well as through the NEAPS application of NSE and BSE Listing Centre. A certificate from a practising Company Secretary on Corporate Governance is attached as an annexure to this Report.

Dematerialisation of Shares & Liquidity

As at the end of March 31, 2015, shares comprising approximately 97.97% 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	95.62
CDSL	2.35
Physical	2.03
Total	100.00

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

1,96,380 GDRs are outstanding as on March 31, 2015, without any impact on equity. The Company offers investors the facility for conversion of Equity Shares into GDRs, within the limits prescribed for two way fungibility.

Investor Correspondence

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 Id. investorrelations@tajhotels.com has been set up for investor complaints.

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with sub-clause II (E) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2015.

For The Indian Hotels Company Limited

Rakesh Sarna
Managing Director & CEO

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members,
The Indian Hotels Company Limited

I have examined the compliance of the conditions of Corporate Governance by THE INDIAN HOTELS COMPANY LIMITED, for the financial year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My 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.

In my opinion and to the best of my information and according to the explanations given to me and representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement in all respects.

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

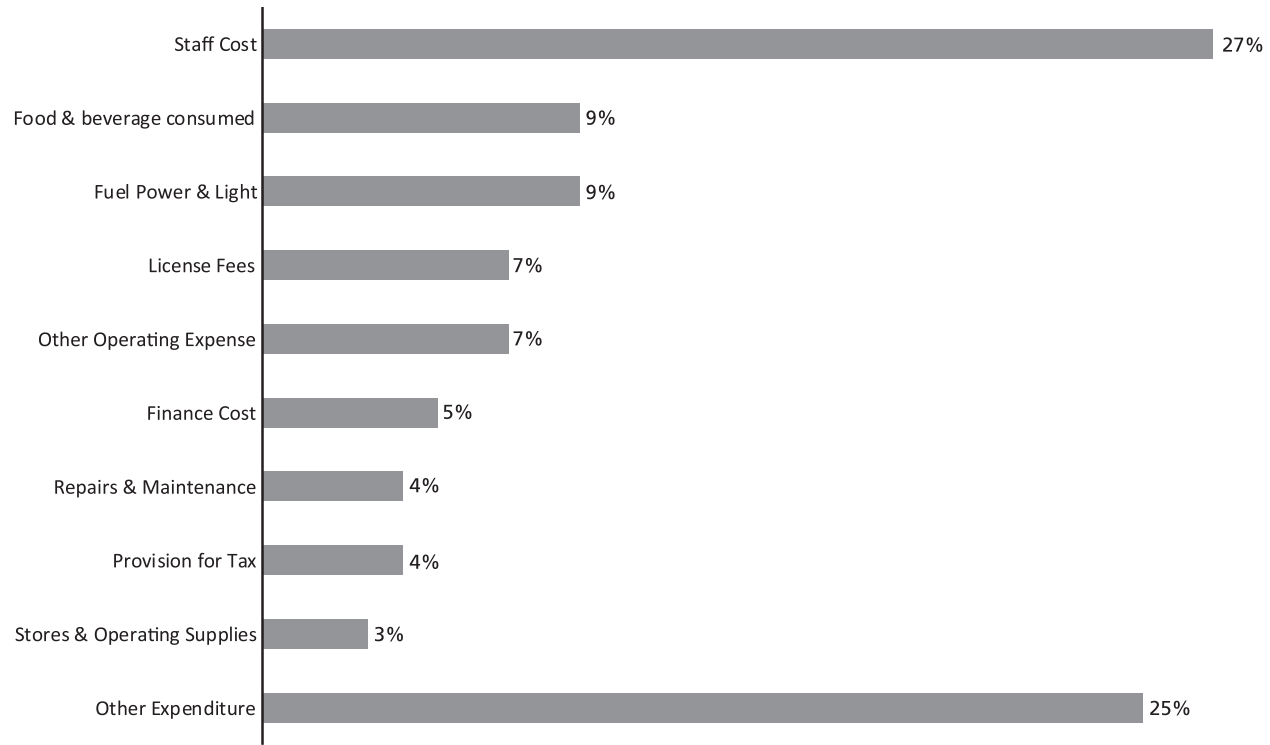
Mr. Prakash K. Pandya
P.K. Pandya & Co.
Practising Company Secretary
FCS: 3901
C.P. 2311
May 29, 2015

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	560	Roots Corporation Limited		Taj GVK Hotels & Resorts Limited	
Taj Lands End, Mumbai	493	Ginger Hotel - Agartala	100	Taj Krishna, Hyderabad	260
Taj Wellington Mews, Mumbai	78	Ginger Hotel - Ahmedabad	93	Vivanta by Taj - Begumpet, Hyderabad	181
Taj Mahal Hotel, New Delhi	294	Ginger Hotel - Bangalore, Whitefield	101	Taj Banjara - Hyderabad	122
Taj Palace Hotel, New Delhi	403	Ginger Hotel - Bangalore, Inner Ring Road	65	Taj Deccan, Hyderabad	151
Taj Bengal, Kolkata	229	Ginger Hotel - Bhubaneswar	101	Taj Club House, Chennai	220
Taj West End, Bangalore	117	Ginger Hotel - Chennai, IITM	85	Taj Chandigarh, Chandigarh	149
Taj Lake Palace Hotel, 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
		Ginger Hotel - Guwahati	70	The Gateway Hotel - Marine Drive, Ernakulam	108
Vivanta by Taj - Aurangabad, Maharashtra	63	Ginger Hotel - Indore	95	The Gateway Hotel - Janardhanapuram, Varkala	30
Vivanta by Taj - Connemara, Chennai	150	Ginger Hotel - Jaipur	103		
Vivanta by Taj - Dwarka, New Delhi	250	Ginger Hotel - Jamshedpur	94	Kaveri Retreats and Resorts Limited	
Vivanta by Taj - Fort Aguada, Goa	145	Ginger Hotel - Mangalore	79	Vivanta by Taj - Madikeri, Coorg	63
Vivanta by Taj - Holiday Village, Goa	142	Ginger Hotel - Mysore	98		
Vivanta by Taj - Hari Mahal, Jodhpur	93	Ginger Hotel - Mumbai, Andheri East	116	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	82	Taj Madras Flight Kitchen Private Limited	
Usha Kiran Palace, Gwalior	40	Ginger Hotel - Noida	83	Chennai	-
		Ginger Hotel - Pantnagar	98		
The Gateway Hotel - Residency Road, Bangalore	98	Ginger Hotel - Pondicherry	94	Taj Safaris Limited	
The Gateway Hotel - Rawalkot, Jaisalmer	32	Ginger Hotel - Pune (Wakad)	128	Mahua Kothi - Bandhavgarh	12
The Gateway Hotel - Beach Road, Calicut	74	Ginger Hotel - Pune (Pimpri)	97	Banjaar Tola - Kanha	18
Hotel Chandela, Khajuraho	90	Ginger Hotel - Surat	98	Pashan Garh - Panna	12
Hotel Savoy, Ooty	40	Ginger Hotel - Thane	46	Baghvan - Pench	12
Kuteeram, Bangalore	9	Ginger Hotel - Trivandrum	101		
		Ginger Hotel - Vadodara	99	IHMS (SA) Pty Limited	
Managed Properties				Taj Cape Town, South Africa	166
Umaid Bhawan Palace, Jodhpur	64	Managed Properties - Ginger			
Rambagh Palace, Jaipur	79	Ginger Hotel - Chandigarh	102	TAL Maldives Resorts Private Limited	
Imperial Club by Taj, Mumbai	9	Ginger Hotel - Gurgaon (Manesar)	61	Taj Exotica, Maldives	64
		Ginger Hotel - Katra, Jammu	80	Vivanta by Taj - Coral Reef, Maldives	62
Vivanta by Taj - Bekal, Kerala	66	Ginger Hotel - Tirupur	91		
Vivanta by Taj - Dal View, Srinagar	83	Ginger Hotel - Vizag	72	Associate Companies	
Vivanta by Taj - Gurgaon, NCR	208			Oriental Hotels Limited	
Vivanta by Taj - Kovalam, Kerala	59	Piem Hotels Limited		Taj Coromandel, Chennai	213
Vivanta by Taj - Panaji, Goa	170	Vivanta by Taj - President, Mumbai	287		
Vivanta by Taj - Sawai Madhopur	36	Vivanta by Taj - Blue Diamond, Pune	110	Vivanta by Taj - Fisherman's Cove, Chennai	152
Vivanta by Taj - Surajkund	287	Vivanta by Taj - Gomti Nagar, Lucknow	110	Vivanta by Taj - Malabar, Cochin	95
		Vivanta by Taj - M G Road, Bangalore	167	Vivanta by Taj - Surya, Coimbatore	178
The Gateway Hotel - Akota Gardens, Vadodara	86	The Gateway Hotel - Ambad, Nashik	70	Vivanta by Taj - Trivandrum, Kerala	129
The Gateway Hotel - Athwalines, Surat	206	The Gateway Hotel - Faridabad Road, Agra	100		
The Gateway Hotel - Banar Road, Jodhpur	88			The Gateway Hotel - Beach Road, Visakhapatnam	95
The Gateway Hotel - Damdama Lake, Gurgaon	78	United Hotels Limited		The Gateway Hotel - Church Road, Coonoor	32
The Gateway Hotel - EM Bypass, Kolkata	80	Vivanta by Taj - Ambassador, New Delhi	88	The Gateway Hotel - Old Port Road, Mangalore	96
The Gateway Hotel - Gir Forest, Junagadh	28			The Gateway Hotel - Pasmalai, Madurai	63
The Gateway Hotel - GE Road, Raipur	82	Beneras Hotels Limited			
The Gateway Hotel - IT Expressway, Chennai	200	Nadesar Palace - Varanasi	10		
The Gateway Hotel - Lakeside Hubli	92	The Gateway Hotel - Ganges, Varanasi	130	TAL Lanka Hotels PLC	
The Gateway Hotel - M G Road, Vijayawada	108	The Gateway Hotel - Balaghat Road, Gondia	34	Taj Samudra, Colombo	300
The Gateway Hotel - Ramgarh Lodge, Jaipur	14				
The Gateway Hotel - Ummed, Ahmedabad	91	Taj SATS Air Catering Limited		Lanka Island Resorts Limited	
SMS Hotel, Jaipur	27	Amritsar	-	Vivanta by Taj - Bentota, Sri Lanka	160
		Bangalore	-		
Taj Dubai	296	Delhi	-		
Taj Pamodzi - Zambia	193	Goa	-		
Taj Tashi, Thimpu, Bhutan	66	Kolkata	-		
Vivanta by Taj - Reebak Island, Langkawi	94	Mumbai	-		
The Gateway Hotel - Airport Garden, Colombo	208			Summary	
		International Hotel Management Services Inc		Taj	27
		The Pierre, New York	189	Vivanta	39
		Taj Boston, Boston	273	Gateway	32
		Taj Campton Place, San Francisco	110	Ginger	33
				Air catering units	7
		St James Court Hotels Limited			
		Taj 51 Buckingham Gate Suites, London	86		
		St James Court, A Taj Hotel, London	342		
		Taj International Hotels Limited			
		Bombay Brasserie Restaurant	-		
		Quilon Restaurant	-		

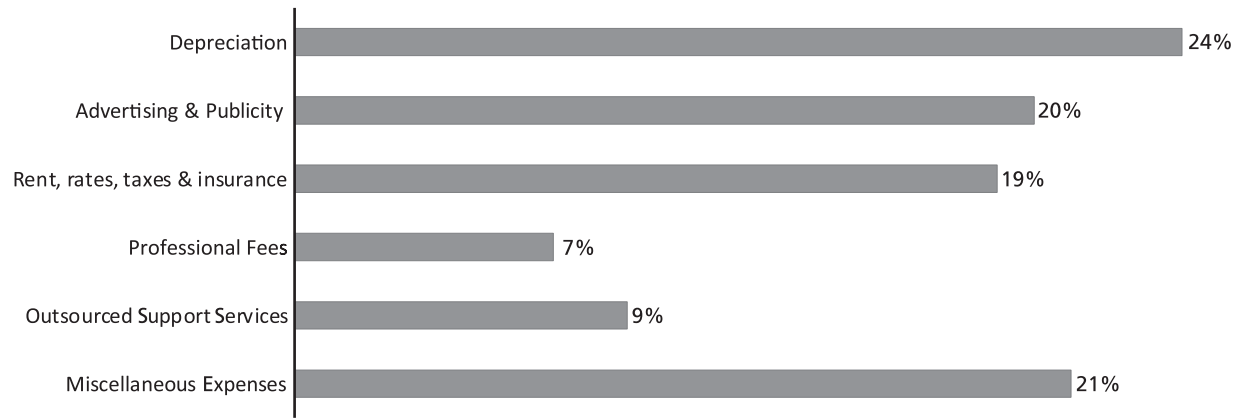
The Indian Hotels Company Limited

BREAK UP OF TOTAL EXPENSES



Footnote : Excludes Exceptional Items of ₹ 228.70 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 31st March, 2015, the Statement of Profit and Loss, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 based 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 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

The Indian Hotels Company Limited

2. 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) 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 4(i) 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.

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. 0039905/S200018)

Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

MUMBAI, May 29, 2015

S. Ramakrishnan

Partner

(Membership No. 18967)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of the Company's fixed assets:
 - (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.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories 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 or other parties listed 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, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and the Companies (cost records and audit) Rules 2014, as amended for any services rendered by the Company.
- (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 dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duties of Customs, Duties of Excise, Value added tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

The Indian Hotels Company Limited

- (c) Details of dues of Income Tax, Sales Tax, Excise Duty and service tax which have not been deposited on account of disputes are given below:

Name of Statute	Nature of Dues	Rs. Crore	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1994	Central Excise Tax	0.08	Financial Year 2011-12	The District Excise Officer, Jodhpur
Central Sales Tax Act, 1956 and Sales Tax/Value Added Tax Act of various states	VAT and Sales Tax	0.45	Financial Year 1994-1998, 2005-2006 to 2012-13	Appellate & Revision Board
		0.07	Financial Year 2000-2001 and 2002-2003	Assessing Officer, Sales Tax
		0.58	Financial Year 2002-03 to 2010-11	CESTAT
		0.14	Financial Year 1992-98, 2004-05, 2005-2006, 2006-09 and 2009-2010 to 2010-11 to 2012-13	Deputy Commissioner of Commercial Taxes
		0.70	Financial Year 1997-98, 2003-04, 2007-09 and 2013-14	High Court
		0.06	Financial Year 2003-05	Joint Commissioner of Sales Tax
		4.36	Financial Year 1999-2005	Joint Commissioner of Sales Tax (Appeal)
		0.92	Financial Year 2010-2011 and 2011-2012	Special commissioner VAT authority
		0.45	Financial Year 1994-95, 2004-05, 2006-09, 2010-11 to 2012-13	Tribunal
Finance Act, 1994 and Service Tax Laws	Service Tax	6.27	Financial Year 2002-03 to 2010-11	CESTAT
		1.08	Financial Year 2006-07 to 2009-10 and 2011-12	Commissioner Appeals
		1.29	Financial Year 2002-2006, 2010-11 and 2011-12	Commissioner of Service Tax (Additional / Assistant / Joint)
Income Tax Act, 1961	Income Tax	0.30	Financial Year 2005-08	Commissioner of Income Tax (Appeals), Panaji, Goa

- (d) The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

- (viii) The Company has accumulated losses as at the end of the year which is less than fifty percent of its networth. The Company has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.

- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company for the purposes for which they were obtained other than temporary deployment pending application.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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 No. 39826)

S. Ramakrishnan

Partner

(Membership No. 18967)

MUMBAI, May 29, 2015

The Indian Hotels Company Limited

Balance Sheet as at March 31, 2015

	Note	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	80.75	80.75
Reserves and Surplus	4	2,534.40	2,613.09
		<u>2,615.15</u>	<u>2,693.84</u>
Non-current Liabilities			
Long-term Borrowings	5	2,898.10	2,153.51
Deferred Tax Liabilities (net)	6	191.06	107.16
Other Long-term Liabilities	7	585.47	639.17
Long-term Provisions	8	27.31	19.26
		<u>3,701.94</u>	<u>2,919.10</u>
Current Liabilities			
Short-term Borrowings	9	0.99	161.59
Trade Payables	10	165.49	173.48
Other Current Liabilities	11	633.79	725.70
Short-term Provisions	12	81.02	92.66
		<u>881.29</u>	<u>1,153.43</u>
Total		<u><u>7,198.38</u></u>	<u><u>6,766.37</u></u>
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	13	1,988.60	1,677.65
Intangible Assets	14	23.20	19.76
Capital Work-in-Progress		140.46	430.46
Intangible Assets Under Development		1.40	1.42
		<u>2,153.66</u>	<u>2,129.29</u>
Non-current Investments	15	2,546.14	2,761.64
Long-term Loans and Advances	16	1,439.55	1,556.15
Other Non-current Assets	17	3.28	4.70
		<u>6,142.63</u>	<u>6,451.78</u>
Current Assets			
Current Investments	18	431.82	-
Inventories	19	43.16	40.18
Trade Receivables	20	138.88	124.41
Cash and Cash Equivalents	21	355.83	43.17
Short-term Loans and Advances	22	53.24	66.24
Other Current Assets	23	32.82	40.59
		<u>1,055.75</u>	<u>314.59</u>
Total		<u><u>7,198.38</u></u>	<u><u>6,766.37</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
Shapoor Mistry
Nadir Godrej
Gautam Banerjee
Vibha Paul Rishi
Ireena Vittal

}

Directors

Mumbai, May 29, 2015

Beejal Desai

Vice President - Legal & Company Secretary

Statement of Profit and Loss for the year ended March 31, 2015

	Note	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Revenue			
Rooms, Restaurants, Banquets and Other Income from Operations	24	2,024.38	1,929.51
Other Income	25	79.22	47.82
Total		2,103.60	1,977.33
Expenses			
Food and Beverages Consumed	26	181.88	176.83
Employee Benefit Expense and Payment to Contractors	27	531.37	472.53
Finance Costs	28	89.46	98.82
Depreciation and Amortisation		117.85	122.26
Other Operating and General Expenses	29	952.46	890.69
Total		1,873.02	1,761.13
Profit Before Tax and Exceptional Items		230.58	216.20
Exceptional Items	30	(228.70)	(737.10)
Profit/ (Loss) Before Tax		1.88	(520.90)
Tax Expenses			
Current Tax		41.37	58.06
Deferred Tax		83.90	16.37
Minimum Alternate Tax Credit		(41.37)	-
Short/ (Excess) Provision of Tax/ Deferred Tax of Earlier Years (net)		-	(4.84)
Total		83.90	69.59
Loss After Tax		(82.02)	(590.49)
Earnings Per Share -	48		
Basic - (₹)		(1.02)	(7.31)
Diluted - (₹)		(1.02)	(7.31)
Face Value per Ordinary 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
Shapoor Mistry
Nadir Godrej
Gautam Banerjee
Vibha Paul Rishi
Ireena Vittal

}

Directors

Mumbai, May 29, 2015

Beejal Desai

Vice President - Legal & Company Secretary

The Indian Hotels Company Limited

Cash Flow Statement for the year ended March 31, 2015

	Note	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Cash Flow From Operating Activities			
Profit/ (Loss) Before Tax		1.88	(520.90)
Adjustments For :			
Depreciation and Amortisation		117.85	122.26
Amortisation of borrowing costs		1.31	1.35
Provision for Doubtful Debts and Advances		6.64	1.49
(Profit)/Loss on sale of investments		2.02	-
(Profit)/ Loss on sale of assets		0.23	1.26
Dividend Income		(34.59)	(22.55)
Interest Income		(28.94)	(7.61)
Interest Expense		88.15	97.47
Unrealised Exchange Loss		25.47	21.94
Expenditure on discontinued project written off		1.89	-
Advances written off		1.39	-
Provision for Contingent Claims		18.10	20.81
Provision for Diminution in value of long term Investments		213.49	687.00
Provision for Obligation of an Associate		(11.56)	1.72
Provision for Loyalty Programmes (net of Redemptions)		0.37	3.02
Provision for Employee Benefits		7.20	(2.74)
		<u>409.02</u>	<u>925.42</u>
Cash Operating Profit before working capital changes		410.90	404.52
Adjustments for (increase)/ decrease in operating assets:			
Inventories		(2.98)	(1.81)
Trade Receivables		(16.46)	(0.27)
Short-term loans and advances		15.01	6.50
Long-term loans and advances		(13.25)	(18.91)
Other Current Assets		8.01	(0.02)
		<u>(9.67)</u>	<u>(14.51)</u>
Adjustments for increase/ (decrease) in operating liabilities:			
Trade Payables		(7.99)	21.84
Other Current Liabilities		1.92	(6.20)
Other Long Term Liabilities		1.34	1.96
		<u>(4.73)</u>	<u>17.60</u>
Cash Generated from Operating Activities		396.50	407.61
Direct Taxes (Paid)/ Refunded		3.28	(39.75)
Net Cash From Operating Activities (A)		<u>399.78</u>	<u>367.86</u>
Cash Flow From Investing Activities			
Purchase of Fixed Assets		(137.65)	(145.36)
Sale of Fixed Assets		2.38	0.45
Purchase of Current Investments		(1,325.63)	-
Sale of current Investments		893.81	-
Purchase of long-term Investments		-	(82.02)
Interest Received		28.70	15.18
Dividend Received		34.59	22.55
Long-term Deposits repaid by Subsidiary		153.84	-
Bank Balances not considered as Cash and Cash Equivalents		(69.00)	9.97
Long-term Deposits (placed)/ refunded by other companies		0.77	(1.39)
Net Cash Used In Investing Activities (B)		<u>(418.19)</u>	<u>(180.62)</u>

Cash Flow Statement for the year ended March 31, 2015 (Contd.)

	Note	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Cash Flow From Financing Activities			
Debenture Issue Costs		(5.38)	(0.24)
Interest Paid		(93.79)	(115.88)
Repayment of Long-term borrowings		(477.68)	(61.17)
Proceeds from Long-term borrowings		999.91	100.00
Short-term Loans raised/ (repaid)		(160.60)	(31.95)
Dividend Paid (Including tax on dividend)		(0.50)	(74.55)
Net Cash From/(Used In) Financing Activities (C)		261.96	(183.79)
Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)		243.55	3.45
Cash and Cash Equivalents - Opening - 1st April		38.27	34.82
Cash and Cash Equivalents - Closing - 31st March		281.82	38.27
Footnote :			
Reconciliation of Cash and Cash Equivalents with the Balance Sheet			
Cash and Cash equivalents as above		281.82	38.27
Add : Other Cash and Cash Equivalents			
Short-term Deposits		70.33	0.34
Deposits pledged with others		0.62	0.61
Margin money deposits		0.99	0.94
Earmarked balances		3.20	4.25
Cash and Cash Equivalents as per the Balance Sheet		356.96	44.41
Less : Classified as Non-Current (Refer Note 17, page 107)		1.13	1.24
Cash and Cash Equivalents classified as Current (Refer Note 21, page 109)		355.83	43.17
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.
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Sanjiv V. Pilgaonkar
 Partner
 Membership No. 39826

S. Ramakrishnan
 Partner
 Membership No. 18967

Mumbai, May 29, 2015

For and on behalf of the Board

Cyrus P. Mistry
 Rakesh Sarna
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 Mehernosh S. Kapadia

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

Deepak Parekh
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 Nadir Godrej
 Gautam Banerjee
 Vibha Paul Rishi
 Ireena Vittal

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Directors

Beejal Desai

Vice President - Legal & Company Secretary

Notes to Financial Statements for the year ended March 31, 2015

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions 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. 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, 2015

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 certain 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 2(l), page 93). 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, 2015

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 2(l), page 93 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 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.

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
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, consideration paid is amortised from the date the land is put to use for commercial operations, over the balance period of the lease. The renewal of such leases is regarded as expected where renewal clause exists in view of past experience and depreciation of buildings on leased property is based on the lower of the life of the buildings and the expected lease period including renewal. 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
Cost of Customer Reservation System (including licensed software)	6 years
Service and Operating Rights	10 years

Notes to Financial Statements for the year ended March 31, 2015

(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 life of the asset.
- In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortized 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 applies 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 95). The exchange

Notes to Financial Statements for the year ended March 31, 2015

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, 2015

- 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 costs and the premium on redemption of debentures are adjusted against the available Securities Premium Account in accordance with the provisions of section 52 of the Companies Act, 2013 (previously Section 78 of the Companies Act, 1956). 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, 2015

Note 3 : Share Capital

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Authorised Share Capital		
Ordinary Shares		
200,00,00,000 (Previous year 100,00,00,000) Ordinary Shares of ₹ 1 each	200.00	100.00
Preference Shares		
Nil (Previous year 1,00,00,000) Cumulative Redeemable Preference Shares of ₹ 100 each (Refer Footnote (ii))	-	100.00
	<u>200.00</u>	<u>200.00</u>
Issued Share Capital		
80,74,89,291 (Previous year 80,74,89,291) Ordinary Shares of ₹ 1 each	80.75	80.75
	<u>80.75</u>	<u>80.75</u>
Subscribed and Paid Up		
80,74,72,787 (Previous year 80,74,72,787) Ordinary Shares of ₹ 1 each, Fully Paid (Refer Footnote (vi))	80.75	80.75
	<u>80.75</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, 2015, no dividend is proposed as distribution to equity shareholders (Previous year ₹ Nil per share).

- (ii) The shareholders have approved vide Postal Ballot dated May 23, 2014, the re-classification of the authorised Share Capital of the Company which now comprises ₹ 200 crores equity shares of ₹ 1 each aggregating ₹ 200 crores.
- (iii) 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 CCD. The CCDs have been classified as a part of "Long term Borrowings".
- (iv) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2015		March 31, 2014	
	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 : Issued during the year	-	-	-	-
As at the end of the year	<u>80,74,72,787</u>	<u>80.75</u>	<u>80,74,72,787</u>	<u>80.75</u>

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

	March 31, 2015		March 31, 2014	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of ₹ 1 each fully paid				
Tata Sons Limited	20,20,52,004	25.02	20,20,52,004	25.02
Life Insurance Corporation of India	6,57,52,493	8.14	6,77,97,250	8.40
Sir Dorabji Tata Trust	5,02,21,040	6.22	5,02,21,040	6.22
Government Pension Fund Global	-	-	4,04,54,747	5.01

- (vi) 16,504 (Previous year 16,504) Ordinary 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.

Notes to Financial Statements for the year ended March 31, 2015

- (vii) 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 196,380 (Previous year 246,380) outstanding Global Depository Receipts (GDRs) which are represented by equity shares of ₹ 1 each included in above. Whilst the GDRs are listed on the London Stock Exchange, the Company has filed an application with the Exchange for delisting of the GDRs .

Note 4 : Reserves and Surplus

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Capital Reserve		
Opening and Closing Balance	43.91	43.91
Capital Redemption Reserve		
Opening and Closing Balance	1.12	1.12
Securities Premium Reserve		
Opening Balance	2,095.00	2,095.14
Less : Issue expenses written off (net of tax)	3.55	0.14
Closing Balance	2,091.45	2,095.00
Debenture Redemption Reserve		
Opening Balance	305.97	440.97
Less : Transfer to Statement of Profit and Loss	-	(135.00)
Closing Balance	305.97	305.97
Investment Reserve		
Opening Balance	5.00	5.00
Less : Transfer to General Reserve	(5.00)	-
Closing Balance	-	5.00
Investment Allowance Utilised Reserve		
Opening Balance	4.03	4.03
Less : Transfer to General Reserve	(4.03)	-
Closing Balance	-	4.03
Export Profits Reserve		
Opening Balance	0.41	0.41
Less : Transfer to General Reserve	(0.41)	-
Closing Balance	-	0.41
Hedge Reserve (Refer Footnote (i))		
Opening Balance	(283.23)	(176.90)
Add : Exchange translation difference for the year on foreign currency borrowings	-	(106.33)
Less: Transfer to Foreign Currency Translation Reserve	283.23	-
Closing Balance	-	(283.23)
Foreign Currency Translation Reserve		
Opening Balance	392.19	278.57
Add : Exchange translation difference on investment in non-integral foreign operation (Net)	3.45	113.62
Less: Transfer from Hedge Reserve	(283.23)	-
Closing Balance	112.41	392.19
Carried over	2,554.86	2,564.40

Notes to Financial Statements for the year ended March 31, 2015

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Brought over	2,554.86	2,564.40
Foreign Currency Monetary Item Translation Difference Account (Refer Note 37, page 117 and Footnote (ii))		
Opening Balance	(46.44)	(15.25)
Add : Exchange translation difference for the year	(21.32)	(53.35)
Less : Transfer to Statement of Profit and Loss on amortisation	24.75	22.16
Closing Balance	(43.01)	(46.44)
General Reserve		
Opening Balance	484.61	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	-
Closing Balance	494.05	484.61
Surplus/ (Deficit) in Statement of Profit and Loss		
Opening Balance	(389.48)	65.29
Add : Transfer from Debenture Redemption Reserve	-	135.00
Add : Loss for the current year	(82.02)	(590.49)
Add : Tax credit for Dividend Distribution Tax	-	0.72
Closing Balance	(471.50)	(389.48)
	2,534.40	2,613.09

Footnotes :

- (i) 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 applies 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 "Reserve and Surplus" (Refer Accounting Policy in Note 2(f) page 91). The translation differences in respect of the foreign currency borrowings, which in the past were accumulated in the "Hedge Reserve" have been transferred to FCTR in which the translation differences of the net investment in non integral foreign operation reside.
- (ii) From April 1, 2011, translation differences on other foreign currency borrowings/loan assets which have not been hedged are being amortised over the tenure of the respective borrowing/loan assets in accordance with the revision to 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 (Refer Note 37, page 117 and Accounting Policy in Note 2(f), page 91).

Notes to Financial Statements for the year ended March 31, 2015

Note 5 : Long-term Borrowings

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Debentures		
a) Non Convertible Debentures		
Secured	700.00	790.00
Unsecured	586.00	586.00
	<u>1,286.00</u>	<u>1,376.00</u>
b) Compulsorily Convertible Debentures		
Unsecured	999.91	-
	<u>999.91</u>	<u>-</u>
Term Loans from Banks		
Unsecured	394.50	570.10
	<u>394.50</u>	<u>570.10</u>
Loans and advances (Unsecured)		
From Related Party	3.86	3.72
Liability on currency swap contracts	213.83	203.69
	<u>217.69</u>	<u>207.41</u>
	<u><u>2,898.10</u></u>	<u><u>2,153.51</u></u>

Footnotes :

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

	March 31, 2015 ₹ crores		March 31, 2014 ₹ 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	90.00	240.00	60.00
	<u>700.00</u>	<u>90.00</u>	<u>790.00</u>	<u>60.00</u>
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	-	-	-	150.00
d) 2% Non-Convertible Debentures	200.00	-	200.00	-
	<u>586.00</u>	<u>-</u>	<u>586.00</u>	<u>150.00</u>
Compulsorily Convertible Debentures (CCDs)				
Unsecured (Refer Footnote (iv))	999.91	-	-	-
	<u>999.91</u>	<u>-</u>	<u>-</u>	<u>-</u>
Term Loan from Banks (Unsecured)				
(Refer Footnote (v))				
Foreign Currency Term Loan From Banks	394.50	197.25	570.10	-
Term Loan From Bank	-	-	-	100.00
	<u>394.50</u>	<u>197.25</u>	<u>570.10</u>	<u>100.00</u>
Loans and Advances (Unsecured)				
From Related Party	3.86	-	3.72	-
Liability on currency swap contracts	213.83	22.65	203.69	65.50
(Refer Footnote (vi))	<u>217.69</u>	<u>22.65</u>	<u>207.41</u>	<u>65.50</u>
	<u><u>2,898.10</u></u>	<u><u>309.90</u></u>	<u><u>2,153.51</u></u>	<u><u>375.50</u></u>

Notes to Financial Statements for the year ended March 31, 2015

(ii) Non Convertible Debentures - Secured include:

- a) 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.
- b) 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.
- c) 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. During the year, the Company has repaid the first instalment of ₹ 60 crores on March 23, 2015. The second instalment of ₹ 90 crores due on March 22, 2016 has been classified under current maturities of long term borrowings. The third instalment is due on March 22, 2017.

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:

- a) 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.
- b) 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.
- c) 1,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 150 crores, allotted on December 9, 2009 were repayable on December 9, 2014 i.e at the end of the 5th year from the date of allotment along with redemption premium of ₹ 4.37 lakhs per debenture. During the year, the Company has repaid these debentures on the due date.
- d) 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 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. Each CCD is convertible into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share on March 1, 2016 i.e. after 18 months from the date of allotment.

(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 (₹ 197.25 crores) due on January 22, 2016, has been classified under current maturities of long term borrowings.
- b) Unsecured term loan from a bank of ₹ 100 crores was taken on August 26, 2013 for 3 years carrying interest rate of 11.50% p.a. During the year, the Company has repaid the loan on September 30, 2014.

- (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 (Refer Note 4, page 95). At the reporting date, the notional amounts are restated at the closing exchange rates. As at March 31, 2015, the difference aggregating ₹ 236.48 crores (Previous Year ₹ 269.19 crores) on restatement represents a liability which is classified as "unsecured loans and advances". The notional amount due within twelve months of ₹ 22.65 crores has been classified under current maturities of long term borrowings.

Notes to Financial Statements for the year ended March 31, 2015

(vii) Maturity Profile of Debentures :

₹ crores				
a) Non-Current				
Non-Convertible Debentures (NCDs)	Redeemable on	Principal	Premium	Total
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
c) 2% Non-Convertible Debentures (3 rd instalment)	March 22, 2017	150.00	105.25	255.25
		700.00	105.25	805.25
Unsecured				
a) 2% Non-Convertible Debentures	December 9, 2019	250.00	310.84	560.84
b) 9.90% Non-Convertible Debentures	February 24, 2017	136.00	-	136.00
c) 2% Non-Convertible Debentures	April 23, 2017	200.00	94.23	294.23
		586.00	405.07	991.07
		1286.00	510.32	1796.32
b) Current				
Non-Convertible Debentures (NCDs)	Redeemable on	Principal	Premium	Total
Secured				
a) 2% Non-Convertible Debentures (2 nd instalment)	March 22, 2016	90.00	51.50	141.50
		90.00	51.50	141.50
(viii) Conversion Profile of Compulsorily Convertible Debentures :				
Unsecured	Convertible on			
a) Compulsory Convertible Debentures	March 1, 2016			999.91
				999.91

Note 6 : Deferred Tax Liabilities (net)

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Deferred tax liabilities:		
Depreciation on fixed assets	400.23	268.44
Unamortised borrowing costs	1.20	1.62
Total (A)	401.43	270.06
Deferred tax assets:		
Provision for doubtful debts	2.61	2.71
Premium on redemption of Debentures	94.50	123.75
Provision for Employee Benefits	14.26	13.01
Unabsorbed Losses	79.99	-
Others	19.01	23.43
Total (B)	210.37	162.90
Net Deferred tax liabilities (A-B)	191.06	107.16

Note 7 : Other Long-term Liabilities

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Creditors for capital goods and services	0.03	3.57
Deposits from others		
Secured (Refer Note 15 Footnote (iv), page 106)	71.10	71.10
Unsecured	2.33	2.48
	73.43	73.58
Premium on Redemption of Debentures (Refer Note 5 Footnote (vii)(a), page 99)	510.32	561.82
Others	1.69	0.20
	585.47	639.17

Notes to Financial Statements for the year ended March 31, 2015

Note 8 : Long-term Provisions

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Provision For Employee Benefits (Refer Note 38, page 118 to 121)		
Post-retirement compensated absences	13.79	10.26
Gratuity	3.84	-
Post-employment medical benefits	2.83	2.50
Post-retirement pension	6.85	6.50
	27.31	19.26

Note 9 : Short-term Borrowings

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Loans repayable on demand		
From Bank		
Secured (Refer Footnote (i))	-	9.34
Unsecured	0.99	2.25
	0.99	11.59
Other Short-term Loans		
From Bank		
Unsecured (Refer Footnote (ii))	-	150.00
	-	150.00
	0.99	161.59

Footnotes :

- (i) Secured loan from Bank consists of overdraft facilities. These are secured by hypothecation of operating supplies, stores, food and beverages and receivables.
- (ii) During the previous year, the Company had taken an unsecured short term loan from a bank of ₹ 200 crores carrying interest rate of 10.35% p.a. The loan was drawn down in tranches of ₹ 100 crores each on July 25, 2013 and July 30, 2013 with a put / call option at the end of six months from the draw down date. The Company has repaid ₹ 50 crores on March 27, 2014 and ₹ 150 crores on August 30, 2014. The outstanding as on March 31, 2015 is Nil.

Note 10 : Trade Payables

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Trade Payables		
Micro and Small Enterprises (Refer Footnote (i) and (ii))	1.48	1.23
Vendor Payables	72.78	90.97
Accrued expenses and others	91.23	81.28
	165.49	173.48

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.

Notes to Financial Statements for the year ended March 31, 2015

(ii) The disclosures relating to Micro and Small Enterprises are as under:

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	1.43	1.20
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	0.05	0.03
(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	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.05	0.03
(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	-

(iii) For related party balances refer Note 45, page 123 to 130.

Note 11 : Other Current Liabilities

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Current maturities of long-term borrowings (Refer Note 5 Footnote (i), page 97)		
Debentures	90.00	210.00
Term Loans	197.25	100.00
Liability on currency swap contracts	22.65	65.50
	309.90	375.50
Payables on Current Account dues :		
Related Parties	3.85	10.27
Others	11.73	14.61
	15.58	24.88
Premium on redemption of Debentures (Refer Note 5, Footnote (vii)(b), page 99)	51.50	92.68
Deposits (Unsecured)	24.35	22.96
Interest accrued but not due on borrowings	37.41	40.40
Income received in advance	17.98	12.40
Advances collected from customers	31.42	34.09
Creditors for capital expenditure	18.85	19.46
Unclaimed dividend (Refer Footnote (i))	2.57	3.07
Unclaimed Share Application Money (Refer Footnote (i))	0.05	0.06
Unclaimed Matured Deposits and interest accrued thereon (Refer Footnote (i))	1.35	2.07
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous year ₹ 25,127) (Refer Footnote (i))	-	-
Other Liabilities (Refer Footnote (ii))	122.83	98.13
	633.79	725.70

Footnotes :

- (i) A sum of ₹ 0.34 crores (Previous year ₹ 0.29 crores) 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 ₹ 70.82 crores (Previous Year ₹ 66.43 crores). For related party balances refer Note 45, page 123 to 130.

Notes to Financial Statements for the year ended March 31, 2015

Note 12 : Short-term Provisions

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Provision For Employee Benefits (Refer Note 38, page 118 to 121)		
Compensated absences	19.80	17.62
Post-employment medical benefits	0.26	0.24
Post-retirement pension	0.92	3.97
	20.98	21.83
Provision - Others		
Provision for Contingencies (Refer Footnote (i))	41.49	52.65
Loyalty Programmes (Refer Footnote (ii))	18.55	18.18
	60.04	70.83
	81.02	92.66

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	21.99	17.65	39.64
	<i>1.18</i>	<i>20.81</i>	<i>21.99</i>
Disputes on Contractual matters	29.43	(28.75)	0.68
	<i>27.71</i>	<i>1.72</i>	<i>29.43</i>
Disputes in respect of Employee benefits	1.23	(0.06)	1.17
	<i>1.23</i>	-	<i>1.23</i>
Total	52.65	(11.16)	41.49
	<i>30.12</i>	<i>22.53</i>	<i>52.65</i>

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, 2015 ₹ crores	March 31, 2014 ₹ crores
Opening Balance	18.18	15.16
Less : Redeemed during the year	12.06	11.45
	6.12	3.71
Add : Provision during the year	7.86	10.76
Add : Recovery from Participants	4.57	3.71
Closing Balance	18.55	18.18

Notes to Financial Statements for the year ended March 31, 2015

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, 2013	135.95	11.83	1,167.46	986.12	428.90	80.22	15.48	2,825.96
Additions	1.26	-	14.49	21.81	5.33	7.60	0.41	50.90
Adjustment	-	-	0.16	(0.17)	-	0.01	-	-
Disposals	-	-	0.12	7.69	3.01	2.36	1.40	14.58
At March 31, 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
Adjustments	(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
Depreciation (Refer Footnote (ii))								
At April 1, 2013	3.88	1.19	224.06	505.29	276.88	61.08	8.28	1,080.66
Charge for the year	-	0.07	30.18	53.63	24.75	7.28	0.93	116.84
Adjustments	-	-	-	-	0.01	(0.01)	-	-
Disposals	-	-	0.03	6.65	2.95	2.13	1.11	12.87
At March 31, 2014	3.88	1.26	254.21	552.27	298.69	66.22	8.10	1,184.63
Charge for the year (Refer Footnote (iii))	-	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
Net Block								
At March 31, 2014	133.33	10.57	927.78	447.80	132.53	19.25	6.39	1,677.65
At March 31, 2015	132.99	10.81	1,148.14	524.52	143.81	22.06	6.27	1,988.60

Footnotes :

- (i) Gross Block includes improvements to buildings constructed on leasehold land - ₹ 613.06 crores (Previous year ₹ 611.95 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 ₹ 0.03 crores (Previous year ₹ 0.04 crores) which is capitalised during the year.

Notes to Financial Statements for the year ended March 31, 2015

Note 14 : Intangible Assets (Acquired)

	Website Development Cost	Software (Refer Footnote)	Service & Operating Rights	Total
	₹ crores	₹ crores	₹ crores	₹ crores
Gross Block at Cost				
At April 1, 2013	4.07	19.57	12.05	35.69
Additions	0.74	13.10	0.22	14.06
Disposals	-	0.76	1.00	1.76
At March 31, 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
Amortisation				
At April 1, 2013	2.15	14.05	8.33	24.53
Charge for the year	0.84	3.75	0.87	5.46
Disposals	-	0.76	1.00	1.76
At March 31, 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
Net Block				
At March 31, 2014	1.82	14.87	3.07	19.76
At March 31, 2015	1.52	19.03	2.65	23.20

Footnote :

Software includes Customer Reservation System and other licensed software.

Notes to Financial Statements for the year ended March 31, 2015

Note 15 : Non-current Investments (at cost)

		March 31, 2015		March 31, 2014	
	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 Inc. (includes ₹ 1,990.70 crores (Previous year ₹ 1,990.70 crores) by way of additional paid-in capital)	US \$ 1	100	2,002.03	100	2,002.03
KTC Hotels Ltd.	₹ 10	6,04,000	0.70	6,04,000	0.70
Residency Food & Beverages Ltd. * (1,85,00,000 shares sold during the year)	₹ 10	-	-	1,85,00,000	18.25
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
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
Ideal Ice & Cold Storage Co. Ltd.* (1,07,224 shares sold during the year)	₹ 10	-	-	1,07,224	0.06
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 Rhein Shoes Co. Ltd.* (45,000 shares sold during the year)	₹ 100	-	-	45,000	0.45
Taj Trade & Transport Co. Ltd.	₹ 10	12,54,000	2.67	12,54,000	2.67
			<u>3,373.31</u>		<u>3,392.07</u>
Investments in Jointly Controlled Entities					
IHMS Hotels (SA) (Proprietary) Ltd. (₹ 3,052)	ZAR 1	500	-	500	-
Share application money with IHMS Hotels (SA) (Proprietary) Ltd. pending for allotment			57.09		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.	US\$ 1	13,29,778	13.63	13,29,778	13.63
Kaveri Retreats and Resorts Ltd.	₹ 10	20,00,000	6.80	20,00,000	6.80
			<u>110.17</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	19,90,000	1.99
Taj Air Ltd.	₹ 10	1,47,060	0.15	1,47,060	0.15
Tata Projects Ltd.	₹ 100	90,000	0.17	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 (iv))	₹ 10	7,11,00,000	71.10	7,11,00,000	71.10
			<u>99.38</u>		<u>99.38</u>
Carried over			3,686.67		3,705.43

The Indian Hotels Company Limited

Notes to Financial Statements for the year ended March 31, 2015

	Face Value	March 31, 2015		March 31, 2014	
		Holdings As at	₹ crores	Holdings As at	₹ crores
Brought over			3,686.67		3,705.43
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	Sri Lankan Rupees 10	3,43,75,640	18.72	3,43,75,640	18.72
Oriental Hotels Ltd.	₹ 1	3,37,64,550	28.73	3,37,64,550	28.73
			<u>47.45</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>3,819.83</u>		<u>3,838.59</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			3,819.83		3,838.59
Less : Provision for Diminution in value of Investments (Refer Footnote (iii))			1,273.69		1,076.95
Total Non-current Investments - Net			<u>2,546.14</u>		<u>2,761.64</u>

* Ceased to be a subsidiary with effect from March 30, 2015

Footnotes :

- | | | | | |
|------|--|----------------|----------|----------|
| (i) | Aggregate of Quoted Investments - Gross | : Cost | 133.16 | 133.16 |
| | | : Market Value | 333.39 | 292.22 |
| (ii) | Aggregate of Unquoted Investments - Gross | : Cost | 3,686.67 | 3,705.43 |
| | Less: Provision for Diminution in value of Investments | : Diminution | 1,273.69 | 1,076.95 |
| | Net value | : Net | 2,412.98 | 2,628.48 |
- (iii) The performance of the long-term investments were being monitored by the Company on a continuous basis and based on review undertaken of adjustments necessary to the carrying value of these investments, the Company during the year ended March 31, 2015 has recognised a diminution, other than temporary, of ₹ 213.49 crores. Diminution, other than temporary, of ₹ 150.00 crores has been recognised in the investment in Taj International Hotels (H.K.) Ltd (a wholly owned subsidiary) which in turn holds investments in the Company's various international entities, one of which holds its investment in Belmond Ltd (previously Orient-Express Hotels Limited), ₹ 57.09 crores in the investment held in IHMS Hotels (SA) Proprietary Ltd (a jointly controlled entity) and ₹ 6.40 crores in the investment held in Taj Safaris Limited (a jointly controlled entity). The cost of investments sold during the year and the corresponding diminution, other than temporary (₹ 16.75 crores), have been adjusted against the sales proceeds and resultant shortfall of ₹ 2.02 crores has been recognised. The above charges to the Statement of Profit and Loss have been classified as an "Exceptional item" for the current year.
- (iv) 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.

Notes to Financial Statements for the year ended March 31, 2015

Note 16 : Long-term Loans and Advances

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Capital advances	12.18	22.80
Long-term security deposits placed for Hotel Properties		
External parties	117.67	118.44
Subsidiary companies (Refer Note 45, page 123 to 130)	3.50	3.50
	<u>121.17</u>	<u>121.94</u>
Deposits with Public Bodies and Others	62.45	48.60
Loans and advances to related parties (Refer Note 45, page 123 to 130)		
Subsidiary Companies (net)	1,112.39	1,221.71
Jointly Controlled Entities	14.70	14.35
Associates - considered doubtful (considered good in the previous year)	3.17	8.04
	<u>1,130.26</u>	<u>1,244.10</u>
Less: Provision for Advances doubtful of recovery	3.17	-
	<u>1,127.09</u>	<u>1,244.10</u>
Other loans and advances		
Advance Income Tax paid (net)	33.27	76.09
MAT credit entitlement	74.68	33.31
Others	8.71	9.31
	<u>116.66</u>	<u>118.71</u>
	<u>1,439.55</u>	<u>1,556.15</u>

Note 17 : Other Non-Current Assets

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Deposits with Banks (Refer Note 21, page 109)	1.13	1.24
Unamortised borrowing costs (Refer Note 23, page 110)	2.15	3.46
	<u>3.28</u>	<u>4.70</u>

Notes to Financial Statements for the year ended March 31, 2015

Note 18 : Current Investments

	March 31, 2015		March 31, 2014	
	Holdings		Holdings	
	As at	₹ crores	As at	₹ crores
Investments in Mutual Fund Units (Unquoted)				
Franklin India TMA - Daily Dividend	9,57,763	95.95	-	-
Franklin India TMA - Super Institutional Plan - Daily Dividend	3,84,693	38.50	-	-
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	-	-
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	-	-
Religare Invesco Liquid Fund - Daily Dividend	2,93,358	29.36	-	-
Tata Money Market Fund - Daily Dividend	1,25,837	12.60	-	-
		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 **431.82**

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

	March 31, 2015	March 31, 2014
	₹ crores	₹ crores
Food and Beverages	19.97	19.06
Stores and Operating Supplies	23.19	21.12
	43.16	40.18

Notes to Financial Statements for the year ended March 31, 2015

Note 20 : Trade Receivables

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
(Unsecured) (Refer Footnote)		
Outstanding over six months from the date they were due for payment:		
Considered good	19.19	12.61
Considered doubtful	7.51	7.98
	26.70	20.59
Others :		
Considered good	119.69	111.80
Considered doubtful	0.04	-
	119.73	111.80
	146.43	132.39
Less : Provision for Debts doubtful of recovery	7.55	7.98
	138.88	124.41

Footnotes :

- (i) Trade Receivables include debts due from Directors - ₹ 2,26,884 (Previous year ₹ 1,82,699) in the ordinary course of business.
- (ii) For related party balances refer Note 45, page 123 to 130.

Note 21 : Cash and Cash Equivalents

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Cash and cash equivalents		
Cash on hand	1.79	2.21
Cheques, Drafts on hands	2.40	19.44
Balances with bank in current account	12.60	7.10
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	265.03	9.52
Cash and Cash equivalents as per Accounting Standard (AS) 3 on Cash Flow Statement	281.82	38.27
Other Balances with banks :		
Short-term deposit accounts	70.33	0.34
Deposits pledged with others	0.62	0.61
Margin money deposits	0.99	0.94
Earmarked balances	3.20	4.25
	75.14	6.14
	356.96	44.41
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 107)	1.13	1.24
	355.83	43.17

Notes to Financial Statements for the year ended March 31, 2015

Note 22 : Short-term Loans and Advances

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Short-term loans and advances		
Related Parties		
Associates (Refer Note 45, page 123 to 130)	4.87	-
	4.87	-
Others	0.34	0.33
	5.21	0.33
Deposit with public bodies and others	8.16	8.45
Other advances		
Considered good	39.87	57.46
Considered doubtful	4.04	2.56
	43.91	60.02
Less: Provision for Advances doubtful of recovery	4.04	2.56
	39.87	57.46
	53.24	66.24

Note 23 : Other Current Assets

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Interest receivable		
Related Parties	2.80	2.05
Others	12.72	13.23
	15.52	15.28
On Current Account dues :		
Related Parties	11.87	16.66
Others	4.12	7.34
	15.99	24.00
Unamortised Borrowing Costs (Refer Footnote)		
Opening Balance	4.77	6.09
Add : Additions during the year	-	0.03
Less : Amortised during the year	1.31	1.35
Closing Balance	3.46	4.77
Less : Unamortised borrowing costs - Non Current (Refer Note 17, page 107)	2.15	3.46
	1.31	1.31
	32.82	40.59

Footnote :

Represents expenses on loans to be amortised over the balance tenure of the loan.

Notes to Financial Statements for the year ended March 31, 2015

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

	March 31, 2015	March 31, 2014
	₹ crores	₹ crores
Room Income	908.34	884.26
Food, Restaurants and Banquet Income	813.42	774.16
Shop rentals	30.68	28.94
Membership fees	59.08	53.93
Management and operating fees	137.74	125.54
Others	75.12	62.68
	2,024.38	1,929.51

Note 25 : Other Income

	March 31, 2015	March 31, 2014
	₹ crores	₹ crores
Interest Income		
Deposits with banks	25.71	1.41
Deposits with related parties	2.13	2.17
Interest on Income Tax Refunds	-	3.02
Others	1.10	1.01
	28.94	7.61
Dividend Income from long term Investments		
From related parties	19.62	21.07
(including Dividend from Subsidiaries ₹ 13.40 crores (Previous Year ₹ 14.40 crores))		
From others	1.23	0.84
Dividend Income from Current Investments		
From others	13.74	0.64
Others	15.69	17.66
	79.22	47.82

Note 26 : Food and Beverages Consumed

	March 31, 2015	March 31, 2014
	₹ crores	₹ crores
Opening Stock	19.06	17.52
Add : Purchases	182.79	178.37
	201.85	195.89
Less : Closing Stock	19.97	19.06
Food and Beverages Consumed	181.88	176.83

	March 31, 2015		March 31, 2014	
	₹ crores	%	₹ crores	%
Imported	7.60	4.18	11.02	6.23
Indigenous	174.28	95.82	165.81	93.77
	181.88	100.00	176.83	100.00

Notes to Financial Statements for the year ended March 31, 2015

Note 27 : Employee Benefit Expense and Payment to Contractors

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Salaries, Wages, Bonus etc.	392.56	348.65
Company's Contribution to Provident and Other Funds (refer Note 38, page 118 to 121)	29.47	19.91
Reimbursement of Expenses on Personnel Deputed to the Company	12.69	10.55
Payment to Contractors	36.65	32.24
Staff Welfare Expenses	60.00	61.18
	<u>531.37</u>	<u>472.53</u>

Note 28 : Finance costs

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Interest Expense on borrowings	121.40	143.69
On Tax Demands	0.01	2.84
	<u>121.41</u>	<u>146.53</u>
Other borrowing costs	1.31	1.35
Less : Interest recovered on related Currency swaps	30.62	30.30
Less : Interest Capitalised (Refer Footnote)	2.64	18.76
	<u>89.46</u>	<u>98.82</u>

Footnote :

The Company has capitalised the Interest cost on borrowings relating to certain qualifying assets included within Capital Work in Progress.

Note 29 : Other Operating and General Expenses

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
(i) Operating expenses consist of the following:		
Linen and Room Supplies	32.11	29.72
Catering Supplies	17.69	17.13
Other Supplies	4.01	3.66
Fuel, Power and Light	174.27	165.70
Repairs to Buildings	34.20	31.92
Repairs to Machinery	41.18	38.14
Repairs to Others	11.24	11.45
Linen and Uniform Washing and Laundry Expenses	10.92	10.45
Payment to Orchestra Staff, Artistes and Others	24.10	23.70
Guest Transportation	24.49	17.54
Travel Agents' Commission	28.11	25.18
Discount to Collecting Agents	19.25	16.75
Other Operating Expenses	35.07	35.62
	<u>456.64</u>	<u>426.96</u>

Linen, Room, Catering and Other Supplies Consumed

	March 31, 2015		March 31, 2014	
	₹ crores	%	₹ crores	%
Imported	3.50	6.50	4.69	9.29
Indigenous	50.31	93.50	45.82	90.71
	<u>53.81</u>	<u>100.00</u>	<u>50.51</u>	<u>100.00</u>
Spare Parts Consumed				
Imported	0.83	4.72	1.23	8.41
Indigenous	16.77	95.28	13.40	91.59
	<u>17.60</u>	<u>100.00</u>	<u>14.63</u>	<u>100.00</u>

Notes to Financial Statements for the year ended March 31, 2015

(ii) General expenses consist of the following:

	March 31, 2015	March 31, 2014
	₹ crores	₹ crores
Rent	44.48	40.10
Licence Fees	128.39	125.74
Rates and Taxes	45.80	36.76
Insurance	6.17	6.04
Advertising and Publicity	96.66	92.29
Printing and Stationery	8.23	7.28
Passage and Travelling	9.65	10.31
Provision for Doubtful Debts (Refer Footnote (vi))	1.99	1.08
Professional Fees	36.11	38.82
Outsourced Support Services	45.63	39.52
Exchange Loss (Net)	1.06	1.50
Loss on Sale of Fixed Assets (Net)	0.23	1.26
Payment made to Statutory Auditors (Refer Footnote (v))	2.86	3.08
Directors' Fees and Commission (Refer Footnote (iii))	0.52	2.04
Other Expenses (Refer Footnote (iv))	68.04	57.91
	495.82	463.73
	952.46	890.69

Footnotes :

(i) Expenditure recovered from other parties:

	March 31, 2015	March 31, 2014
	₹ crores	₹ crores
Fuel, Power and Light	4.26	4.59
Repairs to Buildings	0.08	0.07
Linen and Uniform Washing	1.21	1.39
Rent	0.18	0.28
Other Expenses	2.30	2.01
	8.03	8.34

(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, 2015	March 31, 2014
	₹ crores	₹ crores
Employee benefits expense	0.50	1.26
Rent, Rates and Taxes	-	2.49
Fuel, power and light	0.63	0.90
Depreciation	0.03	0.04
Other expenses (Net)	12.24	4.20
	13.40	8.89

(iii) Directors' Fees and Commission is net of Commission waived by Non-Executive Directors for the year 2013-14 - ₹ 1.96 crores.

Notes to Financial Statements for the year ended March 31, 2015

(iv) Other expenses include Advances written off – ₹ 1.39 crores (Previous year ₹ 3.18 crores) and expenditure incurred on Corporate Social Responsibility activities under Section 135 of the Companies Act, 2013 - ₹ 1.63 crores.

(v) Payment made to Statutory Auditors:

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
As auditors	2.08	2.08
As tax auditors	0.25	0.25
For other services	0.40	0.74
For out-of pocket expenses	0.10	0.01
Service tax on above [Net of credit availed - ₹ 0.21 crores (Previous year ₹ 0.24 crores)]	0.03	-
	2.86	3.08

Footnote:

Excludes ₹ 0.76 crores (Previous year ₹ 0.14 crores) adjusted against Securities Premium Account

(vi) Provision for Doubtful Debts:

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Opening Balance	7.98	8.62
Add : Provision during the year	2.16	1.27
	10.14	9.89
Less : Bad debts written off against past provisions	2.42	1.72
Less : Reversal of provision no longer required	0.17	0.19
Closing Balance	7.55	7.98

Note 30 : Exceptional Items

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Exceptional Items comprises of the following:		
Provision for contingency for obligation of an associate no longer required written back	11.56	-
Loss on sale of Investments (net of provision for diminution)	(2.02)	-
Exchange Gain / (Loss) on Long-term Borrowings/Assets (Net)	(24.75)	(22.16)
Expenditure on a discontinued project charged off for commercial reasons	-	(8.90)
Provision for Contingency for Property tax	-	(19.04)
Provision for Diminution in value of long term investments (Refer Note 15 Footnote (iii), page 106)	(213.49)	(687.00)
	(228.70)	(737.10)

Notes to Financial Statements for the year ended March 31, 2015

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 tax 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, 2015	March 31, 2014
	₹ crores	₹ crores
Income tax	37.95	48.52
Entertainment tax	1.47	2.01
Sales tax / state Value added tax	9.07	10.85
Property tax	50.81	22.71
Service tax	9.00	8.61
Others	9.04	7.43

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 ₹ 266.11 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 ₹ 60.52 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, 2015 - ₹ 1,124.40 crores (Previous year ₹ 972.00 crores).
- The Company owns 19.90% of the issued share capital of Lands End Properties Private Limited ("LEPPL"), a Company owning 85.72% interest in the erstwhile Sea Rock hotel property through its wholly-owned subsidiary, Sky Deck Properties & Developers Private Limited ("SDPDPL"). LEPPL has issued Zero coupon Non-Convertible Debentures ("NCDs") aggregating to ₹ 521 crores, redeemable at a premium, having a yield to maturity of 10% per annum aggregating to ₹ 693.45 crores on maturity.

In respect of the NCDs issued by LEPPL, the Company has:-

- the first right to purchase the entire shareholding of SDPDPL held by LEPPL for an aggregate value of ₹ 693.45 crores; or

Notes to Financial Statements for the year ended March 31, 2015

- b) the obligation to make good the value of the shortfall, if any, if lenders of LEPL divest 100% of SDPDPL shares and realise an amount lower than the redemption amount, in case the right referred in (i) above is not exercised.

In addition, SDPDPL has availed of a secured zero coupon term loan of ₹ 508 crores from a financial institution for which the total repayment obligation on the maturity date (being January 28, 2016) would be ₹ 708.93 crores. This term loan has been secured by way of a pledge on all direct and indirect shareholding of EEL Hotels & Investments Ltd, the licensee of the erstwhile Hotel Sea Rock property.

In effect, the total future repayment obligation for LEPL, on a consolidated basis, aggregates to ₹ 1402.38 crores covering the current outstanding debt obligations of LEPL and SDPDPL, its underlying subsidiary.

- iii) The Company has given letters of support in case of select subsidiaries and jointly controlled entities 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:

- (i) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
- (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 ₹ 81.61 crores (Previous year ₹ 125.92 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 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 CCD i.e. on March 1, 2016.

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	100.00
Capital expenditure on Projects	25.62
Renovation Capex	4.90
Issue Expenses	6.07
Total	689.27
Surplus amounts kept in Fixed Deposits with Banks and invested in Mutual Funds	310.64

Notes to Financial Statements for the year ended March 31, 2015

Note 34 : Depreciation impact

The Company has reassessed the useful lives of its tangible fixed assets during the year. Based on a technical evaluation, the useful lives have been revised to match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets, other than end-user Computers, Electrical Installation and Equipment, Plant and Machinery and select items of Furniture. Management believes that the revised useful lives of the assets reflect the periods over which these assets are to be used. As a result of the change, the charge on account of Depreciation for the twelve months ended March 31, 2015, is lower by ₹ 0.57 crores as compared to the useful lives estimated in earlier periods.

Note 35 : 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 29 (ii), page 113). 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, 2015 ₹ crores	March 31, 2014 ₹ crores
Not later than one year	15.52	15.97
Later than one year but not later than five years	50.52	50.98
Later than five years	332.15	344.12
	398.19	411.07

Note 36 : 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, 2015 US\$ million	March 31, 2014 US\$ million
Interest Rate Swaps	63.34	63.344

The above excludes cross currency interest rate swaps referred to in footnote to Note 4, page 96.

b. Unhedged Foreign currency exposure receivable/(payable) :

Currency	March 31, 2015	March 31, 2014
United States Dollar (Million)*	(59.34)	(76.92)

* Net of notional amount of US\$ 143.80 million (Previous year US\$ 186.38 million) as cross currency interest rate swaps referred to in footnote to Note 4, page 96.

Note 37 : 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, 2015 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.

Notes to Financial Statements for the year ended March 31, 2015

Note 38 : 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, 2015 ₹ crores	March 31, 2014 ₹ crores
Provident Fund	17.82	16.27
Superannuation Fund	4.85	4.00
	22.67	20.27

- (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 certain retired executive directors and certain categories of employees, which is unfunded.
- Post Employment Medical Benefits to qualifying 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 – As per Actuarial Valuation on March 31, 2015 :-

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
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Present Value of Funded Obligations	157.56	-	-	-	5.92
	136.59	-	-	-	4.93
Present Value of Unfunded Obligations	-	3.09	4.95	2.82	-
	-	2.74	4.65	2.61	-
Fair Value of Plan Assets	(153.72)	-	-	-	(7.78)
	(140.55)	-	-	-	(7.20)
Unrecognised Past Service Cost	-	-	-	-	(0.76)
	-	-	-	-	(1.14)
Adjustment to Plan Asset	-	-	-	-	0.63
	-	-	-	-	0.77
Net (Asset) / Liability	3.84	3.09	4.95	2.82	(1.99)
	(3.96)	2.74	4.65	2.61	(2.64)

Notes to Financial Statements for the year ended March 31, 2015

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	7.01	0.03	0.32	-	0.10
	7.61	0.04	0.30	-	0.12
Interest Cost	11.81	0.24	0.43	0.20	0.40
	10.98	0.23	0.31	0.13	0.35
Expected return on Plan Assets	(9.96)	-	-	-	(0.49)
	(9.97)	-	-	-	(0.42)
Actuarial Losses / (Gain) recognised in the year	(1.06)	0.45	0.15	0.31	0.48
	(7.44)	(0.12)	(1.08)	1.41	(0.82)
Past service Cost	-	-	-	-	0.38
	-	-	-	-	0.38
Effect of the limit on Plan Asset	-	-	-	-	(0.14)
	-	-	-	-	0.27
Expense	7.80	0.72	0.90	0.51	0.73
	1.18	0.15	(0.47)	1.54	(0.12)

Footnote: Amount taken to Statement of Profit and Loss in respect of gratuity is net of recovery ₹ 1.07 crores (Previous year ₹ 1.62 crores).

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	136.59	2.74	4.65	2.61	4.93
	140.65	2.86	5.13	1.85	5.12
Current Service Cost	7.01	0.03	0.32	-	0.10
	7.61	0.04	0.30	-	0.12
Interest Cost	11.81	0.24	0.43	0.20	0.40
	10.98	0.23	0.31	0.13	0.35
Actuarial Losses / (Gain)	14.93	0.45	0.15	0.31	0.67
	(7.40)	(0.12)	(1.08)	1.41	(0.53)
Liabilities Assumed on Acquisition	-	-	-	-	-
	0.89	-	-	-	-
Benefits Paid	(12.78)	(0.37)	(0.60)	(0.30)	(0.18)
	(16.14)	(0.27)	-	(0.78)	(0.13)
Closing Defined Benefit Obligation	157.56	3.09	4.95	2.82	5.92
	136.59	2.74	4.65	2.61	4.93

Notes to Financial Statements for the year ended March 31, 2015

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	140.55 143.08	-	-	-	7.20 6.59
Expected return on Plan Assets	9.96 9.97	-	-	-	0.49 0.42
Actuarial Gain / (Losses)	15.99 0.04	-	-	-	0.19 0.29
Contribution by Employer	- 2.50	0.37 0.27	0.60 -	0.30 0.78	0.07 0.03
Assets acquired on Acquisition	- 1.10	-	-	-	-
Benefits Paid	(12.78) (16.14)	(0.37) (0.27)	(0.60) -	(0.30) (0.78)	(0.18) (0.13)
Closing Fair Value of Plan Assets	153.72 140.55	-	-	-	7.78 7.20
Expected Employer's contribution/ outflow next year	5.00 9.00	0.25 0.24	0.62 0.57	0.30 0.78	- -

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	49% 38%	-	-	-	35% 38%
Corporate Bonds	34% 41%	-	-	-	52% 56%
Equity	16% 20%	-	-	-	- -
Others	1% 1%	-	-	-	13% 6%
Grand Total	100% 100%	-	-	-	100% 100%

Notes to Financial Statements for the year ended March 31, 2015

vi Actuarial Assumptions

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.)	7.90% 9.00%	7.90% 9.00%	7.90% 9.00%	7.90% 9.00%	7.90% 9.00%
Expected Rate of Return on Assets (p.a.)	7.50% 7.50%	- -	- -	- -	7.50% 7.50%
Salary Escalation Rate (p.a.)	5.00% 5.00%	- -	5.00% 5.00%	4.00% 4.00%	- -
Mortality Table *					
Mortality in service	Table 1 Table 1	Table 1 Table 1	NA 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

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 - ₹ 45,514 (Previous year ₹ 40,774))	-	-
(1% Decrease - ₹ (40,205) (Previous year ₹ (45,556)))	-	-
Effect of defined benefit obligation	0.06 0.05	(0.05) (0.05)

viii Experience Adjustments

	2014-15 ₹ crores	2013-14 ₹ crores	2012-13 ₹ crores	2011-12 ₹ crores	2010-11 ₹ crores
Defined Benefit Obligation	174.35	161.78	172.08	158.89	124.50
Plan Assets	161.50	147.76	149.68	135.04	117.63
Deficit	(12.85)	(14.02)	(22.40)	(23.85)	(6.87)
Experience Adjustment on Plan Liabilities	(0.27)	0.28	14.96	20.08	3.88
Experience Adjustment on Plan Assets	16.19	0.33	6.24	(0.25)	(0.19)

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.

Notes to Financial Statements for the year ended March 31, 2015

Note 39 : CIF Value of imports

Particulars	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Raw Materials (Food and Beverages)	8.58	10.24
Stores, Supplies and Spare Parts for Machinery	5.25	6.59
Capital Goods	25.29	28.59

Note 40 : Earnings in Foreign Exchange

Particulars	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Rooms, Restaurants, Banquets and Other Services	685.69	719.76
Interest received	0.84	0.81

The earnings in foreign exchange, as reported above, are on the basis of actual receipts during the year.

Note 41 : Expenditure in Foreign Exchange

Particulars	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Membership Fees	5.19	2.37
Advertising and Public Relation	45.90	34.95
International Sales Office	27.18	21.04
Professional and Consultancy Fees	17.43	10.70
Interest	26.00	26.53
Others	27.10	27.27

Note 42 : 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 does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by/on behalf of non-resident shareholders during the previous year. The particulars of dividend paid to non-resident shareholders during the previous year, are as under:

Particulars	March 31, 2015	March 31, 2014
Year to which dividend relates	2013-14	2012-13
Numbers of non-resident shareholders	NA	2,842
Number of Ordinary Shares held by non-resident shareholders	NA	5,951,840
Gross amount of dividend (₹ crores)	NA	0.47
Net amount of dividend (₹ crores)	NA	0.47

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 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.

Notes to Financial Statements for the year ended March 31, 2015

Note 44 : 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, 2015 ₹ crores	Maximum amount outstanding during the previous year ₹ crores	Balance Outstanding as on March 31, 2014 ₹ crores
Subsidiaries				
International Hotel Management Services Inc.	-	-	69.00	-
Taj International Hotels (HK) Ltd.*	1,261.00	1,112.39	1,337.75	1,221.71
Jointly Controlled Entities				
Taj Karnataka Hotels & Resorts Ltd.	5.35	5.35	5.35	5.35
TAL Hotels & Resorts Ltd. (repayment beyond 7 years)	9.46	9.34	9.86	9.00
Taj GVK Hotels & Resorts Ltd.	-	-	5.00	-
Kaveri Retreat & Resorts Limited	-	-	4.90	-
Associates				
Taida Trading and Industries Ltd.	8.04	8.04	8.04	8.04

* There is no repayment schedule and no interest is payable

Note 45 : 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
Domestic	
TIFCO Holdings Ltd.	India
Residency Foods & Beverages 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

The Indian Hotels Company Limited

Notes to Financial Statements for the year ended March 31, 2015

Name of the Company	Country of Incorporation
TIFCO Security Services Ltd. *	India
Taj Rhein Shoes Co. Ltd. *	India
Ideal Ice & Cold Storage Co. Ltd. *	India

* Ceased to be a subsidiary with effect from March 30, 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
IHMS (Australia) Pty. Ltd. **	Australia
International Hotel Management Services Inc.	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

** Ceased to be a subsidiary with effect from November 1, 2014.

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
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

Notes to Financial Statements for the year ended March 31, 2015

v. Key Management Personnel

Particulars	Relation
Rakesh Sarna *	Managing Director & CEO
Raymond N. Bickson **	Ex-Managing Director
Anil P. Goel	Executive Director & CFO
Abhijit Mukerji	Executive Director - Hotel Operations
Mehernosh S. Kapadia	Executive Director - Corporate Affairs

* for part of the year with effect from September 1, 2014.

** for part of the year upto August 31, 2014.

- (b) Details of related party transactions during the year ended March 31, 2015 and outstanding balances as at March 31, 2015:

Particulars	Company having substantial interest ₹ crores	Key Management Personnel ₹ crores	Subsidiaries ₹ crores	Associates ₹ crores	Jointly controlled entities ₹ crores
Interest Paid/Provided	-	-	-	-	-
	-	-	3.11	-	-
Interest received/accrued	-	-	-	0.80	1.32
	-	-	-	0.79	1.38
Dividend received	3.60	-	13.41	2.01	0.60
	3.60	-	14.38	2.00	1.08
Dividend paid	-	-	-	-	-
	16.16	-	-	0.11	-
Operating / Licence fees paid	-	-	0.28	-	-
	-	-	0.26	-	-
Operating fees received/accrued	-	-	41.64	25.02	23.91
	-	-	40.26	23.69	22.46
Purchase of goods and services	0.32	-	21.86	-	-
	0.42	-	24.29	-	0.01
Sale of goods and services	4.43	0.19	8.07	0.02	0.01
	0.73	-	8.90	-	-
Deputed Staff reimbursements	0.27	-	4.98	2.44	2.26
	-	-	-	-	-
Other Cost reimbursements	1.47	-	1.41	1.46	0.23
	-	-	-	-	-
Inter corporate deposit	-	-	-	-	-
(ICD) Raised	-	-	96.75	-	-
ICD Repaid	-	-	-	-	-
	-	-	141.75	-	-
ICD Encashed	-	-	-	-	-
	-	-	-	-	9.90
Purchase of Shares	-	-	-	-	-
	-	-	64.89	-	-

The Indian Hotels Company Limited

Notes to Financial Statements for the year ended March 31, 2015

Particulars	Company having substantial interest ₹ crores	Key Management Personnel ₹ crores	Subsidiaries ₹ crores	Associates ₹ crores	Jointly controlled entities ₹ crores
Sale of Shares (Refer Footnote ii)	-	-	-	-	-
Shareholders' Deposit placed	-	-	-	-	-
Shareholders' Deposit encashed	-	-	67.41	-	-
Share Application money paid	-	-	153.84	-	-
	-	-	-	-	-
	-	-	-	-	14.61
Share Holders' Deposits converted into Equity / Share Application Money (Refer Footnote iii)	-	-	-	-	-
	-	-	64.89	-	-
Remuneration Paid / Payable (Refer Footnote iv)	-	24.47	-	-	-
	-	16.50	-	-	-
Transfer of Project	-	-	-	-	-
	-	-	(8.90)	-	-
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) (Refer Note 31(c)(i), page 115)	-	-	251.00	-	-
	-	-	90.52	-	-
Balances outstanding at the end of the year					
Trade Receivables	-	-	1.00	7.54	19.22
(Refer Note 20, page 109)	0.05	-	1.76	8.66	15.62
Trade Payables	-	-	2.91	-	-
(Refer Note 10, page 100)	0.03	-	5.31	0.21	0.07
Other liabilities	-	-	3.33	-	-
(Refer Note 11, page 101)	-	-	-	-	-
Due from/(to) on Current A/c (Refer Note 11, page 101 and Note 23, page 110)	-	-	4.74	0.53	2.74
	0.30	-	3.24	0.78	1.55
Interest Receivable	-	-	-	1.34	1.47
(Refer Note 23, page 110)	-	-	-	0.61	1.43
Deposits Receivable (Refer Note 16, page 107 and Note 22, page 110)	-	-	1116.38	8.04	14.70
	-	-	1225.68	8.04	14.35
Deposits Payable (Refer Note 5, page 97 and Note 11, page 101)	-	-	4.11	-	-
	-	-	3.97	-	-
Guarantees/Letter of Comfort given on behalf	-	-	1124.40	-	-
(Refer Note 31(c)(i), page 115)	-	-	836.48	-	115.52

Notes to Financial Statements for the year ended March 31, 2015

Footnotes:

- (i) Figures in italics are of the previous year.
- (ii) Represent divestment of shares at fair value held in subsidiaries namely Residency Food & Beverages Ltd., Ideal Ice & Cold Storage Co. Ltd. and Taj Rhein Shoes Co. Ltd. to Taida Trading & Industries Ltd., an associate company at ₹ 1 each.
- (iii) Represent investing activities which has not involved cash flows.
- (iv) 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, 2015 ₹ crores	March 31, 2014 ₹ crores
Company having substantial interest		
Tata Sons Ltd.		
Dividend Received	3.60	3.60
Dividend Paid	-	16.16
Other costs reimbursement	1.47	-
Remuneration to Key Management Personnel		
Rakesh Sarna	6.17	-
Raymond N. Bickson	12.43	10.40
Anil P. Goel	2.23	2.37
Abhijit Mukerji	1.96	2.08
Mehernosh S. Kapadia	1.68	1.65
Subsidiaries		
TIFCO Holdings Ltd.		
Interest Paid/ Provided	-	0.33
Dividend Received	4.08	6.52
ICD raised during the year	-	32.75
ICD repaid during the year	-	32.75
Other liabilities	3.33	-
KTC Hotels Ltd.		
Operating/Licence Fees Paid	0.28	0.26
Due on current account (Net) - Receivable/(Payable)	(1.78)	(1.84)
Taj Trade & Transport Co Ltd.		
Sale of goods and services	3.07	3.02
Other costs reimbursement	(0.54)	-

The Indian Hotels Company Limited

Notes to Financial Statements for the year ended March 31, 2015

Name of the Company	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Piem Hotels Ltd.		
Interest Paid/ Provided	-	2.14
Dividend Received	5.92	4.44
Operating/ Licence Fees Received/Accrued	27.77	27.14
Sale of goods and services	-	1.39
Deputed Staff costs	4.09	-
Other Cost reimbursements	0.71	-
Due on current account (Net) - Receivable/(Payable)	-	0.01
ICD raised during the year	-	30.00
ICD repaid during the year	-	75.00
Transfer of Project	-	(8.90)
Inditravel Ltd.		
Purchase of goods and services	7.54	10.48
Sale of goods and services	3.69	3.88
Trade Payables	-	2.30
ICD raised during the year	-	19.00
ICD repaid during the year	-	19.00
IHMS (Australia) Pty. Ltd.		
Other costs reimbursement	1.13	-
International Hotel Management Services Inc		
Due on current account (Net) – Receivable/(Payable)	5.95	5.93
Purchase of shares	-	64.89
Shareholder's deposit placed	-	67.41
Deposit Encashed	-	64.89
Trade Payable	0.81	0.77
Purchase of goods and services	10.42	9.85
Guarantee given on behalf	122.08	-
Guarantees given on behalf – Closing position	812.95	-
Due on current account (Net) – Receivable/(Payable)	(0.80)	2.81
Trade Payable	1.22	-
Taj International Hotels (H.K.) Ltd.		
Deposit Closing Position – Receivable	1112.39	1221.71
Deposit Payable	3.86	3.72
Shareholders' Deposit Encashed	153.84	-
Guarantee given on behalf	128.92	-
Guarantees given on behalf – Closing position	311.45	-
Apex Hotel Management Services (Australia) Pty. Ltd.		
Trade Payable	0.65	-

Notes to Financial Statements for the year ended March 31, 2015

Name of the Company	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Jointly Controlled Entities		
Taj GVK Hotels & Resorts Ltd.		
Due on current account (Net) – Receivable/(Payable)	1.61	1.92
Deputed Staff reimbursement	1.48	-
Operating/Licence Fees Received/Accrued	14.04	14.19
Deputed Staff costs	1.48	-
Trade Receivables	10.19	7.41
ICD Encashed	-	5.00
Taj Safaris Ltd.		
Due on current account (Net) – Receivable/(Payable)	-	2.23
Taj Karnataka Hotels & Resorts Ltd.		
Interest received / accrued	0.48	-
Deposit given outstanding	5.35	5.35
Interest Receivable	0.62	0.62
TAL Hotels & Resorts Limited		
Interest received / accrued	0.84	0.81
Deposit Closing Position – Receivable	9.34	9.00
Trade Receivable	3.93	-
Interest Receivable	0.84	0.81
IHMS Hotels SA (Proprietary) Ltd.		
Share application Money Paid to	-	14.61
Trade Receivable	3.46	3.34
Due on current account (Net) – Receivable/(Payable)	-	0.89
Kaveri Retreat & Resorts Limited		
Interest received / accrued	-	0.43
Due on current account (Net) – Receivable/(Payable)	-	(1.32)
ICD Encashed	-	4.90
Associates		
Taida Trading & Industries Ltd.		
Interest received/ accrued	0.80	0.79
Interest Receivable	1.34	0.61
ICD Closing Position - Receivable	8.04	8.04
Provision for Advances doubtful of recovery	3.17	-

The Indian Hotels Company Limited

Notes to Financial Statements for the year ended March 31, 2015

Name of the Company	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Oriental Hotels Ltd.		
Operating/Licence Fees Received/ Accrued	25.02	23.69
Deputed Staff reimbursement	2.48	-
Other costs reimbursement	1.45	-
Trade Receivables	7.54	7.79
Due on current account (Net) – Receivable/(Payable)	-	0.36
BJETS Pte Ltd.		
Current account dues written off	1.37	-
Provision for Obligation no longer required	11.56	-

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) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, 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, 2015

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	29.46	7.14	5.65	6.29	6.82	-	0.03
		35.07	8.72	8.42	6.51	7.32	0.41	-
Taj GVK Hotels and Resorts Ltd.	India	25.52	185.55	97.12	63.80	64.31	11.03	0.04
		25.52	170.18	81.25	62.56	61.29	11.12	0.38
Name of the Company	Country of Incorporation	Holding (%)	Assets ₹ crores	Liabilities ₹ crores	Income ₹ crores	Expenditure ₹ crores	Contingent Liabilities ₹ crores	Capital Commitment ₹ crores
Taj Karnataka Hotels and Resorts Ltd.	India	44.27	3.82	6.71	2.82	2.79	-	0.01
		44.27	3.89	6.80	2.88	2.75	-	-
Taj Kerala Hotels Ltd.	India	28.30	18.73	3.98	12.11	12.05	2.64	0.09
		28.30	18.75	4.07	12.15	12.12	1.27	0.24
Kaveri Retreat & Resorts Limited	India	50.00	47.29	32.94	15.26	16.72	1.07	0.30
		50.00	49.91	34.10	12.48	15.86	1.07	0.34
Taj Madras Flight Kitchen Pvt. Ltd.	India	50.00	23.68	2.91	16.57	16.50	12.75	-
		50.00	22.86	2.16	15.24	14.45	12.71	0.36
TAL Hotels & Resorts Ltd.	Hong Kong	27.49	166.13	64.56	84.02	77.60	0.13	2.58
		27.49	160.16	66.02	73.01	93.60	0.13	0.39
IHMS Hotels (SA) (Proprietary) Ltd.	South Africa	50.00	119.54	163.29	34.39	75.58	-	-
		50.00	132.93	148.49	34.82	60.10	-	-

Footnote: Figures in the italics relate to the previous year.

Notes to Financial Statements for the year ended March 31, 2015

Note 48 : Earnings Per Share (EPS)

Earnings Per Share is calculated in accordance with Accounting Standard 20 – 'Earnings Per Share' – (AS-20) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Particulars	March 31, 2015	March 31, 2014
Profit/ (Loss) after tax – (₹ crores)	(82.02)	(590.49)
Number of Ordinary Shares	80,74,72,787	80,74,72,787
Weighted Average Number of Ordinary Shares	91,30,66,925	80,74,72,787
Face Value per Ordinary Share (₹)	1	1
Earnings Per Share (₹):		
Basic	(1.02)	(7.31)
Diluted *	(1.02)	(7.31)

* As the impact of the CCDs is anti-dilutive as on March 31, 2015, 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
Shapoor Mistry	Director
Nadir Godrej	Director
Gautam Banerjee	Director
Vibha Paul Rishi	Director
Ireena Vittal	Director
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 29, 2015

Notes to Financial Statements for the year ended March 31, 2015

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

#	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 crores	¶	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

Notes to Financial Statements for the year ended March 31, 2015

Financial Statistics

Year	Revenue Account								
	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit / (Loss) before Tax	Tax Expenses	Profit / (Loss) 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)	-	-	-

â Preference and Ordinary Dividend

++ After deterring ₹ 0.04 crores towards excen prorations depreciation over 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 the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' 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 but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

5. We did not audit the financial statements of twenty two subsidiaries (including step down subsidiaries) and five jointly controlled entities, whose financial statements reflect total assets (net) of ₹ 4,483.50 crore as at 31st March, 2015, total revenues of ₹ 1,513.00 crore and net cash inflows amounting to ₹ 25.32 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 loss of ₹ 0.04 crore for the year ended 31st March, 2015, 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2015 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 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 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule II 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 - Refer (a) Notes 13, 32 and 33 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net loss in respect of its associates.
 - 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- Refer (a) Notes 2(f) and 4 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net loss in respect of its associates.
 - 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)

Sanjiv V. Pilgaonkar
 Partner
 (Membership Number: 39826)

MUMBAI, 29th May, 2015

For **PKF SRIDHAR & SANTHANAM LLP**
 Chartered Accountants
 (Firm's Registration No. 003990S / S200018)

S. Ramakrishnan
 Partner
 (Membership No. 18967)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes twenty two subsidiary companies, five jointly controlled companies and six associate companies incorporated in India (herein after collectively referred to as "respective entities" / "aforesaid companies"), to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the Company's fixed assets of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management of respective entities in accordance with a regular programme of verification which, in our opinion and in the opinion of other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India which hold inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have granted loans, to the extent included in the consolidated financial statements, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities. In respect of such loans:
 - a. The receipts of principal amounts and interest have been regular.
 - b. There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the respective entities commensurate with the size of the respective entities and the nature of its business with regard to purchase of inventory and fixed assets and for sale of services and during the course of our and other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not accepted any deposit during the year. In respect of unclaimed deposits, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us and the other auditors, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in respect of any of the respective entities.
- (vi) To the best of our knowledge and knowledge of other auditors and according to the information and explanations given to us and to other auditors, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2015 and the Companies (cost records and audit) Rules 2014, as amended for any services rendered by the Company.

(vii) According to the information and explanations given to us and to other auditors in respect of statutory dues:

- (a) The respective entities have generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duties of Customs, Duties of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities except in case of one subsidiary which has not been regular in depositing dues relating to service tax.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable except for the following:

Name of Statute	Nature of Dues	Amount ₹ Crore	Period to which the Amount Relates	Due Date
Puducherry Value Added Tax Act, 2007	Work Contract Tax, Pondicherry	0.07	July 2008	21-Aug-08
Kerala Value Added Tax, 2003	Work Contract Tax, Trivandrum	-*	July 2014	21-Aug-14
Rajasthan Value added Tax	Work Contract Tax, Jaipur	0.02	December 2012	15-Jan-13
Tamil Nadu Value Added Tax, 2006	Work Contract Tax, Chennai	0.01	January 2014	20-Feb-14

* amount less than ₹ 0.01 crore

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31st March, 2015 on account of disputes by the aforesaid entities are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ crore
Central Excise Act, 1994	Excise	Commissioner (Appeal) Central Excise	March 1994 to January 1995	0.39
			September 1994 to November 1994	0.10
		Customs Excise and Service Tax Appellate Tribunal (CESTAT)	2003-04 to 2007-08	0.30
			2004-05 to 2006-07	5.41
			2004-05 to 2006-07	8.21
			2008-09	0.01
			March 1994 to January 1995	1.81
		The District Excise Officer	2011-12	0.08
Central Sales Tax Act, 1956 and Sales Tax / Value Added Tax Act of various states	VAT and Sales Tax	Additional Commissioner of Commercial & Sales Tax	2005-06	0.42
			2011-12	1.01

The Indian Hotels Company Limited

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ crore
Central Sales Tax Act, 1956 and SalesTax / Value Added Tax Act of various states	VAT and Sales Tax	Appellate,Tribunal and Provisional Boards setup under the Central Sales Tax Act,1956 or Sales Tax / Value Added Tax Act of various states	1994-95	0.05
			1998-99 to 2000-01	0.35
			2006-07	0.83
			2006-07 and 2007-08	0.26
			2008-09	0.07
			2010-1 1	0.15
			AY 2001 -02 to 2003-04	0.01
			2010-11 to 2012- 13	0.01
			2009-10 to 2011-12	0.15
			1994-1998, 2005-2006 to 2012- 13	0.45
			1994-95, 2004-05,2006-09, 2010- 11to 2012-13	0.45
		Commissioner of Sales Tax	2006-07	0.15
			2007-08 to 2010-11	-*
		Customs Excise and Service Tax Appellate Tribunal (CESTAT)	2002-03 to 2010-11	0.58
		Deputy Commissioner of Commercial Taxes	AY 2004-05	0.01
			1992-98, 2004-05,2005-2006, 2006-09 and 2009-2010 to 2010-11 to 2012-13	0.14
		High Court	1997-98, 2003-04, 2007-09 and 2013-14	0.70
			1995-96	0.39
			1992-93 to 1996-97	0.06
			2008-09 to 2010-11	0.75
		Senior Deputy Commissioner of Sales Tax	2003-04	0.07
			2004-05	0.10
		Special commissioner VAT authority	2010-2011and 2011-2012	0.92
		The Joint Commissioner of Sales Tax	2000-01	0.02
			2001-02	1.20
			2002-03	1.04
			2004-05	1.46
			2007-08	0.10
			2008-09	1.19
			2009-10	0.36
			2010-11	1.05
			2003-05	0.06
			1999-2005	4.36
		Appellate Assistant Commissioner	1990-91 and 1991-92	0.08
		Assistant Commissioner of (Commercial Taxes)	2009-10	0.01
			2004-05 and 2005-06	0.11
		The Appellate Deputy Commissioner	2012-13 to 2013- 14	0.07

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ crore
Central Sales Tax Act, 1956 and Sales Tax / Value Added Tax Act of various states	VAT and Sales Tax	Appellate Deputy Commissioner	2012-13	1.03
		Assessing Officer	2000-2001 and 2002-2003	0.07
Finance Act, 1994 and Service Tax Laws	Service Tax	Additional Commjssioner of Excise, Customs & Service Tax	2008-09 to 2011-12	0.19
			2004-2005 to 2012-2013	4.62
		Commissioner of Excise, Customs & Service Tax	2005-06 and 2010-11	0.71
			2006-07 to 2010-11	0.98
			2007-08 and 2008-09	0.22
			2009-10	1.30
			2010-11	0.28
			2011-12	0.06
			2003-04 to 2010-11	0.45
			2005-06 to 2010-11	0.04
			2006-07 to 2009-10 and 2011-12	1.08
			2002-2006, 2010-11 and 2011-12	1.29
		Commissioner of Service Tax	2004-05 to 2011-12	3.01
			2011-12	1.81
		Customs Excise and Service Tax Appellate Tribunal (CESTAT)	2002-03 to 2010-11	6.27
			2003-04 to 2012-13	1.26
			2006-07 to 2009-10	3.50
			2006-07 to 2010-11	6.32
			2010-11	0.14
			June 2006 to 31 March 2011	0.11
			2004-05 and 2005-06	0.03
			2005-06 to 2010-11	0.04
		Local Service Tax Authority	2013-14 and 2014-15	-*
State Luxury Tax Statutes	Luxury Tax	Deputy Commissioner of Commercial Taxes (Appeals)	2006-07 to 2011-12	0.18
			2010-11	- *
			2006-07, 2010-11 and 2011-12	0.03
		High Court of Kerala	1996-97 to 2005-06	0.21
			2004-05 & 2005-06	0.10
		Sales Tax Appellate Tribunal	2009-10	-*
		Deputy Commissioner of Commercial Taxes (Appeals)	2008-09 to 2009-10	0.20

The Indian Hotels Company Limited

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ crore
The Income Tax Act, 1961	Income Tax	Appellate Dy. Commissioner, (CT)	Assessment year 2009-10	0.04
		Assistant Commissioner of Income Tax	Assessment year 2005-06	0.02
			Assessment year 2009-10	0.16
		Commissioner of Income Tax (Appeals)	Assessment year 2011-12	0.98
			Assessment year 2005-06	0.34
			Assessment year 2011-12	0.28
			Assessment year 2012-13	0.58
			Assessments year 2006-07	0.13
			Assessment year 2009-10	0.02
			2005-08	0.30
		Commissioner of Income Tax Penalty (Appeals)	Assessment year 2010-11	0.08
		Hon'ble High Court of Delhi	Assessment year 1998-99	0.99
		Income Tax Appellate Tribunal (ITAT)	Assessment year 2006-07	0.15
			Assessment year 2008-09 to 2011-12	1.41
			Assessment year 1996-97	-*
			Assessment year 2010-11	0.10
			Assessment Year 2003-04, 2004-05, 2005-06, 2008-09 and 2009-10	0.45
Wealth Tax Act, 1957	Wealth Tax	Commissioner of Wealth Tax (Appeals)	Assessment year 2004-05	0.05
			Assessment year 2006-07	0.03

* amount less than ₹ 0.01 crore.

- (d) The respective entities have been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The consolidated accumulated losses of the Group, its associates and jointly controlled entities at the end of the financial year are not less than fifty percent of the consolidated net worth. The Group, its associates and jointly controlled entities have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India for loans taken by others outside of the Group its associates and jointly controlled entities from banks and financial institutions are not, prima facie, prejudicial to the interests of the Group, its associates and jointly controlled entities.

- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India has been noticed or reported during the year and no material fraud on the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership Number: 39826)
MUMBAI, 29th May, 2015

For **PKF SRIDHAR & SANTHANAM LLP**
Chartered Accountants
(Firm's Registration No. 003990S / S200018)

S. Ramakrishnan
Partner
(Membership No. 18967)

The Indian Hotels Company Limited

Consolidated Balance Sheet as at March 31, 2015

	Note	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Equity and liabilities			
Shareholders' Funds:			
Share capital	3	80.75	80.75
Reserves and surplus	4	2,146.47	2,555.71
		<u>2,227.22</u>	<u>2,636.46</u>
Minority Interest		737.84	735.86
Non-current liabilities			
Long-term borrowings	5	4,597.67	3,023.88
Deferred tax liabilities (net)	6	251.64	165.58
Other Long-term liabilities	8	585.91	639.76
Long-term provisions	9	54.44	42.43
		<u>5,489.66</u>	<u>3,871.65</u>
Current liabilities			
Short-term borrowings	10	33.39	221.25
Trade payables	11	331.15	341.33
Other current liabilities	12	957.06	1,534.97
Short-term provisions	13	110.66	177.05
		<u>1,432.26</u>	<u>2,274.60</u>
Total		<u>9,886.98</u>	<u>9,518.57</u>
Assets			
Non-current assets			
Fixed Assets			
Tangible assets	14	5,766.89	5,585.83
Intangible assets	15	53.85	48.87
Capital work-in-progress		302.76	548.96
Intangible assets under development		2.97	5.23
		<u>6,126.47</u>	<u>6,188.89</u>
Goodwill on consolidation (net)		478.45	580.09
Non-current investments	16	1,040.59	1,319.28
Deferred tax assets (net)	7	3.10	4.09
Long-term loans and advances	17	498.79	459.89
Other non-current assets	18	17.09	28.95
		<u>8,164.49</u>	<u>8,581.19</u>
Current assets			
Current investments	19	546.31	107.93
Inventories	20	102.96	102.07
Trade receivables	21	299.82	280.49
Cash and cash equivalents	22	503.57	183.55
Short-term loans and advances	23	195.33	190.42
Other current assets	24	74.50	72.92
		<u>1,722.49</u>	<u>937.38</u>
Total		<u>9,886.98</u>	<u>9,518.57</u>
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements	1 - 46		

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

Shapoor Mistry

Nadir Godrej

Gautam Banerjee

Vibha Paul Rishi

Ireena Vittal

Directors

Mumbai, May 29, 2015

Beejal Desai

Vice President - Legal & Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2015

	Note	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Income			
Rooms, Restaurants, Banquets and Other income from operations	25	4,188.64	4,066.19
Other Income	26	98.71	59.75
Total Income		4,287.35	4,125.94
Expenditure			
Food and beverages consumed		443.09	427.07
Employee benefit expenses and Payment to Contractors	27	1,462.46	1,372.19
Finance costs	28	175.57	168.51
Depreciation and amortisation expenses	14	291.29	308.13
Other operating and general expenses	29	1,794.51	1,707.36
Total Expenses		4,166.92	3,983.26
Profit Before Tax and Exceptional Items		120.43	142.68
Exceptional Items Gain / (Loss)	30	(352.91)	(554.84)
Loss Before Tax		(232.48)	(412.16)
Tax Expense			
Current Tax		72.31	94.35
Deferred Tax		87.28	42.03
Minimum Alternate Tax Credit		(42.94)	(0.59)
Short / (Excess) Provision of Tax / Deferred Tax of earlier years (Net)		(2.05)	(24.84)
Total Tax Expenses		114.60	110.95
Loss After Tax before Minority Interest & Share of Associates		(347.08)	(523.11)
Profit attributable to Minority Interest		(30.98)	(17.49)
Share of Profit / (Loss) of Associates		(0.04)	(13.25)
Loss After Tax, Minority Interest & Share of Associates		(378.10)	(553.85)
Earnings Per Share -	45		
Basic - (₹)		(4.68)	(6.86)
Diluted - (₹)		(4.68)	(6.86)
Face Value per Ordinary share - (₹)		1.00	1.00
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the consolidated financial statements	1 - 46		

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
 Shapoor Mistry
 Nadir Godrej
 Gautam Banerjee
 Vibha Paul Rishi
 Ireena Vittal

Directors

Mumbai, May 29, 2015

Beejal Desai

Vice President - Legal & Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2015

Note	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Cash Flow From Operating Activities		
Loss Before Tax	(232.48)	(412.16)
Adjustments For :		
Depreciation and Amortisation	291.29	308.13
(Profit) / Loss on sale of investments	(46.83)	(0.04)
(Profit) / Loss on sale of assets	1.21	2.37
Impairment of Goodwill	16.00	-
Expenditure on discontinued project written off	1.89	29.78
Provision for Doubtful Debts and advances (Including Advances written off)	45.86	64.94
Dividend Income	(25.77)	(13.01)
Interest Income	(48.89)	(23.26)
Finance Cost	175.57	168.51
Unrealised Exchange Loss / (Gain)	30.12	39.04
Miscellaneous Expenditure written off	0.07	0.07
Reversal of Liabilities	(4.69)	0.52
Provision for Loyalty Programmes (net of Redemptions)	0.12	1.25
Provision for Stock	0.14	0.18
Provision for Diminution in value of investment	306.51	304.61
Provision / (Reversal) for obligation of an Associate	(11.56)	-
Provision for contingencies	26.26	81.98
Provision for Employee Benefits	10.28	(2.60)
	767.58	962.47
Cash Operating Profit before working capital changes	535.10	550.31
Adjustments For :		
Trade and Other Receivables	(32.82)	49.51
Inventories	(3.19)	(3.97)
Trade and Other Payables	15.41	21.28
	(20.60)	66.82
Cash Generated from Operating Activities	514.50	617.13
Direct Taxes Paid	(19.73)	(78.21)
Net Cash From Operating Activities (A)	494.77	538.92
Cash Flow From Investing Activities		
Purchase of Fixed Assets (including CWIP)	(315.13)	(342.17)
Sale of Fixed Assets	4.00	2.21
Purchase of Investments (including advance paid)	(12.27)	(1.54)
Purchase of current investments	(1,386.64)	(84.11)
Proceeds from sale / redemption of current investments	948.80	19.14
Proceeds from sale of subsidiaries	164.31	-
Interest Received	47.47	30.31
Dividend Received	25.77	13.01
Bank Balances not considered as Cash & Cash Equivalents	(42.88)	54.22
Long Term Deposits refunded / (placed) with Other Companies	(141.59)	(1.29)
Short term Loans repaid by other company	(32.05)	0.83
Deposits Refunded by / (Placed with) Other Companies	14.42	8.35
Net Cash Used In Investing Activities (B)	(725.79)	(301.04)

Consolidated Cash Flow Statement for the year ended March 31, 2015

	Note	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Cash Flow From Financing Activities			
Debenture issue / Loan arrangement costs		(8.10)	(0.71)
Interest Paid		(177.43)	(185.72)
Repayment of long term Loans and Debentures		(1,365.37)	(146.12)
Proceeds from long term Loans and Debentures (includes Compulsorily Convertible Debentures) (Refer Note 35, page 178)		2,246.17	292.00
Short Term Loans Raised / (Repaid) (Net)		(186.16)	(78.88)
Long Term Trade Deposits Raised / (Repaid)		(0.03)	0.48
Dividend Paid (Including tax on dividend)		(18.03)	(92.91)
Net Cash From/(Used In) Financing Activities (C)		491.05	(211.86)
Net Increase / (Decrease) In Cash and Cash Equivalents (A + B + C)		260.03	26.02
Cash and Cash Equivalents - Opening - 1st April		153.24	123.60
Adjustment for translation of foreign currency balances		(0.34)	3.62
Cash and Cash Equivalents - Closing - 31st March		412.93	153.24

Footnote :

Reconciliation of Cash and cash equivalents with Cash and bank balances as per the Balance Sheet

Cash and cash equivalents as above	412.93	153.24
Add : Other Cash and Bank Balances		
Call and Short-term Deposits	85.59	33.79
Deposits pledged with others	0.76	0.80
Margin money deposits	8.63	8.51
Earmarked balances	3.97	12.24
Cash and cash equivalents as per the Balance Sheet	511.88	208.58
Less : Classified as Non-Current Assets (Refer Note 18, page 170)	8.31	25.03
Cash and cash equivalents classified as current in Note 22, page 172	503.57	183.55

Summary of significant accounting policies

2

The accompanying notes form an integral part of the financial statements

1 - 46

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
Shapoor Mistry
Nadir Godrej
Gautam Banerjee
Vibha Paul Rishi
Ireena Vittal

}

Directors

Mumbai, May 29, 2015

Beejal Desai

Vice President - Legal & Company Secretary

Notes to Consolidated Financial Statements for the year ended March 31, 2015

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 specified under section 133 of the Companies Act, 2013, read with Rules 7 of the Companies (Accounts) Rules, 2014.
 - (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 specified under section 133 of the Companies Act, 2013, read with Rules 7 of the Companies (Accounts) Rules, 2014. 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 specified under section 133 of the Companies Act, 2013, read with Rules 7 of the Companies (Accounts) Rules, 2014. 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 / (loss) 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, 2014.
 - (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.
- 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(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, 2015		As at March 31, 2014	
	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
Ideal Ice & Cold Storage Co. Ltd. *	India	-	-	55.00	47.43
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
Residency Foods & Beverages Ltd.*	India	-	-	100.00	99.36
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 Rhein Shoes Co. Ltd.*	India	-	-	92.50	71.63
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 Limited	India	100.00	100.00	100.00	100.00
TIFCO Security Services Ltd.*	India	-	-	100.00	100.00
United Hotels Ltd.	India	55.00	55.00	55.00	55.00
International					
Apex Hotel Management Services (Pte) Ltd.	Singapore	100.00	100.00	100.00	100.00
Apex Hotel Management Services (Australia) Pty Ltd. (Refer Footnote ii)	Australia	100.00	100.00	-	-
Chieftain Corporation NV	Netherlands Antilles	100.00	100.00	100.00	100.00
IHMS (Australia) Pty. Ltd.*	Australia	-	-	100.00	100.00
IHOCO BV	Netherlands	100.00	100.00	100.00	100.00
International Hotel Management Services Inc. and its Limited Liability companies (IHMS Inc.)	United States of America	100.00	100.00	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

* Sold during the year

Footnotes:

- (i) Investments in the following subsidiaries are held for disposal.
 - BAHG 5 Pte Ltd.
 - Premium Aircraft Leasing Corporation Ltd.
- (ii) This subsidiary has been acquired / created during the year.

The Indian Hotels Company Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(ii) Jointly Controlled Entities

	Country of Incorporation	As at March 31, 2015		As at March 31, 2014	
		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	33.48	29.46	39.89	35.07
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:

- (i) Including 5.40% (Previous year 5.40%) of the shares held in the form of Global Depository Receipts (GDR).
- (ii) The carrying amount of the investment has been reported as Nil, as the Group's share of losses exceeds the cost / carrying value.
- (iii) Audited financial statements as at and for the year ended December 31, 2014 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, 2015

- (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 specified under section 133 of the Companies Act, 2013, read with Rules 7 of the Companies (Accounts) Rules, 2014 (Post Elimination):-

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Assets		
Fixed Assets (including CWIP)	379.85	397.94
Non-current investments	28.75	13.19
Deferred Tax Assets (Net)	1.58	1.80
Other non-current assets	57.50	50.30
Current assets	75.22	72.54
	542.90	535.77
Liabilities		
Non-current liabilities	239.63	215.19
Deferred Tax Liability (Net)	14.04	13.92
Current liabilities	72.89	72.64
	326.56	301.75
Contingent Liabilities	24.75	24.86
Capital Commitments	2.76	0.99
Income		
Income from operations	232.79	217.31
Other income	2.42	3.32
	235.21	220.63
Expenses		
Food & Beverages consumed	27.83	24.60
Employee benefit expenses	58.76	56.18
Depreciation	26.26	26.43
Finance Cost	21.43	18.46
Other operating & general expense	98.77	101.45
	233.05	227.12
Tax Expenses		
Tax expenses	1.81	3.45

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions 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, 2015

(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

i. 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 services.

ii. 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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(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 2(l), page 155). 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, 2015

(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 (SLM) 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
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, consideration paid is amortised from the date the land is put to use for commercial operations, over the balance period of the lease. The renewal of such leases is regarded as expected where renewal clauses exist in view of past experience and depreciation of buildings on leased property is based on the lower of the life of the building and the expected lease period including renewal. In respect of improvements to buildings, depreciation is provided based on its estimated useful life.

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 entities. 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.

iii. 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
Brand	10 years

* Based on the terms of the Contract.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(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 the Groups net investment in foreign entities. The Group applies 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 157). 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(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 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 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, 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, 2015

(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 costs and the premium on redemption of debentures are adjusted against the available Securities Premium Account in accordance with the provisions of Section 52 of the Companies Act, 2013 (previously Section 78 of the Companies Act, 1956). All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

Interest Rate Swap Contracts entered 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, 2015

Note 3 : Share capital

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Authorised Share Capital		
Ordinary Shares		
200,00,00,000 (Previous year 100,00,00,000) Ordinary Shares of ₹ 1 each	200.00	100.00
Preference Shares		
Nil (Previous year 1,00,00,000) Cumulative Redeemable Preference Shares of ₹100 each (Refer Footnote (ii))	-	100.00
	<u>200.00</u>	<u>200.00</u>
Issued Share Capital		
80,74,89,291 (Previous year 80,74,89,291) Ordinary Shares of ₹ 1 each	80.75	80.75
	<u>80.75</u>	<u>80.75</u>
Subscribed and Paid Up		
Ordinary Shares		
80,74,72,787 (Previous year 80,74,72,787) Ordinary Shares of ₹ 1 each, Fully Paid (Refer Footnotes iii, iv and vi)	80.75	80.75
	<u>80.75</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, 2015, no dividend is proposed as distribution to equity shareholders (Previous year Nil per share).

- (ii) The shareholders have approved vide Postal Ballot dated May 23, 2014, the re-classification of the authorised Share Capital of the Company which now comprises ₹ 200 crores equity shares of ₹ 1 each aggregating ₹ 200 crores.
- (iii) 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 CCD. The CCDs have been classified as a part of "Long term Borrowings".
- (iv) Reconciliation of the shares outstanding at the beginning and at the end of the year

	March 31, 2015		March 31, 2014	
	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 : Issued during the year	-	-	-	-
As at the end of the year	<u>80,74,72,787</u>	<u>80.75</u>	<u>80,74,72,787</u>	<u>80.75</u>

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

	March 31, 2015		March 31, 2014	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity share of ₹ 1 each fully paid				
Tata Sons Limited	20,20,52,004	25.02	20,20,52,004	25.02
Life Insurance Corporation of India	6,57,52,493	8.14	6,77,97,250	8.40
Sir Dorabji Tata Trust	5,02,21,040	6.22	5,02,21,040	6.22
Government Pension Fund Global	-	-	4,04,54,747	5.01

- (vi) 16,504 (Previous year 16,504) Ordinary 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.
- (vii) 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).
- (viii) As at the Balance Sheet date, the Company has 1,96,380 (Previous year 2,46,380) outstanding Global Depository Receipts (GDRs) which are represented by equity shares of ₹ 1 each included in above . Whilst the GDRs are listed on the London Stock Exchange, the Company has filed an application with the Exchange for delisting of the GDRs.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 4 : Reserves and surplus

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Capital Reserve		
Opening Balance	43.97	43.97
Less : Reduction on disposal of a subsidiary	(0.06)	
Closing Balance	43.91	43.97
Capital Reserve on Consolidation		
Opening Balance	112.64	112.64
Add : Due to dilution of stake in a jointly controlled entity	1.78	-
Closing Balance	114.42	112.64
Capital Redemption Reserve		
Opening and Closing Balance	10.59	10.59
Securities Premium Reserve		
Opening Balance	2,095.00	2,095.14
Less : Issue expenses written off (net of tax)	(3.55)	(0.14)
Closing Balance	2,091.45	2,095.00
Revaluation Reserve		
Opening Balance	56.15	46.75
Add / (Less) : Change in Revaluation Reserves of an associate company	(1.13)	0.18
Less : Depreciation (net of deferred tax) transferred during the year	(0.68)	(0.68)
Add / (Less) : Foreign Exchange fluctuation for the year (net)	(3.95)	9.90
Closing Balance	50.39	56.15
Reserve Fund (In terms of Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening Balance	36.10	33.60
Add : Transferred from Surplus in Statement of Profit and Loss	3.00	2.50
Closing Balance	39.10	36.10
Debenture Redemption Reserve		
Opening Balance	305.97	440.97
Less : Transferred to Surplus in Statement of Profit and Loss	-	(135.00)
Closing Balance	305.97	305.97
Investment Reserve		
Opening Balance	5.00	5.00
Less : Transferred to General Reserve	(5.00)	-
Closing Balance	-	5.00
Investment Allowance Utilised Reserve		
Opening Balance	4.24	4.24
Less : Transferred to General Reserve	(4.24)	-
Closing Balance		4.24
Export Profits Reserve		
Opening Balance	0.41	0.41
Less : Transferred to General Reserve	(0.41)	-
Closing Balance	-	0.41
Carried over	2,655.83	2,670.07

Notes to Consolidated Financial Statements for the year ended March 31, 2015

	March 31, 2015	March 31, 2014
	₹ crores	₹ crores
Brought over	2,655.83	2,670.07
Hedge Reserve		
Opening Balance	(283.24)	(176.90)
Less : Exchange Translation Difference for the year on foreign currency borrowings	-	(106.34)
Add : Transferred to Foreign Currency Translation Reserve Account	283.24	-
Closing Balance	-	(283.24)
Foreign Currency Translation Reserve		
Opening Balance	963.67	607.79
Less : Transferred from Hedge Reserve	(283.24)	-
Add / (Less) : Foreign Exchange fluctuation for the year (net)	(20.96)	355.88
Closing Balance	659.47	963.67
Foreign Currency Monetary Item Translation Difference (Refer Note 39, page 181)		
Opening Balance	(66.09)	(25.56)
Less : Exchange translation difference for the year	(37.41)	(69.78)
Add : Transferred to Statement of Profit and Loss on amortisation	51.07	29.15
Add / (Less) : Share in Reserves of an associate company	(0.61)	0.10
Closing Balance	(53.04)	(66.09)
General Reserve		
Opening Balance	565.84	562.39
Add : Transferred from Surplus in Statement of Profit and Loss	1.65	3.45
Add : Transferred from Investment Reserve	5.00	-
Add : Transferred from Investment Allowance Utilised Reserve	4.24	-
Add : Transferred from Export Profit Reserve	0.41	-
Less: Due to change in Associate reserves	(12.11)	-
Closing Balance	565.03	565.84
Surplus in Statement of Profit and Loss		
Opening Balance	(1,294.54)	(862.50)
Less : Net Loss for the current year	(378.10)	(553.85)
Add : Transferred from Debenture Redemption Reserves	-	135.00
Less : Transferred to General Reserve	(1.65)	(3.45)
Less : Transferred to Reserve Fund	(3.00)	(2.50)
Less : Proposed Dividend	-	-
Less : Tax on Dividend	(3.53)	(7.24)
Closing Balance	(1,680.82)	(1,294.54)
	2,146.47	2,555.71

Footnote :

- (i) 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 applies 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 "Reserve and Surplus"(Refer Accounting Policy in Note 2(f)), page 153. The translation differences in respect of the foreign currency borrowings, which in the past were accumulated in the "Hedge Reserve" have been Transfer to FCTR in which the translation differences of the net investment in non integral foreign operation reside.
- (ii) From April 1, 2011 translation differences on other foreign currency borrowings / loan assets which have not been hedged, are being amortised over the tenure of the respective borrowing / loan assets in accordance with the revision to 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 (Refer Note 39, page 181 and Accounting Policy in Note 2(f), page 153).

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 5 : Long-term borrowings

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Debentures		
Non Convertible Debentures		
Secured (Refer Footnote ii)	700.00	790.00
Unsecured (Refer Footnote iii)	586.00	586.00
	<u>1,286.00</u>	<u>1,376.00</u>
Compulsorily Convertible Debentures		
Unsecured (Refer Note 35, page 178 and Footnote iv)	999.91	-
	<u>999.91</u>	
	<u>2,285.91</u>	<u>1,376.00</u>
Term Loans From Banks		
Secured (Refer Footnote v)	1,700.90	871.13
Unsecured (Refer Footnote vi)	394.50	570.10
	<u>2,095.40</u>	<u>1,441.23</u>
Other Loans and Advances		
Unsecured		
Liability on currency swap contracts (Refer Footnote vii)	213.83	203.69
Other loans and advances	1.96	2.60
	<u>215.79</u>	<u>206.29</u>
Long term maturities of finance lease obligations		
Long term maturities of finance lease obligations	0.57	0.36
	<u>0.57</u>	<u>0.36</u>
	<u>4,597.67</u>	<u>3,023.88</u>

Footnote :

(i) Details of Borrowings as at:

	March 31, 2015 ₹ crores		March 31, 2014 ₹ crores	
	Non-Current	Current	Non-Current	Current
Debentures				
Non Convertible Debentures				
Secured				
10.10% Non-Convertible Debentures	300.00	-	300.00	-
9.95% Non-Convertible Debentures	250.00	-	250.00	-
2% Non-Convertible Debentures	150.00	90.00	240.00	60.00
	<u>700.00</u>	<u>90.00</u>	<u>790.00</u>	<u>60.00</u>
Unsecured				
2% Non-Convertible Debentures	250.00	-	250.00	-
9.90% Non-Convertible Debentures	136.00	-	136.00	-
2% Non-Convertible Debentures	-	-	-	150.00
2% Non-Convertible Debentures	200.00	-	200.00	-
	<u>586.00</u>	<u>-</u>	<u>586.00</u>	<u>150.00</u>
	<u>1,286.00</u>	<u>90.00</u>	<u>1,376.00</u>	<u>210.00</u>
Compulsorily Convertible Debentures				
Unsecured	999.91	-	-	-
	<u>999.91</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,285.91</u>	<u>90.00</u>	<u>1,376.00</u>	<u>210.00</u>

Notes to Consolidated Financial Statements for the year ended March 31, 2015

	March 31, 2015 ₹ crores		March 31, 2014 ₹ crores	
	Non-Current	Current	Non-Current	Current
Term Loan From Banks				
Secured	1,700.90	133.17	871.13	630.77
Unsecured	394.50	197.25	570.10	100.00
	<u>2,095.40</u>	<u>330.42</u>	<u>1,441.23</u>	<u>730.77</u>
Term Loans From Others				
Liability on currency swap contracts	213.83	22.65	203.69	65.50
Others	2.53	0.35	2.96	0.61
	<u>216.36</u>	<u>23.00</u>	<u>206.65</u>	<u>66.11</u>
	<u>4,597.67</u>	<u>443.42</u>	<u>3,023.88</u>	<u>1,006.88</u>
Short Term Borrowings (Refer Note 10, page 164)	-	33.39	-	221.25
Total Borrowing	<u>4,597.67</u>	<u>476.81</u>	<u>3,023.88</u>	<u>1,228.13</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. During the year, the Company has repaid the first instalment of ₹ 60 crores on March 23, 2015. The second instalment of ₹ 90 crores due on March 22, 2016 has been classified under current maturities of long term borrowings. The third instalment is due on March 22, 2017.

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.
- 1,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 150 crores, allotted on December 9, 2009 were repayable on December 9, 2014 i.e. at the end of the 5th year from the date of allotment along with redemption premium of ₹ 4.37 lakhs per debenture. During the year, the Company has repaid these debentures on the due date.
- 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 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. Each CCD is convertible into 1 equity share of ₹ 1 each at a premium of ₹ 54 per share on March 1, 2016 i.e. after 18 months from the date of allotment

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(v) Term Loan from Banks - Secured include:

- a. US \$ 50 million was taken during the year by a wholly owned overseas subsidiary, Taj International Hotels (H.K) Limited, to refinance its existing loan of US \$ 30 million. The loan bears interest at LIBOR plus 2.95% per annum, US \$49 million is repayable on November 23, 2019 and the balance US \$ 1 million on December 23, 2019. This loan is secured by pledge of Group's Investment in Belmond Ltd.
- b. In September 2014, International Hotel Management Services, Inc. entered into a term loan facility for US \$ 120 million, of which US \$ 108 million was utilised and outstanding as at March 31, 2015. The Term loan matures on September 15, 2022 and requires monthly interest only computed at LIBOR plus 3.81%, as defined (4.14% at March 31, 2015) 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 47 million outstanding as at March 31, 2015. The Loan is secured by a first mortgage charge on the assets of that subsidiary. This loan is for five years from August 2011 and is repayable by quarterly instalments of GBP 0.5 million, the balance is payable on the maturity. 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.
- d. Roots Corporation Limited (RCL), a domestic subsidiary of the Company, has taken a term loan of ₹ 50 crores during the year, carrying interest rate of 10.50% p.a. 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 is in process of creating a charge by providing hypothecation of certain hotel properties and fixed assets contained therein.

In addition, loan of ₹ 21.6 crores (of which ₹ 4.8 crores is classified as current maturity of long term loans) carrying interest rate of 11.75% p.a. payable at monthly rests is repayable in equal quarterly instalments of ₹ 1.2 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 entity (effective holding 50%), has during the year, obtained a new term loan of US \$ 40 million to repay its existing loan. The Loan is secured by a first mortgage charge on the assets. This loan is payable on quarterly basis of US \$ 0.625 million till August 2020 and balance with a bullet payment of US \$ 30 million on November 6, 2020. This loan carries interest of LIBOR plus 3.5%. The Group has accounted it's share in this loan on proportionate basis.
- f. The balance term loan consists of loan taken by various jointly controlled entities with balance outstanding as at March 31, 2015 of ₹ 127.78 crores (current maturity ₹ 16.47 crores) for which rate of interest and maturity varies.

(vi) 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 (₹ 197.25 crores) due on January 22, 2016, has been classified under current maturities of long term borrowings.
 - b. Unsecured term loan from a bank of ₹ 100 crores was taken on August 26, 2013 for 3 years carrying interest rate of 11.50% p.a. During the year, the Company has repaid the loan on September 30, 2014.
- (vii) 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 (Refer Note 4, page 157). At the reporting date, the notional amounts are restated at the closing exchange rates. As at March 31, 2015, the difference aggregating ₹ 236.48 crores (Previous Year ₹ 269.19 crores) on restatement represents a liability which is classified as "unsecured loans and advances". The notional amount due within twelve months of ₹ 22.65 crores has been classified under current maturities of long term borrowings.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(viii) Maturity Profile of Debentures :

₹ crores

(a) Non Current

Non Convertible Debentures (NCDs)

Secured

	Redeemable on	Principal	Premium	Total
10.10% Non-Convertible Debentures	November 18, 2021	300.00	-	300.00
9.95% Non-Convertible Debentures	July 27, 2021	250.00	-	250.00
2% Non-Convertible Debentures (3rd installment)	March 22, 2017	150.00	105.25	255.25
		700.00	105.25	805.25

Unsecured

2% Non-Convertible Debentures	December 9, 2019	250.00	310.84	560.84
9.90% Non-Convertible Debentures	February 24, 2017	136.00	-	136.00
2% Non-Convertible Debentures	April 23, 2017	200.00	94.23	294.23
		586.00	405.07	991.07

1286.00 **510.32** **1796.32**

(b) Current

Non Convertible Debentures (NCDs)

Secured

	Redeemable on	Principal	Premium	Total
2% Non-Convertible Debentures (2nd installment)	March 22, 2016	90.00	51.50	141.50
		90.00	51.50	141.50

March 31, 2015 **March 31, 2014**
₹ crores ₹ crores

(ix) Conversion Profile of Compulsorily Convertible Debentures : Unsecured

	Convertible on		
Compulsory Convertible Debentures	March 1, 2016	999.91	-
		999.91	-

Note 6 : Deferred tax liabilities (net)

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Deferred tax liabilities:		
Depreciation on fixed assets	463.78	328.55
Unamortised borrowing cost	1.20	1.62
Others	5.38	5.01
Total (A)	470.36	335.18
Deferred tax assets:		
Provision for doubtful debts	3.41	3.38
Premium on Redemption of Debentures	94.50	123.75
Provision for Employee Benefits	19.81	17.82
Depreciation on fixed assets (Refer Footnote i)	0.10	0.36
Unabsorbed losses	79.99	-
Others	20.91	24.29
Total (B)	218.72	169.60
Net Deferred tax liabilities (A-B) (Refer Footnote ii)	251.64	165.58

Footnotes :

- 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.
- Deferred tax liabilities and deferred assets of entities within the group have been offset as they relate to the same governing taxation laws.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 7 : Deferred tax assets (net)

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Deferred tax assets:		
Provision for doubtful debts	0.28	1.04
Provision for Employee Benefits	0.34	0.50
Depreciation on fixed assets	2.58	3.18
Others	1.16	0.31
Total (A)	4.36	5.03
Deferred tax liabilities:		
Depreciation on fixed assets	1.26	0.94
Total (B)	1.26	0.94
Net Deferred tax assets (A-B) (Refer Footnote)	3.10	4.09

Footnote :

Deferred tax assets and deferred liabilities of entities within the group have been offset as they relate to the same governing taxation laws.

Note 8 : Other Long-term liabilities

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Creditors for capital expenditure	0.94	4.06
Deposits from others		
Secured (Refer Note 16 Footnote v, page 170)	71.10	71.10
Unsecured	1.86	2.51
	72.96	73.61
Long-term Liabilities Others		
Premium on Redemption of Debentures (Refer Note 5(viii)(a), page 162)	510.32	561.82
Long-term Liabilities Others	1.69	0.27
	512.01	562.09
	585.91	639.76

Note 9 : Long-term provisions

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Provision for Employee Benefits (Refer Note 41, page 181 to 187)	54.29	42.28
Provision for Contingencies (Refer Footnote)	0.15	0.15
	54.44	42.43

Footnote :

Provision for contingencies on standard assets has been made by a subsidiary engaged in business of non-banking financial services.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 10 : Short-term borrowings

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Loans repayable on demand		
From Bank		
Secured (Refer Footnote i)	4.14	10.88
Unsecured	14.96	36.60
	19.10	47.48
Other short-term loans and advances		
From Bank		
Unsecured (Refer Footnote ii)	4.17	160.37
	4.17	160.37
From Others		
Unsecured (Refer Footnote iii)	10.12	13.40
	10.12	13.40
	14.29	173.77
	33.39	221.25

Footnote :

- Loans repayable on demand from Bank consist of overdraft facilities. These are secured by hypothecation of operating supplies, stores, food and beverages and receivables.
- During the previous year, the Company had taken an unsecured short term loan from a bank of ₹ 200 crores carrying interest rate of 10.35% p.a. The loan was drawn down in tranches of ₹ 100 crores each on July 25, 2013 and July 30, 2013 with a put / call option at the end of six months from the draw down date. The Company has repaid ₹ 50 crores on March 27, 2014 and ₹ 150 crores on August 30, 2014. The outstanding as on March 31, 2015 is Nil.
- Unsecured Short-term loans from other consists of inter-corporate deposits, Commercial paper and other loans.

Note 11 : Trade Payables

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Trade Payables (Refer Note 42, page 187 to 191 for Related Parties Disclosures)		
Vendor Payables	206.68	228.49
Accrued expenses and others	124.47	112.84
	331.15	341.33

Note 12 : Other current liabilities

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Current maturities of long-term borrowings (Refer Note 5 Footnote (i), page 159 to 160)		
Debentures	90.00	210.00
Term Loans	330.42	730.77
Liability on currency swap contracts	22.65	65.50
Finance Lease Obligations	0.35	0.61
	443.42	1,006.88
Payables on Current Account dues	11.47	21.95
Premium on Redemption of Debentures	51.50	92.69
Deposits	27.29	25.37
Interest accrued but not due on borrowings	41.17	43.30
Interest accrued and due on borrowings	1.18	1.38
Income received in advance	21.26	16.03
Advances collected from customers	105.68	101.21
Creditors for capital expenditure	29.81	25.43
Unclaimed dividends	3.31	3.80
Unclaimed Share Application Money	0.10	0.13
Unclaimed Matured Deposits and interest accrued thereon	1.35	2.07
Unclaimed Matured Debentures and interest accrued thereon ₹ 25,153 (Previous year ₹ 25,127)	-	-
Other Liabilities (Refer Footnote below)	219.52	194.73
	957.06	1,534.97

Footnote :

Other liabilities include accruals related to employee benefits ₹ 117.93 crores (Previous Year ₹ 107.91 crores), statutory dues ₹ 46.69 crores (Previous Year ₹ 44.77 crores).

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 13 : Short-term provisions

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Provision for Employees Benefits (Refer Note 41, page 181 to 187)	36.55	37.25
Provision - Others		
Provision for Contingent Claims (Refer Footnote i)	48.72	114.38
Proposed Dividend	-	-
Tax on Dividend	5.40	5.92
Loyalty Programmes (Refer Footnote ii)	18.55	18.43
Provision for Tax (net of advances)	1.44	1.07
	74.11	139.80
	110.66	177.05

Footnotes :

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

	Opening Balance	Additions	Utilisation	Reversal (withdrawn as no longer required)	Foreign currency translation	Closing Balance
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Disputed claims for taxes, levies and duties	21.81 <i>1.43</i>	25.44 <i>20.38</i>	-	0.56 -	0.01 -	46.70 <i>21.81</i>
Dispute on contractual matters	91.34 <i>28.19</i>	0.06 <i>63.15</i>	30.16 -	61.43 -	1.04 -	0.85 <i>91.34</i>
Dispute in respect of employee benefits	1.23 <i>1.23</i>	-	0.06 -	-	-	1.17 <i>1.23</i>
Total	114.38 <i>30.85</i>	25.50 <i>83.53</i>	30.22 -	61.99 -	1.05 -	48.72 <i>114.38</i>

- 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, 2015 ₹ crores	March 31, 2014 ₹ crores
Opening Balance	18.43	17.18
Less : Redeemed during the year	12.31	13.21
	6.12	3.97
Add : Provision for the year	12.43	14.46
Closing Balance	18.55	18.43

Notes to Consolidated Financial Statements for the year ended March 31, 2015

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, 2013	487.52	266.13	4,233.94	1,553.33	881.68	127.91	54.75	7,605.26
Translation Adjustment (Refer Footnote iii)	30.72	45.12	309.20	10.93	38.44	2.36	0.30	437.07
Additions	1.26	-	89.70	59.71	34.41	11.36	2.30	198.74
Disposals	0.02	-	1.81	16.70	12.99	4.79	2.57	38.88
At March 31, 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 vii)	(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
Depreciation (Refer Footnote vi)								
At April 1, 2013	3.88	37.57	772.64	775.85	546.63	93.14	33.07	2,262.78
Translation Adjustment (Refer Footnote iii)	-	5.82	53.09	6.75	22.96	1.39	0.24	90.25
Charge for the year (Refer Footnote iv and v)	-	3.01	119.59	91.57	66.22	12.50	4.08	296.97
Disposals	-	-	0.35	14.51	12.43	4.22	2.13	33.64
At March 31, 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 vii)	-	-	(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
Net Block								
At March 31, 2014	515.60	264.85	3,686.06	747.61	318.16	34.03	19.52	5,585.83
At March 31, 2015	527.02	245.71	3,797.23	815.04	323.09	36.21	22.59	5,766.89

Footnotes :

- Gross Block includes buildings constructed on leasehold land and improvements thereto - ₹ 2,440.94 crores (Previous year ₹ 2,447.23 crores).
- Furniture, Fixtures and Office Equipment as at the year end include assets on finance lease: Gross Block - ₹ 1.47 crores (Previous year ₹ 1.59 crores), Accumulated Depreciation - ₹ 0.70 crores (Previous year ₹ 0.80 crores), Depreciation for the year - ₹ 0.04 crores (Previous year ₹ 0.04 crores).
- Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".
- Depreciation charge for the year includes ₹ 0.10 crores (Previous year ₹ 0.05 crores) which is capitalised during the year.
- Depreciation / Amortisation for the year includes ₹ 1.31 crores (Previous year ₹ 1.32 crores) recouped from Revaluation Reserve.
- Accumulated Depreciation includes adjustment for impairment of ₹ 6.79 crores (Previous year ₹ 6.79 crores) including ₹ 3.88 crores (Previous year ₹ 3.88 crores) on Freehold Land, made in earlier years.
- 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, 2015

Note 15 : Intangible Assets

	Goodwill	Leasehold Property Rights	Website Development Cost	Software (Refer Footnote i)	Management Contracts	Total
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Gross Block at Cost						
At April 1, 2013	4.76	32.17	4.15	31.11	58.56	130.75
Translation Adjustment (Refer Footnote ii)	-	2.06	-	-	6.12	8.18
Additions	-	0.37	0.76	17.06	0.41	18.60
Disposals	-	1.00	-	0.82	-	1.82
At March 31, 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 iii)	-	-	-	(0.01)	-	(0.01)
Additions	-	1.32	0.67	17.02	-	19.01
Adjustments	-	0.91	-	0.15	-	1.06
Disposals	-	-	-	1.31	-	1.31
At March 31, 2015	4.76	36.66	5.77	63.31	67.54	178.04
Amortisation						
At April 1, 2013	4.76	15.78	2.19	18.00	49.56	90.29
Translation Adjustment (Refer Footnote ii)	-	0.68	-	-	5.19	5.87
Charge for the year	-	2.97	0.88	5.37	3.31	12.53
Disposals	-	1.00	-	0.85	-	1.85
At March 31, 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 iii)	-	-	-	(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
Net Block						
At March 31, 2014	-	15.17	1.84	24.83	7.03	48.87
At March 31, 2015	-	13.97	1.58	34.48	3.82	53.85

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 the impact of decrease in share of the Group in a jointly controlled entity.

The Indian Hotels Company Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 16 : Non-current investments (at cost)

			March 31, 2015		March 31, 2014	
	Face Value		Holdings As at	₹ crores	Holdings As at	₹ crores
Trade Investments :						
Equity Investments in Associate Companies (Refer Note 1(b)(iii), page 148)				226.71		242.28
[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	56,55,870	13.01
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000)	₹	50	20	-	20	-
Indian Dairy Entrepreneurs Agricultural Company Ltd.	₹	1	-	-	57,550	0.01
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	19,90,000	1.99
Lanka Island Resorts Ltd. *	LKR	10	3,87,274	0.02	3,87,274	0.01
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	1.74	-	-
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	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
				193.09		176.22
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	71,30,764	1,630.97	71,30,764	1,571.27
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
				1,676.04		1,616.34
Total Trade Investment				2,095.84		2,034.84

* to the extent held by a jointly controlled entity

Notes to Consolidated Financial Statements for the year ended March 31, 2015

			March 31, 2015		March 31, 2014	
			Holdings		Holdings	
	Face Value		As at	₹ crores	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
EIH 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. (₹ 8580 Previous year ₹ 7120)	₹		858	-	712	-
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		0.02
Investment in Property						
Immovable properties				0.27		-
Total Non Trade Investment				1.40	1.14	
Total Long-Term Investments - Gross				2,097.24	2,035.98	
Less : Provision for Diminution in value of Investments (Refer Footnote vi)				1,056.65	716.70	
Total Long-Term Investments - Net				1,040.59	1,319.28	

Notes to Consolidated Financial Statements for the year ended March 31, 2015

	Face Value	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Footnotes :			
(i) Aggregate of Quoted Investments - Gross	: Cost	1,677.16	1,617.46
	: Carrying Value	622.42	901.35
	: Market Value	694.16	774.42
(ii) Aggregate of Unquoted Investments - Gross	: Cost	193.09	176.22
(iii) Aggregate of Investment in Government Security	: Cost	0.01	0.02
(iv) Aggregate of Investment in immovable properties	: Cost	0.27	0.00
(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) The Group has felt it prudent to recognise diminution, other than temporary of ₹ 306.51 crores (Previous year ₹ 351.71 crores) in respect of its long term investments (including Belmond Ltd.) as the cost of these investment exceed the market / fair value for a sustained period. This sum has been charged to the Statement of Profit and Loss and has been classified as Exceptional items (Refer Note 30, page 176).			

Note 17 : Long-term loans and advances

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Capital advances	40.04	44.48
Long-term security deposits placed for Hotel Properties	140.22	139.95
Deposits with Public Bodies and Others	80.21	63.13
Loans and advances		
Considered good	73.67	41.70
Considered doubtful	164.48	58.31
	238.15	100.01
Less : Provision for long-term doubtful advances	164.48	58.31
	73.67	41.70
Other loans and advances		
Advance Income Tax paid (net)	75.83	123.71
MAT credit entitlement	80.01	37.47
Others loans and advance	8.81	9.45
	164.65	170.63
	498.79	459.89

Note 18 : Other Non-Current Assets

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Deposits with Banks (Refer Note 22, page 172)	8.31	25.03
Unamortised borrowing costs (Refer Note 24, page 173)	7.97	3.77
Interest receivable	0.81	0.15
	17.09	28.95

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 19 : Current Investments

	March 31, 2015		March 31, 2014	
	Holding As at	₹ crores	Holding As at	₹ crores
Investments in Mutual Fund Units (Unquoted)				
Birla Sun Life Cash Plus - Daily Dividend-Regular Plan - Reinvestment	-	-	15,16,679	15.22
Birla Sun Life Cash Plus - Regular Plan - Daily Dividend	4,36,553	4.37	1,52,291	1.53
Birla Sun Life Cash Plus	1,07,170	1.07	1,00,705	1.01
Birla Sun Life Floating Rate Short Term growth	-	-	776	0.01
BSL Cash Plus - Daily Dividend - Regular Plan - Reinvestment	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	8,762	1.75
HDFC Cash Management Fund - Savings Plan - Daily Dividend	1,78,71,081	19.01	-	-
ICICI Prudential Liquid - Daily Dividend	43,49,927	43.52	-	-
ICICI Prudential Liquid - Regular Plan - Daily Dividend	-	-	9,68,374	9.69
ICICI Prudential Liquid Fund - Regular Plan - Daily Dividend - Reinvestment	-	-	1,42,324	1.42
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	69,226	0.69
ICICI Prudential Mutual Fund	3,19,806	3.20	3,00,839	3.01
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 Liquid Fund - Super Institutional Daily Dividend Plan - Reinvestment	-	-	1,51,39,459	15.20
JP Morgan India Liquid Fund - Super IP - Daily Dividend - Reinvestment	-	-	50,70,277	5.08
JP Morgan India	10,64,375	1.07	10,00,924	1.00
JP Morgan India Liquid Fund Super Institutional - Daily Dividend	5,19,190	0.52	5,03,976	0.51
Kotak Floater - Short Term - Daily Dividend	84,180	8.51	-	-
Kotak Floater Short Term - Daily Dividend	69,259	7.01	41,013	4.15
Kotak Liquid Scheme Plan A - Daily Dividend	463	0.06	435	0.05
LIC Nomura MF Liquid Fund - Daily Dividend	5,71,094	62.71	-	-
LIC Nomura MF Liquid Fund - Dividend Plan	-	-	1,00,563	11.04
Peerless Liquid Fund - Super Institutional Plan - Daily Dividend	-	-	43,569	0.04
Peerless Liquid Fund - Super Institutional - Daily Dividend	-	-	5,09,624	0.51
Reliance Liquid Fund - Treasury Plan - Daily Dividend - Reinvestment	-	-	30,569	4.67
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Option	-	-	20,307	3.12
Religare Invesco Liquid Fund - Daily Dividend	2,93,358	29.36	-	-
Tata Fixed Maturity Plan Series 42 Scheme F	-	-	25,00,000	2.50
Tata Fixed Maturity Plan Series 47 Scheme A	-	-	35,00,000	3.50
Tata Floater Fund Direct Plan - Daily Dividend	85,177	8.55	1,604	0.16
Tata Floater Fund Plan A - Daily Dividend	-	-	10,347	1.04
Tata Liquid Fund Plan A - Daily Dividend	75,236	8.39	-	-
Tata Money Market Fund - Daily Dividend	1,25,837	12.60	-	-
Tata Money Market Fund Plan A - Daily Dividend	83,499	8.36	-	-
Taurus Liquid Fund - Existing Plan - Super IP - Daily Dividend - Reinvestment	-	-	79,625	7.96
Taurus Liquid Fund - Super Institutional Daily Dividend Reinvestment	1,40,999	14.10	20,466	2.05
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	150,069	15.02	1,10,083	11.02
		546.30		107.93
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.		-		-
10 (Previous year 10) equity shares of US \$ 1 each (₹ 512 (Previous year ₹ 512))		-		-
Footnote:		-		-
These shares are held for disposal.		-		-
		546.31		107.93

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 20 : Inventories (At lower of cost and net realisable value)

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Food and Beverages	41.32	38.78
Stores and Operating Supplies	49.70	50.08
Apartments held for sale	11.94	13.21
	102.96	102.07

Note 21 : Trade Receivables

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
(Unsecured) (Refer Note 42, page 187 to 191 for Related Parties Disclosures)		
Outstanding over six months from the date they became due for payment:		
Considered good	30.63	22.41
Considered doubtful	11.60	14.97
	42.23	37.38
Others :		
Considered good	269.19	258.08
Considered doubtful	0.43	0.35
	269.62	258.43
	311.85	295.81
Less : Provision for Doubtful Trade Receivables	12.03	15.32
	299.82	280.49

Note 22 : Cash and Cash Equivalents

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Cash and cash equivalents		
Cash on hand	4.78	5.30
Cheques, Drafts on hands	5.81	34.49
Balances with banks in current account	90.98	94.07
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	311.36	19.38
Cash and Cash equivalents as per Accounting Standard (AS) 3 on Cash Flow Statement	412.93	153.24
Other Balances with banks :		
Call and Short-term deposit accounts	85.59	33.79
Deposits pledged with others	0.76	0.80
Margin money deposits	8.63	8.51
Earmarked balances	3.97	12.24
	98.95	55.34
	511.88	208.58
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 170)	8.31	25.03
	503.57	183.55

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 23 : Short-term loans and advances

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
(Unsecured, considered good unless stated otherwise)		
Short-term loans and advances	99.74	76.63
Deposit with public bodies and others	10.83	10.94
Other advances :		
Considered good	84.76	102.85
Considered doubtful	5.18	10.38
	89.94	113.23
Less : Provision for doubtful advances	5.18	10.38
	84.76	102.85
	195.33	190.42

Note 24 : Other Current Assets

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Interest receivable	17.36	16.69
On Current Account dues	41.88	49.49
Unamortised Borrowing Costs (Refer Footnote)		
Opening Balance	10.51	12.48
Add : Additions during the year	18.54	1.51
Add : Translation adjustment	0.02	0.92
Less : Amortised during the year	(5.84)	(4.40)
Closing Balance	23.23	10.51
Less : Unamortised borrowing costs - Non Current (Refer Note 18, page 170)	7.97	3.77
	15.26	6.74
	74.50	72.92

Footnote:

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, 2015 ₹ crores	March 31, 2014 ₹ crores
Room Income	1,980.28	1,937.98
Food, Restaurants and Banquet Income	1,735.97	1,660.10
Shop rentals	40.94	37.28
Membership fees	60.02	55.24
Management and operating fees	136.36	122.70
Others	235.07	252.89
	4,188.64	4,066.19

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 26 : Other Income

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Interest Income		
Inter-corporate deposits	12.44	10.70
Deposits with banks	27.08	3.10
Interest on Income Tax Refunds	5.30	5.02
Others	4.07	6.20
	<u>48.89</u>	<u>25.02</u>
Dividend Income from long term Investments	6.10	9.51
Dividend Income from Current Investments	19.67	3.50
Profit on Sale of Investments (Net)		
From Long Term Investments	0.31	-
From Current Investments	0.02	0.04
Exchange Gain (Net)	-	0.52
Others	23.72	21.16
	<u>98.71</u>	<u>59.75</u>

Note 27 : Employee benefit expenses and Payment to Contractors

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Salaries, Wages, Bonus etc.	1,150.27	1,086.12
Company's Contribution to Provident & Other Funds (Refer Note 41, page 181 to 187 and Footnote below)	54.20	40.93
Reimbursement of Expenses on Personnel Deputed to the Company	35.66	32.41
Payment to Contractors	106.17	94.42
Staff Welfare Expenses	116.16	118.31
	<u>1,462.46</u>	<u>1,372.19</u>

Footnote :

Includes ₹ 0.56 crores (Previous year ₹ 0.53 crores) in relation to unfunded gratuity.

Note 28 : Finance costs

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Interest Expense		
Interest Expenses on borrowings	213.18	220.36
On Income Tax Demand	0.01	2.84
	<u>213.19</u>	<u>223.20</u>
Less : Interest recovered on Currency swaps relating to above	30.62	30.30
Less : Interest Capitalised (Refer Footnote)	7.00	24.39
Total	<u>175.57</u>	<u>168.51</u>

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, 2015

Note 29 : Operating and general expenses

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
(i) Operating expenses consist of the following :		
Linen and Room Supplies	73.53	70.89
Catering Supplies	38.34	36.23
Other Supplies	9.59	8.69
Fuel, Power and Light	320.43	311.15
Repairs to Buildings	56.21	52.03
Repairs to Machinery	72.84	69.25
Repairs to Others	33.19	32.36
Linen and Uniform Washing and Laundry Expenses	48.20	48.48
Payment to Orchestra Staff, Artistes and Others	33.03	32.09
Guest Transportation	21.05	9.91
Travel Agents' Commission	73.27	67.83
Discount to Collecting Agents	50.21	47.36
Other Operating Expenses	121.31	136.40
	951.20	922.67
(ii) General expense consist of the following :		
Rent	65.58	60.07
Licence Fees	209.61	208.15
Rates and Taxes	96.28	93.58
Insurance	18.67	19.12
Advertising and Publicity	127.66	130.26
Printing and Stationery	16.38	15.68
Passage and Travelling	20.41	21.14
Provision for Doubtful Debts and advances	8.00	4.28
Professional Fees	88.64	55.49
Support services	47.84	40.93
Expenditure on Corporate Social Responsibility	2.69	-
Exchange Loss (Net)	4.56	-
Loss on Sale of Fixed Assets (Net)	1.21	2.37
Provision Diminution in Value of Investment	-	0.30
Payment made to Statutory Auditors (Refer Footnote)	8.52	9.11
Directors' Fees and Commission	1.46	3.08
Other Expenses	125.80	121.13
	843.31	784.69
	1,794.51	1,707.36

Footnotes :

Payment made to Statutory Auditors:

As auditors *	6.70	6.49
For other services (including tax audit and company law matters)	1.66	2.53
Expenses and incidentals	0.16	0.09
	8.52	9.11

* Excludes ₹ 0.76 crores (Previous year ₹ 0.14 crores) adjusted against Securities Premium Account

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 30 : Exceptional Items

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Exceptional Items comprises of the following :		
Exchange Gain / (Loss) on long term borrowings / assets	(51.07)	(29.15)
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 value of long term investments (Refer Note 16, page 169 to 170)	(306.51)	(351.71)
Provision / Settlement of financial exposure in an associate	(25.85)	(100.47)
Provision for contingency for property tax	-	(19.04)
Project written off for commercial reason	-	(29.78)
Provision for diminution in long term advances by a jointly controlled entity	-	(21.42)
Voluntary Retirement Scheme expenses of a subsidiary	-	(3.27)
	(352.91)	(554.84)

Note. 31 Shareholder's 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, provided that the subsidiary company requires an amount equivalent to the consideration and such requirement is a part of business plan.

Note. 32 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, 2015 ₹ crores	March 31, 2014 ₹ crores
Income Tax	48.70	57.78
Luxury Tax	3.34	3.82
Entertainment Tax	2.66	2.40
Sales Tax / VAT	23.15	27.88
Property and Water Tax	58.26	30.00
Service Tax	47.10	42.57
Excise	14.02	20.64
Others	10.81	10.31

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, 2015

((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 ₹ 266.11 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 ₹ 60.52 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 – ₹ 5.19 crores as on March 31, 2015 (previous year ₹ 5.52 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.

(c) Other claims against the Group not acknowledged as debt :

- (i) Legal and statutory matters ₹ 1.16 crores (Previous year ₹ 1.28 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. 33 Guarantees and Undertakings given:

- (a) The Group owns 19.90% of the issued Share Capital of Lands End Properties Private Limited (LEPPL), a Company owning 85.72% interest in the erstwhile Sea Rock Hotel property through its wholly-owned subsidiary, Sky Deck Properties & Developers Private Limited (SDPDPL). LEPPL has issued Zero Coupon Non-Convertible Debentures aggregating to ₹ 521 crores, redeemable at a premium, having a yield to maturity of 10% per annum aggregating to ₹ 693.45 crores on maturity.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

In respect of such debentures issued by LEPL, the Company has:-

- (i) the first right to purchase the entire shareholding of SDPDPL held by LEPL for an aggregate value of ₹ 693.45 crores; or
- (ii) the obligation to make good the value of the shortfall, if any, if lenders of LEPL divest 100% of SDPDPL shares and realise an amount lower than the redemption amount, in case the right referred in (i) above is not exercised.

In addition, SDPDPL has availed of a secured zero coupon term loan of ₹ 508 crores from a financial institution for which the total repayment obligation on the maturity date (being January 28, 2016) would be ₹ 708.93 crores. This term loan has been secured by way of a pledge on all direct and indirect shareholding of ELEG Hotels & Investments Ltd, the licensee of the erstwhile Sea Rock Hotel property.

In effect, the total future repayment obligation for LEPL, on a consolidated basis, aggregates to ₹ 1402.38 crores covering the current outstanding debt obligations of LEPL and SDPDPL, its underlying subsidiary.

- (b) The Group has pledged its investment in BAHG 5 Pte Ltd. (BAHG 5) with a net book value of US\$ 1 and issued guarantee for ₹ 454.06 crores (US\$ 73 million) to a third party, against a loan of like amount provided by the third party to BAHG 5. No amount has been charged for the issue of the guarantee. The management considers it highly unlikely that any claim will ever be made against the Group under the guarantee.
- (c) Guarantees given by the Group and outstanding as on March 31, 2015 - ₹ 12.31 crores (Previous year ₹ 89.08 crores).
- (d) The Group has given letters of support in case of select associate and jointly controlled companies during the year.
- (e) 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 ₹ 56.06 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 favour 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.

Note 34 : Capital Commitments :

Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 221.12 crores (Previous year ₹ 244.84 crores).

Note 35 : 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 CCD i.e. on March 1, 2016.

The funds raised by way of rights issue of Compulsorily Convertible Debentures were utilised as under:

	₹ crores
Amounts raised through Rights Issue	999.91
Utilisation	
Repayment of Debts	552.68
General corporate purposes	100.00
Capital expenditure on Projects	25.62
Renovation Capex	4.90
Issue Expenses	6.07
Total	689.27
 Surplus amounts kept in Fixed Deposits with Banks and invested in Mutual Funds	 310.64

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 36. Depreciation Impact :

In respect of the domestic companies in the Group, the useful lives of tangible fixed assets have been reassessed during the year. Based on a technical evaluation, the useful lives have been revised to match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets, other than end-user Computers, Electrical Installation and Equipment, Plant and Machinery and select items of Furniture. Management believes that the revised useful lives of the assets reflect the periods over which these assets are to be used. As a result of the change, the charge on account of Depreciation for the twelve months ended March 31, 2015, is lower by ₹ 5.10 crores as compared to the useful lives estimated in earlier periods.

Further, effective April 1, 2014, certain subsidiary companies have, with retrospective effect, changed method of providing depreciation on fixed assets from the 'Written Down Value' method to the 'Straight Line' method, and also revised the estimated useful lives of its fixed assets. Accordingly, these subsidiaries have recognised a credit of ₹ 5.12 crores in the depreciation in order to give the retrospective effect of the change in the policy till March 31, 2014. Due to these changes, the charge on account of depreciation for the year is higher by ₹ 0.03 crore.

Note 37 : Operating and Finance Leases :

- (a) IHMS Inc. a wholly owned subsidiary of the Company, formed 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. Under the terms of the various Agreements, the New York LLC is required to:

- (i) Provide an irrevocable unconditional letter of credit in the amount of ₹ 31.14 crores (\$ 5 million), as to be renewed annually until expiration of the lease.
- (ii) Spend not less than ₹ 218.01 crores (\$35 million) on renovations of the property not later than June 30, 2007.
- (iii) In November 2007, the New York LLC entered into a lease modification agreement with its landlord. The principal modification extended the lease term for an additional 10 years, to June 30, 2025 and increased the New York LLC's renovation commitment to ₹ 498.32 crores (\$80 million). The New York LLC Spent approximately ₹ 651.80 crores (\$104.64 million) towards the renovation project and substantially completed the renovation project on June 30, 2010.

Future fixed and minimum rentals, exclusive of formula or percentage rentals for the period ending March 31, are approximately as under:-

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Not later than one year	12.26	11.82
Later than one year but not later than five years	49.06	47.26
Later than five years	64.39	73.85

- (iv) Lease on co-operative apartments and ballroom

The New York LLC assumed a lease agreement with Barney's New York, which was originally scheduled to expire in August 2013, for the use of Hotel Pierre's ballroom, and with some other individuals for the use of their cooperative apartments as hotel rooms and suites. Such leases require the New York LLC to pay minimum rent which increase annually by the change in the Consumer Price Index and to reimburse the owners for their actual cooperative maintenance charges. On March 12, 2012, the lease agreement with Barney's was amended wherein,

Notes to Consolidated Financial Statements for the year ended March 31, 2015

among other things, the scheduled expiration was extended to December 31, 2018 and the annual fixed rent was increased to US\$ 1,700,000 (Amended Lease Agreement). 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 ₹ 2.85 crores (US \$457,826) and ₹ 1.88 crores (US \$313,251) at March 31, 2015 and March 31, 2014 respectively. Future fixed minimum rentals, exclusive of formula or percentage rentals for the years ending March 31 are approximately as follows:

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Not later than one year	11.40	10.99
Later than one year but not later than five years	29.94	39.83

- (v) 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	0.24	2.71	2.14	5.09
	0.42	2.61	1.99	5.02
Later than one year but not later than five years	0.03	15.78	8.78	24.59
	0.26	13.41	8.38	22.05
Later than five years	-	18.83	1.57	20.40
	-	22.55	3.64	26.19

Figures in italics are in respect of previous year.

- (b) Apart from the operating lease as mentioned in Note 37(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, 2015 ₹ crores	March 31, 2014 ₹ crores
Not later than one year	46.67	46.79
Later than one year but not later than five years	182.12	177.72
Later than five years	1246.51	1260.26

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 ₹ 0.55 crores (previous year ₹ 0.55 crores)

- (c) The Group has taken assets on finance lease, certain assets, the minimum future lease rentals on which are as follows:

	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Not later than one year	0.32	0.58
Later than one year but not later than five years	0.45	0.21
Later than five years	-	-
Total	0.77	0.79

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 38 : 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	Risk Hedged	March 31, 2015		March 31, 2014	
		Currency million	₹ crores	Currency million	₹ crores
Libor Cap	US\$	-	-	40.00	-
	GB£	20.00	-	20.00	-
Interest Rate Swap	US\$	75.84	-	75.84	-
	GB£	30.00	-	30.00	-

The above excludes cross currency interest rate swap referred to in Footnote to Note 4

(b) Un-Hedged Foreign currency exposure receivable / (payable) :

Currency	March 31, 2015	March 31, 2014
United States Dollar (Million)*	(88.84)	(104.92)
Thai Baht (Million)	239.49	238.93

* Net of notional amount of US\$ 143.80 million (Previous year US\$ 186.38 million) as cross currency interest rate swaps referred to in Footnote to Note 4, page 158.

Note 39 : 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, 2015 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 153).

Note 40 : 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 41 : 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, 2015	March 31, 2014
	₹ crores	₹ crores
Provident Fund (includes Pension cost)	34.53	31.24
Superannuation Fund	7.07	6.19
	<u>41.60</u>	<u>37.43</u>

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Multi-Employer Benefit Plans

One of the international subsidiaries, IHMS 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:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the Plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- 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, 2014 and 2013 and March 31, 2015 and 2014, 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, 2014. 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	
			2014	2013		December 31, 2014 US \$	December 31, 2013 US \$
New York LLC							
Pension Fund (1)	13-1764242	001	Green	Yellow	Yes	2,477,600	2,962,984
Health Benefits Fund (2)	13-6126923	501	NA	NA	Yes	6,218,758	6,143,209
Prepaid Legal Services Fund (3)	13-3418414	508	NA	NA	Yes	1300,400	117,194
Total - New York LLC						8,826,758	9,223,387
						March 31, 2015 US \$	March 31, 2014 US \$
Boston LLC							
Pension Fund (4)	45-4227067	001	Green	Yellow	Yes	363,312	303,375
Health Benefits Fund (5)	04-6048964	501	NA	NA	Yes	3,050,416	2,925,334
Other Fund						131,311	131,409
Total - Boston LLC						3,545,039	3,360,118
						12,371,797	12,583,505

Notes to Consolidated Financial Statements for the year ended March 31, 2015

1. New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund
2. New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund
3. New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund
4. Unite Here Local 26 Workers & Hospitality Employers VDB Pension Trust
5. Greater Boston Hotel Employees Local 26 Health and Welfare Plan

Defined Contribution 401(k) Plans

IHMS Inc. and its LLC (Subsidiaries) 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, 2015 and 2014 are as follows:

	March 31, 2015 US \$	March 31, 2014 US \$
San Francisco LLC	117,484	113,738
Boston LLC	233,864	220,253
New York LLC	162,412	176,729
Company	39,396	48,794
Total Employer Contributions	553,156	559,514

(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, 2015

(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	207.67	-	-	-	-	5.92
	179.50	-	-	-	-	4.93
Present Value of Unfunded Obligations	-	2.22	3.09	5.48	2.82	-
	-	2.15	2.74	5.27	2.61	-
Fair Value of Plan Assets	(196.43)	-	-	-	-	(7.78)
	(180.40)	-	-	-	-	(7.20)
Unrecognised Past Service Cost	-	-	-	-	-	(0.76)
	-	-	-	-	-	(1.14)
Adjustment to Plan Asset	-	-	-	-	-	0.63
	-	-	-	-	-	0.77
Net (asset) / Liability	11.24	2.22	3.09	5.48	2.82	(1.99)
	(0.90)	2.15	2.74	5.27	2.61	(2.64)

(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	9.26	0.25	0.03	0.35	-	0.10
	9.97	0.24	0.04	0.33	-	0.12
Interest Cost	15.65	0.22	0.24	0.47	0.20	0.40
	14.36	0.19	0.23	0.35	0.13	0.35
Expected return on Plan Assets	(12.83)	-	-	-	-	(0.49)
	(12.89)	-	-	-	-	(0.42)
Actuarial Losses / (Gain) recognised in the year	0.78	0.21	0.45	-	0.31	0.48
	(6.95)	0.10	(0.12)	(1.24)	1.41	(0.82)
Past service Cost	-	-	-	-	-	0.38
	-	-	-	-	-	-
Curtailment / Settlement	0.33	(0.12)	-	-	-	-
	-	-	-	-	-	-
Effect of the limit on Plan Asset	-	-	-	-	-	(0.14)
	-	-	-	-	-	0.27
Expense	13.19	0.56	0.72	0.82	0.51	0.73
	4.49	0.53	0.15	(0.56)	1.54	(0.50)

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(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	179.51	2.14	2.74	5.27	2.61	4.93
	183.44	1.88	2.86	5.83	1.85	5.12
Additions Due to Acquisitions	-	(0.07)	-	-	-	-
	0.89	-	-	-	-	-
Current Service Cost	9.26	0.25	0.03	0.35	-	0.10
	9.97	0.24	0.04	0.33	-	0.12
Interest Cost	15.65	0.22	0.24	0.47	0.20	0.40
	14.36	0.19	0.23	0.35	0.13	0.35
Actuarial Losses / (Gain)	20.13	0.21	0.45	-	0.31	0.68
	(7.92)	0.10	(0.12)	(1.24)	1.41	(0.53)
Benefits Paid	(16.88)	(0.41)	(0.37)	(0.60)	(0.30)	(0.18)
	(21.34)	(0.31)	(0.27)	-	(0.78)	(0.13)
Curtailment / Settlement	-	(0.12)	-	-	-	-
	0.10	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-
	-	0.05	-	-	-	-
Closing Defined Benefit Obligation	207.67	2.22	3.09	5.49	2.82	5.93
	179.50	2.15	2.74	5.27	2.61	4.93

(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	180.40	-	-	-	-	7.20
	182.86	-	-	-	-	6.59
Additions Due to Acquisitions	-	-	-	-	-	-
	1.10	-	-	-	-	-
Expected return on Plan Assets	12.83	-	-	-	-	0.49
	12.89	-	-	-	-	0.42
Actuarial Gain / (Losses)	19.36	-	-	-	-	0.19
	(0.97)	-	-	-	-	0.29
Contribution by Employer	1.05	-	0.37	0.60	0.30	0.07
	5.69	-	0.27	-	0.78	0.03
Contribution by Plan Participants	-	-	-	-	-	-
	0.08	-	-	-	-	-
Benefits Paid	(16.88)	-	(0.37)	(0.60)	(0.30)	(0.18)
	(21.34)	-	(0.27)	-	(0.78)	(0.13)
Curtailment / Settlement	(0.33)	-	-	-	-	-
	0.10	-	-	-	-	-
Closing Fair Value of Plan Assets	196.43	-	-	-	-	7.78
	180.40	-	-	-	-	7.20
Expected Employer's contribution / outflow next year	6.00	-	0.25	0.62	0.30	-
	10.11	-	0.24	0.57	0.78	-

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(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% 35%	- -	- -	- -	- -	35% 38%
Corporate Bonds	31% 36%	- -	- -	- -	- -	52% 56%
Equity	14% 17%	- -	- -	- -	- -	- -
Others	10% 12%	- -	- -	- -	- -	13% 6%
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.)	7.75% - 8.05% 8.00% - 9.36%	7.92% - 11.00% 9.05% - 11.00%	7.90% 9.00%	7.90%-7.95% 9.00%	7.90% 9.00%	7.90% 9.00%
Expected Rate of Return on Assets (p.a.)	7.50% - 9.00% 7.50% - 8.00%	- -	- -	- -	- -	7.50% 7.50%
Salary Escalation Rate (p.a.)	3.00% - 7.00% 3.00% - 8.00%	5.00% - 8.50% 5.00% - 8.50%	- -	5.00% 5.00%	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 (1% increase - ₹ 45,514) (1% Decrease - ₹ 40,205) (PY (1% increase - ₹ 40,774) (1% Decrease - ₹ 45,556))	- -	- -
Effect of defined benefit obligation	0.06 0.05	(0.05) (0.05)

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(viii) Experience Adjustments

	2014 / 15	2013 / 14	2012 / 13	2011 / 12	2010 / 11
	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores
Defined Benefit Obligation	224.47	204.34	211.80	196.05	146.92
Plan Assets	203.61	186.66	186.10	168.98	138.50
Deficit	(19.80)	(14.03)	(13.98)	(16.01)	(8.42)
Experience Adjustment on Plan Liabilities	0.55	2.25	21.86	21.12	5.26
Experience Adjustment on Plan Assets	19.61	(0.63)	7.32	(0.55)	0.26

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 42 : 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) ii and iii, page 148.

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.

v. **Following are the Key Management Personnel:**

Rakesh Sarna*

Raymond N. Bickson**

Anil P. Goel

Abhijit Mukerji

Mehernosh S. Kapadia

* for part of the year with effect from September 1, 2014.

** for part of the year upto August 31, 2014.

Designation

Managing Director & CEO

Ex-Managing Director

Executive Director & CFO

Executive Director - Hotel Operation

Executive Director - Corporate Affairs

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(b) Details of related party transactions during the year ended March 31, 2015 and outstanding balances as at March 31, 2015:

	Company having substantial interest	Key Management Personnel	Associates and Jointly Controlled Entities	Co-venturer
	₹ crores	₹ crores	₹ crores	₹ crores
Interest Paid / Provided	-	-	-	0.73
	-	-	0.30	1.16
Interest received / accrued	-	-	3.58	-
	-	-	6.06	-
Dividend Paid	-	-	0.03	0.09
	16.16	-	0.11	-
Dividend Received	3.60	-	-	-
	3.60	-	-	-
Operating / License Fees Paid / Provided	-	-	2.51	-
	-	-	2.38	-
Operating / License Fees Received /	-	-	48.94	-
Accrued	-	-	45.45	-
Purchase of goods and services	0.32	-	0.39	0.24
	0.42	-	0.82	0.24
Sale of goods and services	4.53	0.01	0.47	1.84
	0.73	-	3.20	1.84
Allotment of Shares	-	-	-	-
	-	-	-	-
Inter corporate deposit (ICD) Raised	-	-	2.45	-
	-	-	-	2.15
ICD Repaid	-	-	-	-
	-	-	-	5.74
ICD Placed	-	-	164.98	-
	-	-	47.12	-
ICD Encashed	-	-	17.34	-
	-	-	48.84	-
Share Application money paid	-	-	-	-
	-	-	7.31	-
Remuneration paid / payable	-	26.94	-	-
(Refer Footnote ii)	-	16.50	-	-
Balances outstanding at the end of the year				
Trade receivables	-	-	22.89	-
	0.05	-	22.07	0.24
Trade payables	0.03	-	5.11	0.25
	0.03	-	4.67	0.32
Due from / (to) on Current A / c	-	-	28.44	-
	0.30	-	29.47	-
Interest Receivable	-	-	2.53	-
	-	-	1.71	-
Interest Payable	-	-	0.30	-
	-	-	0.30	0.11
Deposits (Net)	-	-	15.65	(6.68)
	-	-	9.58	(6.68)
Loans Outstanding (Net)	-	-	53.66	(1.93)
	-	-	91.50	0.03

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

(c) Statement of Material Transactions

Company Name	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Company having substantial interest		
Tata Sons Limited		
Dividend Received	3.60	3.60
Dividend Paid	-	16.16
Purchase of goods and services	0.02	-
Sale of goods and services	3.65	-
Tata Quality Management Services		
Purchase of goods and services	0.30	-
Sale of goods and services	0.87	-
Remuneration to Key Management Personnel		
Mr. Rakesh Sarna	8.64	-
Mr. Raymond N. Bickson	12.43	10.40
Mr. Anil P. Goel	2.23	2.37
Mr. Abhijit Mukerji	1.96	2.08
Mr. Mehernosh S. Kapadia	1.68	1.65
Associates		
Oriental Hotels Ltd.		
Interest received / accrued	-	1.66
Interest Payable	0.30	-
Dividend Paid	0.03	-
Dividend Received	3.43	3.59
Operating / Licence Fees Paid	1.28	2.38
Operating / Licence Fees Received	25.02	23.69
Purchase of goods and services	0.28	-
Sale of goods and services	0.34	3.09
Due on current account (Net) – Payable	-	3.61
Trade Receivables	7.54	8.31
Trade Payables	-	4.03
ICD Placed during the year	18.00	21.50
ICD Encashed during the year	15.00	36.00
Deposits (Net)	6.48	3.48
Taida Trading & Industries Ltd.		
Interest received / accrued	0.95	0.92
Interest Receivable	1.38	0.66
Deposits (net)	-	1.43
ICD Placed during the year	-	1.35
ICD Closing Position - Receivable	4.87	8.04
BJets Pte Ltd.		
ICD Encashed during the year	2.18	-
ICD Placed during the year	141.90	18.95
Loans given outstanding	178.10	73.95
Provision for doubtful advances	139.07	-
Interest received / accrued	-	1.39
Due on current account (Net) – Payable	-	0.86

The Indian Hotels Company Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Company Name	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
TAL Lanka Hotels Plc.		
Trade Receivables	-	0.87
Lanka Island Resorts Ltd.		
Operating / Licence Fees Received	3.51	2.37
Trade Receivables	-	2.28
Jointly Controlled Entities (to the extent of Co-venturer share)		
Taj GVK Hotels & Resorts Ltd.		
Operating / Licence Fees Received	10.45	10.57
Due on current account (Net) – Payable	-	2.05
Trade Receivables	7.61	5.61
Sale of Goods & Services	0.01	-
ICD Encashed during the year	-	5.00
Kaveri Retreats and Resorts Ltd.		
Interest received / accrued	0.73	1.22
Deposits (Net)	6.68	6.68
Sale of Goods & Services	0.07	-
Operating / Licence Fees Paid	-	0.62
Due on current account (Net) – Payable	-	0.66
Trade Receivables	-	1.28
ICD Placed during the year	-	5.60
ICD Encashed during the year	-	5.25
TAL Hotels & Resorts Ltd.		
Allotment of shares	1.77	-
Operating / Licence Fees Received	3.38	5.40
Trade Receivables	3.38	-
Loans given outstanding	-	6.53
Interest received / accrued	0.61	-
Interest Receivable	0.61	-
Taj Kerala Hotels & Resorts Ltd.		
Operating / Licence Fees Received	-	1.37
Trade Receivables	-	0.81
Taj Madras Flight Kitchen Pvt. Ltd.		
Due on current account (Net) – Payable	0.02	-
Sale of Goods & Services	0.01	-
Taj Karnataka Hotels & Resorts Ltd.		
Interest Receivable	0.35	-
Taj Safaris Ltd.		
Due on current account (Net) – Payable	-	1.46
ICD Placed during the year	-	3.00
ICD Raised	2.45	-
Deposits (Net)	6.10	2.95
Interest received / accrued	0.60	-

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Company Name	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
IHMS Hotels (SA) (Proprietary) Ltd.		
Due on current account (Net) – Receivable	29.19	26.60
Subscription of Shares	-	14.62
Trade Receivables	-	1.67
Investing parties		
Malaysian Airlines Systems		
Sale of goods and services	-	1.52
Coromandel Beach Properties Private Ltd.		
Interest paid / provided	0.73	1.16
ICD Raised during the year	-	2.15
ICD Repaid during the year	-	5.74
Deposits (net)	6.68	6.68
TATA Africa Holding (Pty) Ltd.		
Loans Outstanding (Net)	1.96	-
Share Application Money Pending Allotment	22.31	-
Kerala Tourism Infrastructure Ltd.		
Dividend Paid	0.09	-
Purchase of Goods & Services	0.24	-

Footnote: Transaction with related party excludes, recovery of spends on their behalf.

Note 43 : 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, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Segment Revenue	3,902.54	3,798.23	286.10	267.96	4,188.64	4,066.19
Unallocated Income					98.71	59.75
Total Revenue					4,287.35	4,125.94
Segment Results	227.18	257.18	(29.89)	(5.74)	197.29	251.44
Add: Unallocated Income (Other than Interest)					49.82	34.73
Interest Income					48.89	25.02
Finance Cost					175.57	168.51
Profit before Tax and Exceptional item					120.43	142.68
Add / (Less) : Exceptional Income					(352.91)	(554.84)
Loss before tax					(232.48)	(412.16)
Less : Provision for tax					114.60	110.95
Loss after Tax					(347.08)	(523.11)
Profit attributable to Minority Interest					(30.98)	(17.49)
Share of Profit / (Loss) of Associates					(0.04)	(13.25)
Loss After Minority Interest and Share of Associate					(378.10)	(553.85)

Notes to Consolidated Financial Statements for the year ended March 31, 2015

	Hoteliering		Others		Total	
	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Segment Assets	6,761.67	6,800.07	250.89	256.13	7,012.56	7,056.20
Unallocated Assets					2,874.42	2,462.37
Total Assets					9,886.98	9,518.57
Segment Liabilities	908.50	834.35	70.80	128.14	979.30	962.49
Unallocated Liabilities					5,942.60	5,183.76
Total Liabilities					6,921.92	6,146.25
Depreciation and amortisation	276.21	291.40	15.08	16.73	291.29	308.13
Significant Non Cash Expenditure other than Depreciation	36.83	25.04	0.26	1.48	37.09	26.52
Capital Expenditure	307.57	336.03	11.95	6.14	319.52	342.17

The disclosures in respect of the above geographic segment are as under:

Geographic segments

	Domestic		International		Total	
	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores	March 31, 2015 ₹ crores	March 31, 2014 ₹ crores
Segment Revenue	2,911.96	2,795.66	1,276.68	1,270.53	4,188.64	4,066.19
Segment Assets	3,923.05	3,819.86	3,089.51	3,236.34	7,012.56	7,056.20
Capital Expenditure	251.60	251.54	67.92	90.63	319.52	342.17

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 44 : Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / associates / joint ventures :

	March 31, 2015			
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	₹ crores	As % of consolidated profit or loss	₹ crores
Parent				
The Indian Hotels Company Ltd	115.25%	2,566.77	(21.69%)	(82.02)
Subsidiaries				
Indian				
Piem Hotels Ltd.	21.57%	480.47	8.42%	31.83
Benares Hotels Ltd.	2.21%	49.21	2.44%	9.23
United Hotels Ltd.	1.18%	26.25	1.41%	5.34
Roots Corporation Ltd.	13.27%	295.45	0.37%	1.40
Taj SATS Air Catering Ltd.	9.71%	216.33	2.42%	9.13
TIFCO Holdings Ltd	9.36%	208.44	3.86%	14.59
Inditravel Ltd.	1.18%	26.29	(1.19%)	(4.49)
Taj Trade & Transport Co Ltd.	0.68%	15.10	0.55%	2.09
KTC Hotels Ltd.	0.06%	1.31	0.04%	0.15
Northern India Hotels Limited	0.90%	20.05	0.61%	2.32
Taj Enterprises Limited	0.14%	3.11	0.14%	0.51
Ideal Ice & Cold Storage Co. Ltd. (Refer Footnote i)	-	-	-	-
Taj Rhein Shoes Co. Ltd. (Refer Footnote i)	-	-	-	(0.01)
Residency Foods & Beverages Ltd. (Refer Footnote i)	-	-	0.02%	0.08
TIFCO Security Services Limited (Refer Footnote i)	-	-	-	-
Foreign				
IHMS, Inc.	42.46%	945.62	(46.71%)	(176.60)
St. James Court Hotel Ltd.	22.31%	496.94	2.50%	9.45
IHMS (Australia) Pty Ltd. (Refer Footnote i)	-	-	(1.68%)	(6.37)
Taj International Hotels Ltd.	1.23%	27.42	2.15%	8.14
Taj International Hotels (H.K.) Ltd.	(16.33%)	(363.81)	(13.03%)	(49.26)
Samsara Properties Ltd.	(64.81%)	(1,443.54)	(76.71%)	(290.05)
Piem International (HK) Ltd.	8.03%	178.77	0.46%	1.75
Apex Hotel Management Services (Pte) Ltd	-	-	-	-
Chieftain Corporation NV.	4.25%	94.67	0.16%	0.59
IHOCO BV.	4.58%	101.93	(0.03%)	(0.10)
Apex Hotel Management Services (Australia) Pty Ltd	(0.01%)	(0.18)	(0.05%)	(0.21)
Minority Interests in all subsidiaries		(737.84)		(30.98)

The Indian Hotels Company Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Associates (Investment as per the equity method)

March 31, 2015

	Net assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	₹ crores	As % of consolidated profit or loss	₹ crores
Indian				
Oriental Hotels Ltd.	7.92%	176.33	0.15%	0.58
Taj Madurai Ltd	0.10%	2.29	0.07%	0.25
Taida Trading & Industries Ltd	-	-	-	-
Foreign				
Lanka Island Resorts Ltd.	1.41%	31.47	0.13%	0.49
TAL Lanka Hotels Plc	0.75%	16.62	(0.36%)	(1.37)
Bjets Pte Ltd.	-	-	-	-
Joint Ventures (as per proportionate consolidation)				
Indian				
Taj GVK Hotels and Resorts Ltd.	3.97%	88.42	(0.13%)	(0.50)
Taj Kerala Hotels and Resorts Ltd.	0.66%	14.75	0.02%	0.06
Taj Karnataka Hotels and Resorts Ltd.	(0.13%)	(2.89)	0.01%	0.03
Taj Safaris Ltd.	0.07%	1.49	(0.14%)	(0.53)
Kaveri Retreat & Resorts Ltd	0.64%	14.35	(0.39%)	(1.46)
Taj Madras Flight Kitchen Pvt. Ltd.	0.93%	20.76	0.02%	0.07
Foreign				
IHMS Hotels (SA)(Pty) Ltd.	(1.96%)	(43.75)	(10.89%)	(41.19)
TAL Hotels & Resorts Ltd.	4.56%	101.57	1.87%	7.05
Consolidation Adjustments / Eliminations	(62.99%)	(1,402.98)	53.40%	201.91
TOTAL	100.00%	2,227.22	100%	(378.10)

Footnotes:

- i) These subsidiaries have been sold during the year.
- ii) The following subsidiaries are excluded from consolidation as it is acquired and held exclusively with a view to its subsequent disposal in the near future:
 - a) BAHC 5 Pte Ltd.
 - b) Premium Aircraft Leasing Corporation Ltd.

Notes to Consolidated Financial Statements for the year ended March 31, 2015

Note 45 : Earnings Per Share (EPS) :

Earnings Per Share is calculated in accordance with Accounting Standard 20 – 'Earnings Per Share' - (AS-20).

	March 31, 2015	March 31, 2014
Loss after tax – (₹ crores)	(378.10)	(553.85)
Number of Ordinary Shares	80,74,72,787	80,74,72,787
Weighted Average Number of Ordinary Shares	91,30,66,925	80,74,72,787
Face Value per Ordinary Share (₹)	1	1
Earnings Per Share (₹) :		
Basic	(4.68)	(6.86)
Diluted*	(4.68)	(6.86)

* As the impact of the CCDs is anti-dilutive as on March 31, 2015, 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 46 : 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
Shapoor Mistry	Director
Nadir Godrej	Director
Gautam Banerjee	Director
Vibha Paul Rishi	Director
Ireena Vittal	Director
Beejal Desai	Vice President - Legal & Company Secretary

Mumbai, May 29, 2015

The Indian Hotels Company Limited

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. No	Name of Subsidiary Company	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	
Indian													
1	Piem Hotels Ltd.	INR	3.81	482.63	573.22	86.78	135.90	324.30	48.25	16.42	31.83	15.24	51.57%
2	Benares Hotels Ltd.	INR	1.30	47.91	63.33	14.12	-	48.24	14.26	5.03	9.23	2.60	51.68%
3	United Hotels Ltd.	INR	8.40	17.85	38.85	12.60	6.25	35.69	8.12	2.78	5.34	3.78	55.00%
4	Roots Corporation Ltd.	INR	85.97	209.48	404.53	109.08	-	127.74	1.15	(0.25)	-	-	63.25%
5	Taj SATS Air Catering Ltd.	INR	17.40	198.93	305.73	89.40	25.25	266.96	7.28	(1.85)	9.13	-	51.00%
6	TIFCO Holdings Ltd	INR	81.50	148.58	230.38	0.30	186.25	16.06	15.68	1.09	14.59	4.08	100.0%
7	Inditravel Ltd.	INR	0.72	25.57	33.68	7.39	16.29	41.25	(4.43)	0.06	(4.49)	4.32	77.19%
8	Taj Trade & Transport Co Ltd.	INR	3.47	13.49	28.20	11.24	7.29	28.20	2.29	0.20	2.09	0.87	72.73%
9	KTC Hotels Ltd.	INR	0.60	0.70	5.58	4.28	-	0.29	0.22	0.07	0.15	-	100.00%
10	Northern India Hotels Ltd.	INR	0.44	19.61	20.22	0.17	0.10	3.39	3.37	1.05	2.32	-	48.03%
11	Taj Enterprises Limited	INR	0.50	2.61	3.12	0.01	0.07	0.65	0.58	0.07	0.51	-	74.70%
Foreign													
12	IHMS, Inc.	USD	2,650.44	(1,704.82)	1,873.61	927.99	-	752.08	(174.84)	1.76	(176.60)	-	100.00%
13	St. James Court Hotel Ltd.	GBP	521.75	(19.57)	975.80	473.62	-	298.86	9.45	(2.80)	12.25	-	72.25%
14	Taj International Hotels Ltd.	GBP	-	27.42	40.80	13.38	-	83.94	10.51	2.37	8.14	4.92	100.00%
15	Taj International Hotels (H.K.) Ltd.	USD	1,432.67	(1,590.96)	1,293.87	1,452.16	580.79	37.13	(232.39)	-	(232.39)	-	100.00%
16	Samsara Properties Ltd.	USD	124.59	(1,568.13)	580.92	2,024.46	576.86	(0.25)	(290.05)	-	(290.05)	-	100.00%
17	Piem International (HK) Ltd.	USD	49.83	165.66	215.53	0.04	181.04	4.27	1.75	-	1.75	-	51.57%
18	Apex Hotel Management Services (Pte) Ltd	SGD	-	-	0.11	0.11	-	2.20	0.01	0.01	-	-	100.00%
19	Chieftain Corporation NV.	GBP	0.09	107.44	113.07	5.54	113.06	0.64	0.59	-	0.59	-	100.00%
20	IHOCO BV.	EUR	12.44	100.99	116.57	3.14	111.94	-	(0.12)	(0.02)	(0.10)	-	100.00%
21	Apex Hotel Management Services (Australia) Pty Ltd	AUD	-	(0.18)	1.06	1.24	-	1.12	(0.21)	-	(0.21)	-	100.00%
22	BAHC 5 Pte Ltd. (Refer notes (iv))	USD	-	(238.83)	267.83	506.66	-	-	(50.61)	-	(50.61)	-	100.00%
23	Premium Aircraft Leasing Corporation Ltd. (Refer note (iv))	USD	-	(0.02)	-	0.02	-	0.17	0.14	-	0.14	-	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, 2015
- Names of subsidiaries which are yet to commence operations - None
- Names of subsidiaries which have been sold during the year:
 - Ideal Ice & Cold Storage Co. Ltd.
 - Taj Rhein Shoes Co. Ltd.
 - Residency Foods & Beverages Ltd.
 - TIFCO Security Services Ltd .
 - IHMS (Australia) Pty Ltd.
- These subsidiaries are excluded from consolidation as it is acquired and held exclusively with a view to its subsequent disposal in the near future:
- Exchange rates as at 31.03.2015:
 - 1 USD = ₹ 62.29; 1 GBP = ₹ 92.30; 1 AUD = ₹ 47.38; 1 SGD = ₹ 45.40; 1 EUR = ₹ 66.85
- Average exchange rate for the year (for Profit & Loss items):
 - 1 USD = ₹ 61.0442; 1 GBP = ₹ 98.4079; 1 AUD = ₹ 53.3893; 1 SGD = ₹ 47.3924; 1 EUR = ₹ 77.3938

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)		Not Considered in Consolidation
Associates									
Indian									
1	Oriental Hotels Ltd. (Refer note (vii))	March 31, 2015	66,166,530	112.66	35.67%	125.88	(0.60)	-	Note (iii)
2	Taj Madurai Ltd	March 31, 2015	912,000	0.95	26.00%	2.02	0.38	-	Note (iii)
3	Taida Trading & Industries Ltd (Refer note (vi))	March 31, 2015	65,992	0.62	34.76%	-	-	-	Note (iii)
Foreign									
4	Lanka Island Resorts Ltd.	March 31, 2015	19,965,524	31.27	24.66%	9.75	0.76	-	Note (iii)
5	TAL Lanka Hotels Plc	March 31, 2015	34,375,640	18.72	24.62%	18.06	(2.82)	-	Note (iii)
6	Bjets Pte Ltd. (Refer note (vi))	December 31, 2014	20,000,000	102.59	45.69%	-	-	-	Note (iii)
Joint Venture									
Indian									
7	Taj GVK Hotels and Resorts Ltd.	March 31, 2015	16,000,400	40.34	25.52%	88.42	(0.47)	-	Note (iv)
8	Taj Kerala Hotels and Resorts Ltd.	March 31, 2015	14,151,664	15.67	28.30%	14.75	0.10	-	Note (iv)
9	Taj Karnataka Hotels and Resorts Ltd.	March 31, 2015	1,398,740	1.40	44.27%	(2.89)	0.03	-	Note (iv)
10	Taj Safaris Ltd.	March 31, 2015	12,496,667	14.50	29.46%	1.49	(0.53)	-	Note (iv)
11	Kaveri Retreat & Resorts Ltd	March 31, 2015	10,235,293	34.80	50.00%	14.35	(1.41)	-	Note (iv)
12	Taj Madras Flight Kitchen Pvt. Ltd.	March 31, 2015	7,944,112	8.56	50.00%	20.76	0.58	-	Note (iv)
Foreign									
13	IHMS Hotels (SA)(Pty) Ltd.	March 31, 2015	500	57.09	50.00%	(42.86)	(31.84)	-	Note (iv)
14	TAL Hotels & Resorts Ltd.	March 31, 2015	4,946,282	37.60	27.49%	101.57	7.60	-	Note (iv)

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.
- These are jointly controlled entities.
- The carrying value of Investments in these Associates has been reported as Nil in Consolidated Financial Statements, 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).

For and on behalf of the Board

Cyrus P. Mistry

Rakesh Sarna

Anil P. Goel

Mehernosh S. Kapadia

Deepak Parekh

Shapoor Mistry

Nadir Godrej

Gautam Banerjee

Vibha Paul Rishi

Ireana Vittal

Beejal Desai

Chairman

Managing Director & CEO

Executive Director & CFO

Executive Director - Corporate Affairs

Directors

Vice President - Legal & Company Secretary

Mumbai, May 29, 2015

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)

¶ 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

@ 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

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

[illegible]