

# IHCL

INTEGRATED ANNUAL REPORT 2019-20



INDIA'S  
**STRONGEST**  
**TAJ** BRAND

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THE INDIAN HOTELS COMPANY LIMITED

A TATA Enterprise



SELEQIONS

VIVANTA

GINGER

EXPRESSIONS



# What's inside

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# About this report

## Reporting scope & boundary

The Integrated Report FY 2019-20 aims to provide our stakeholders an all-inclusive depiction of IHCL's financial and non-financial performance. This Report provides insights into our key strategies, operating environment, risks and opportunities, governance structure and the Company's approach towards long-term sustainability. The Report also covers the businesses of the IHCL group, including subsidiaries, joint ventures and other collaborations, and reflects our transition, achievements and future aspirations. The Report also abides by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI circular on voluntary adoption of Integrated Reporting, dated February 6, 2017.

## Reporting principles

We have provided Consolidated and Standalone financial statements in this Report. The financial and statutory data presented is in accordance with the Companies Act, 2013 (and rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India. The Standalone and Consolidated Financial Statements have been audited by BSR & Co. LLP who have expressed an unmodified opinion and is included in the Independent Auditor Report.

## Approach to materiality

This Report includes information that is material to our stakeholders and it presents an overview of our businesses and associated activities that help in short-term, medium-term and long-term value creation. We have also presented information around our strategic approach towards the material issues.

## Responsibility

The Management believes that this Report addresses all material issues and presents the integrated performance of the Company and its impact in a fair manner, in order to optimise governance oversight, risk management and controls.

## Forward-looking statements

Certain statements in this document constitute 'forward-looking statements', which involve known and unknown risks and opportunities, other uncertainties and important factors that could turn out to be materially different following the publication of actual results. These forward-looking statements speak only as of the date of this document. The Company undertakes no obligation to update publicly, or release any revisions, to these forward-looking statements, to reflect events or circumstances after the date of this document, or to reflect the occurrence of anticipated events.

## PERFORMANCE HIGHLIGHTS FY 2019-20

₹4,596 CR

Revenues\*

23.9% ▲ 406 bps

EBITDA Margin

₹1,100 CR

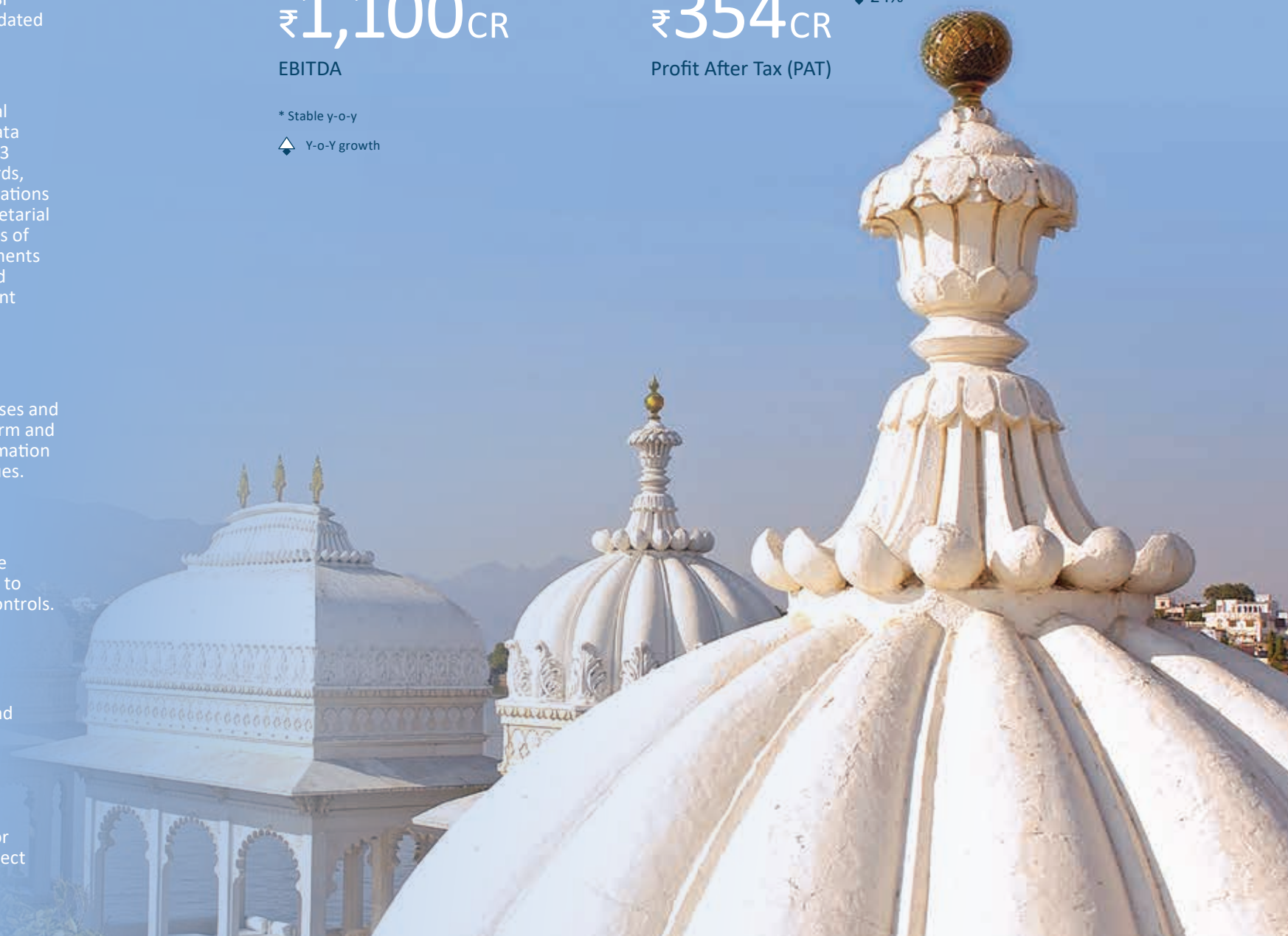
EBITDA

₹354 CR ▲ 24%

Profit After Tax (PAT)

\* Stable y-o-y

▲ Y-o-Y growth





# INDIA'S STRONGEST TAJ BRAND

*Taj, India's Strongest Brand across industries and sectors\*, is an iconic hospitality brand from The Indian Hotels Company Limited. The brand continues to be one of the most revered and loved hospitality brands with a legacy of over 116 years of impeccable service and genuine warmth. Embodying the spirit of "Tajness", authentic palaces, landmark hotels, idyllic resorts and natural safari lodges interpret the tradition of hospitality in a refreshingly modern way to create unique experiences and lifelong memories.*

*Our rating as the nation's strongest brand by the one of the world's leading brand valuation consultancies bears testimony to our relentless pursuit of Aspiration 2022 to become South Asia's most iconic and most profitable hospitality company. We have made significant progress towards achieving our strategic objectives in a short span. We are confident of continuing our journey and carrying the trust of our guests, employees and our stakeholders with an even stronger commitment.*

## TAJ RANKED #1

On the list of strongest Indian Brands\*

## AAA+

Brand Strength Rating\*

\*Source: Brand Finance, 'India 100 2020' report



*"In a free enterprise, the community is not just another stakeholder in the business, but is in fact the very purpose of its existence."*

**JAMSETJI TATA**

Founder of the Tata group,  
Chairman (1868–1904)

### INSPIRING PARENTAGE

The Tata Group is a renowned conglomerate that encompasses over 100 companies and has revenue of over US \$113 Billion. Present in 150+ countries for more than 150 years, the Group possesses unique advantages and invaluable expertise which add to our strength. The Tata Group's core values (Integrity, Responsibility, Excellence, Pioneering and Unity) act as a guiding light for us and are deeply ingrained in every aspect of our business.



Over the past 116 years, we have seamlessly blended opulence with warmth, and traditional with the contemporary.

~ LIKE ALWAYS, LIKE NEVER BEFORE ~

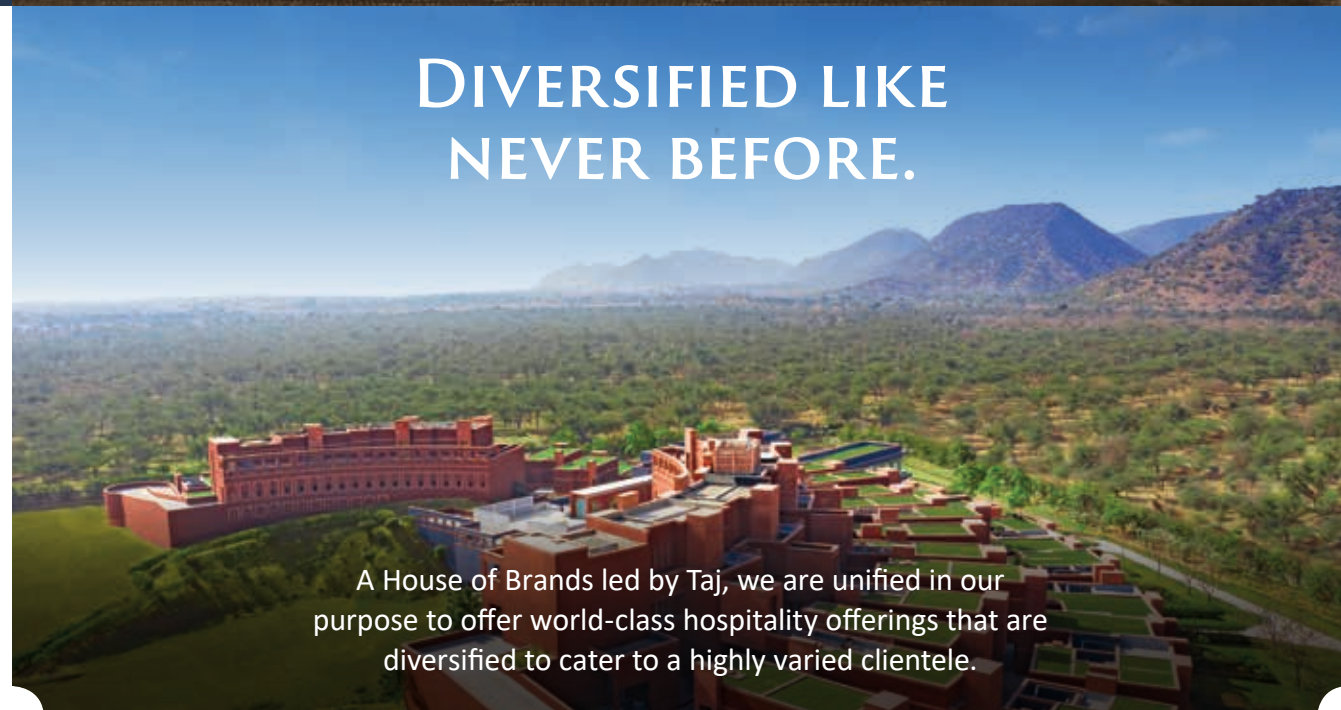
to create an ecosystem that goes beyond hospitality



UNIFIED  
LIKE ALWAYS.



CUSTOMER-OBSESSED  
LIKE ALWAYS.



DIVERSIFIED LIKE  
NEVER BEFORE.

A House of Brands led by Taj, we are unified in our purpose to offer world-class hospitality offerings that are diversified to cater to a highly varied clientele.



DATA-DRIVEN LIKE  
NEVER BEFORE.

Our customers have always been at the heart of everything we do. We are now leveraging the power of data and technology to deliver personalised and immersive experiences.





**PIONEERING  
LIKE ALWAYS.**



**AUTHENTIC  
LIKE ALWAYS.**



**PASSIONATE  
LIKE NEVER BEFORE.**

For more than 119 years, we have pioneered excellence in hospitality. Today, we are passionate about extending our leadership in hospitality globally.



**INNOVATIVE  
LIKE NEVER BEFORE.**

Our iconic brand talks about the countless, exceptional customer experiences built for well over a century. We are focused on adding further value by integrating innovative concepts to our offerings.



PRESENTING OUR CAPITALS

# Resources we depend on



**FINANCIAL CAPITAL**

**Our financial resources**

Our key financial resources primarily include equity, internal accruals and debt. The objective is to steadily strengthen our balance sheet, enhance profitability and cash flows, and emerge as the most profitable hospitality company in South Asia.

➔ PAGE 20

₹4,596<sup>CR</sup>

Revenues\*

1.74

Net Debt to EBITDA\*

\*During FY 2019-20      \*As on March 31, 2020



**MANUFACTURED CAPITAL**

**Our assets**

The hotels and properties we own or manage, as well as our offices represent the physical infrastructure our business depends on. We invest regularly in these assets and focus on its upkeep, maintenance and efficient use.

➔ PAGE 14

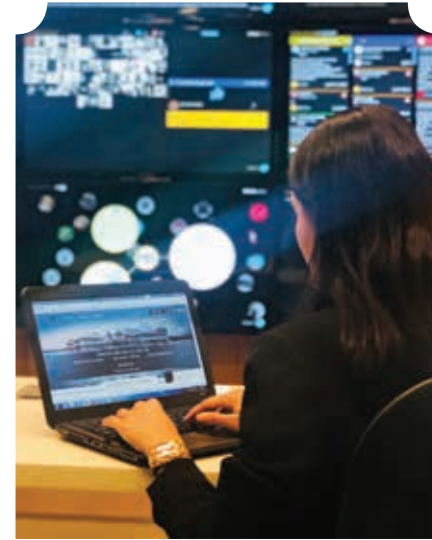
200

Hotels operational+pipeline#^

25,168

Rooms operational+pipeline#^

^Excluding amā Stays and Trails



**INTELLECTUAL CAPITAL**

**Our know-how and expertise**

Our collective capabilities and insight help us craft unique experiences for our guests. Our signature services, brands, standard operating procedures and trademarks represent our intangible assets. We have built end-to-end digital offerings and platforms to provide superior customer experience. We continue to enrich these intangible assets to sustain and enhance our competitive advantage.

➔ PAGE 44, 60

\$309<sup>MN</sup>

Brand value#

660

Trademarks registered#



**HUMAN CAPITAL**

**Our people**

Our teams are integral to our business. We have embraced a culture of excellence and meritocracy to nurture our people. We believe in selecting the right talent, training them and instilling in them the spirit of Tajness.

➔ PAGE 46, 86

33,797

Employees#

85%

Frontline retention\*



**SOCIAL AND RELATIONSHIP CAPITAL**

**Our relationships**

We conduct our business in a responsible manner and engage with all stakeholders including customers, regulators, governments, suppliers and contractors, communities, and the society at large to create and retain value for the long term.

➔ PAGE 80

1,914

Beneficiaries from CSR initiatives\*

₹7.56<sup>CR</sup>

CSR expenditure\*



**NATURAL CAPITAL**

**Our natural resources**

Our operations rely on renewable and non-renewable resources and we recognise the impact of our operations on the natural ecosystems. We focus on utilising the scarce natural resources in an optimal manner. From steadily stepping up the use of renewable energy to curtailing waste, we adopt a 360-degree approach to managing our ecological footprint.

➔ PAGE 76

2,044

Specific water consumption\* (Litre/Guest Night)

30.97

Specific Green House Gas (GHG) emissions\* (Kg CO<sub>2</sub>e/Guest Night)



## IHCL AT A GLANCE

## Reinventing hospitality

*We have evolved from being a hotel-only business to a comprehensive hospitality ecosystem.*

We offer the full breadth of our hospitality knowhow in an incomparable ensemble spanning from luxury to lean-luxe brands. Our hotel brands include Taj, SeleQtions, Vivanta and Ginger. Our guests experience iconic locations, authentic palaces, idyllic resorts, landmark hotels, scenic safaris and experiential stays, with us.

Our service offerings range from India's exalted business club – The Chambers to marquee food and beverages (F&B) brands volume catering solutions to salons, wellness spas service, ayurvedic services and boutiques. We are one of the largest hospitality companies in South Asia and at the same time are agile to capitalise on emerging opportunities by launching new 'concepts' through continuous innovation.

For over a century, we have continued to strengthen our legacy of creating exceptional experiences for our patrons around the world. We are deeply humbled by the trust that all our stakeholders bestow upon us and are aware of our responsibility towards them.

Despite short-term challenges in the macro landscape owing to the pandemic, we will continue to elevate our spirit of 'Tajness' and ensure the comfort and well-being of all our guests, with an added touch of safety and create long-term value for all our stakeholders.

# 100+

Locations (operational + pipeline)<sup>#^</sup>

# \$1 BN

Group revenue\*

# 18,924

Rooms (operational)<sup>#^</sup>

# 158

Hotels (operational)<sup>#^</sup>

\*During FY 2019-20

<sup>#</sup>As on March 31, 2020

<sup>^</sup>Excluding amā Stays and Trails



## IHCL AT A GLANCE

### OUR PURPOSE

To create value by operating the best-in-class portfolio of hospitality brands in India and select overseas destinations.

### OUR VALUES

We have spent years perfecting our craft, decades earning a reputation, and centuries building a culture. We call it Tajness. The spirit of Tajness and everything that we do at IHCL, is guided by our values of Trust, Awareness and Joy.



#### TRUST

- Fairness with all stakeholders
- Openness and transparency in what we do
- Free flow of information
- Alignment of all stakeholders
- Build and strengthen long-term relationships

#### AWARENESS

- Enhance awareness around our plans, strategies, tactics, processes
- Work together to create greater enterprise value
- Participative in our decision making
- Imbibe a sense of belonging across all stakeholders

#### JOY

- Derive joy and happiness from what we do and how we do it
- Serve all stakeholders with joy and utmost dedication
- Create and maintain an environment where there is joy and happiness, where people are respected, and diversity is celebrated
- Share our success with all stakeholders

### OUR BRANDSCOPE

# IHCL





BRAND PORTFOLIO

# Our hotels



**Locations**  
Authentic palaces, landmark hotels, idyllic resorts and natural safari lodges across key cities and leisure destinations across the globe

**Target Market Segment**  
Luxury business and leisure world traveller

**Nature of Arrangements**  
Owned, leased and management contracts

**74**  
**10,218**

**PAGE 60**

Hotels (operational) As on March 31, 2020

Rooms (operational) As on March 31, 2020



**Locations**  
Cities across the globe

**22**

**Target Market Segment**  
Contemporary business and leisure traveller

**3,197**

**Nature of Arrangements**  
Owned, leased and management contracts

**PAGE 64**



**Locations**  
Cities and resort destinations

**12**

**Target Market Segment**  
Discerning business and leisure traveller

**1,096**

**Nature of Arrangements**  
Owned, leased and management contracts

**PAGE 66**



**Locations**  
Unique cities

**50**

**Target Market Segment**  
Young, millennial, business and leisure traveller

**4,413**

**Nature of Arrangements**  
Owned, leased and management contracts

**PAGE 68**

Hotels/Bungalows (operational) As on March 31, 2020

Rooms (operational) As on March 31, 2020



**Locations**  
Offbeat locations across India

**14**

**Target Market Segment**  
Discerning leisure traveller

**59**

**Nature of Arrangements**  
Management contracts

**PAGE 70**



BRAND PORTFOLIO

# Beyond hotels



*The Chambers*

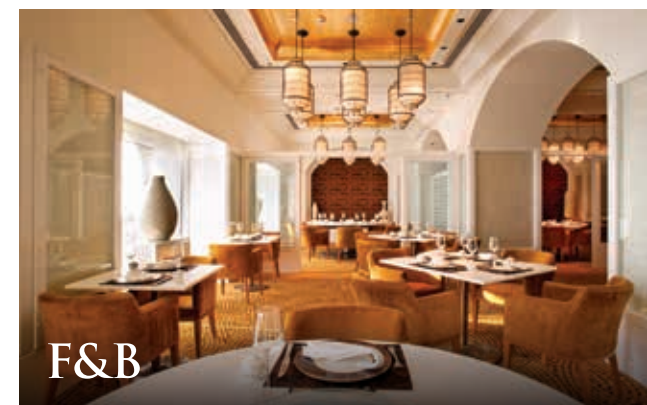
<p><b>Locations</b> Cities across India and the Dubai (UAE)</p>	<p><b>Brand Proposition</b> India's foremost Business Club offering range of unique and customised services for its members</p>	<p><b>Target Market Segment</b> Distinguished achievers, corporate leaders and the power elite of India</p>	<p><b>Nature of Arrangements</b> Owned</p>	<p> 7</p> <p> ~2,000</p>
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JIVA

<p><b>Locations</b> Landmark cities and resort destinations globally</p>	<p><b>Brand Proposition</b> Indian wellness therapies and spa experiences</p>	<p><b>Target Market Segment</b> Wellness seekers and leisure tourists</p>	<p><b>Nature of Arrangements</b> Owned</p>	<p> 72</p>
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Clubs As on March 31, 2020	Ultra HNI exclusive members As on March 31, 2020	Spas As on March 31, 2020	Bars and restaurants As on March 31, 2020
Boutiques As on March 31, 2020	Salons As on March 31, 2020	Units As on March 31, 2020	



F&B

**Locations**  
Landmark cities and resort destinations globally

390+

**Brand Proposition**  
Timeless fine dining, high-energy bars, welcoming all-day dining and patisseries

**Target Market Segment**  
Discerning luxury customers seeking elevated F&B experiences

**Nature of Arrangements**  
Owned



KHAZANA

**Locations**  
Landmark cities and resort destinations globally

17

**Brand Proposition**  
Indian luxury lifestyle retail showcasing regional art forms and Indian heritage

**Target Market Segment**  
Discerning shoppers and world travellers

**Nature of Arrangements**  
Multi-product retail outlets



niu&nau

**Locations**  
Landmark cities

48#

**Brand Proposition**  
Urban and contemporary beauty and grooming services

**Target Market Segment**  
Discerning luxury customers seeking personalisation and high-end grooming services

**Nature of Arrangements**  
Owned

\*This includes 41 Taj salons and 7 niu&nau which will be converted in a phased manner.



Taj sats

**Locations**  
Cities across India

6

**Brand Proposition**  
High taste and high nutrition meals

**Services Offered**  
In-flight catering, airline lounge management, Institutional catering, outdoor catering, corporate gifting

**Nature of Arrangements**  
Joint venture



OUR PRESENCE

# Taking Indian hospitality to the world



INDIA

- |                               |                |               |              |                |                       |                |                 |
|-------------------------------|----------------|---------------|--------------|----------------|-----------------------|----------------|-----------------|
| 1 Agartala                    | 12 Bhubaneswar | 24 Faridabad  | 36 Kanha     | 47 New Delhi   | 59 Shimla             | 71 Varkala     | 83 Gorakhpur    |
| 2 Agra                        | 13 Kozhikode   | 25 Goa        | 37 Katra     | 48 Noida       | 60 Srinagar           | 72 Vijayawada  | 84 Haridwar     |
| 3 Ahmedabad                   | 14 Chandigarh  | 26 Gondia     | 38 Kolkata   | 49 Ooty        | 61 Surajkund          | 73 Vizag       | 85 Jhansi       |
| 4 Ajmer                       | 15 Chennai     | 27 Gurgaon    | 39 Kovalam   | 50 Panna       | 62 Surat              | 74 Alwar       | 86 Kalinganagar |
| 5 Allepey                     | 16 Chikmagalur | 28 Guwahati   | 40 Kumarakom | 51 Pantnagar   | 63 Thane              | 75 Amravati    | 87 Karad        |
| 6 Amritsar                    | 17 Cochin      | 29 Gwalior    | 41 Lucknow   | 52 Patna       | 64 Tirupati           | 76 Belgaum     | 88 Lonavala     |
| 7 Andaman and Nicobar Islands | 18 Coimbatore  | 30 Hyderabad  | 42 Madurai   | 53 Pench       | 65 Tiruppur           | 77 Bharuch     | 89 Manipal      |
| 8 Aurangabad                  | 19 Coonoor     | 31 Indore     | 43 Mangalore | 54 Puducherry  | 66 Thiruvananthapuram | 78 Bhopal      | 90 Nagpur       |
| 9 Bandhavgarh                 | 20 Coorg       | 32 Jaipur     | 44 Mumbai    | 55 Pune        | 67 Udaipur            | 79 Darjeeling  | 91 Shillong     |
| 10 Bengaluru                  | 21 Corbett     | 33 Jamshedpur | 45 Mysore    | 56 Ranthambore | 68 Vadodara           | 80 Dehradun    | 92 Tawang       |
| 11 Bekal                      | 22 Dwarka      | 34 Jodhpur    | 46 Nashik    | 57 Rishikesh   | 69 Vapi               | 81 Dharamshala | 93 Wayanad      |
|                               | 23 Ernakulam   | 35 Junagadh   |              | 58 Sanand      | 70 Varanasi           | 82 Gangtok     |                 |

Note:  
Locations numbered 74-93 are in pipeline and not yet operational  
All locations exclude amā Stays and Trails

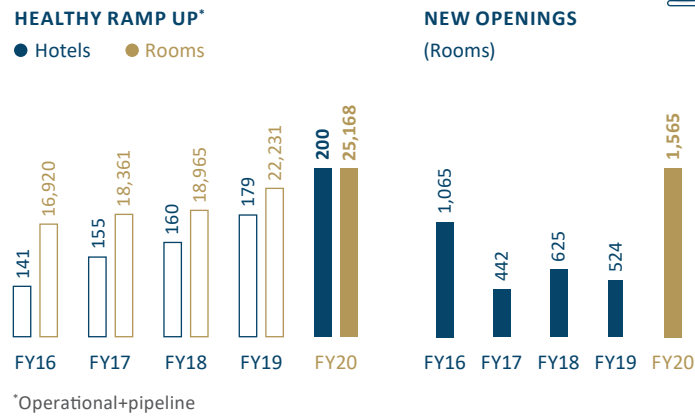


KEY PERFORMANCE INDICATORS

# Going strong

SCALE

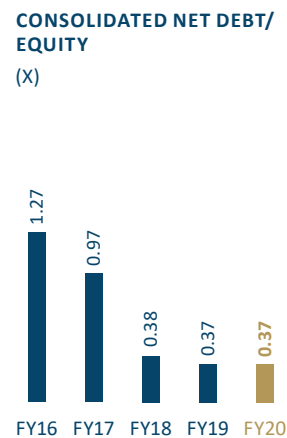
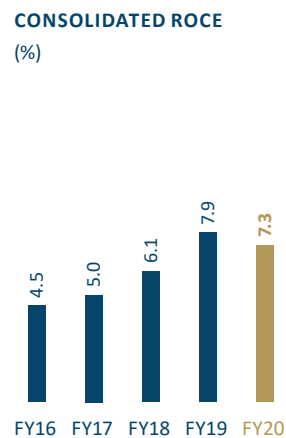
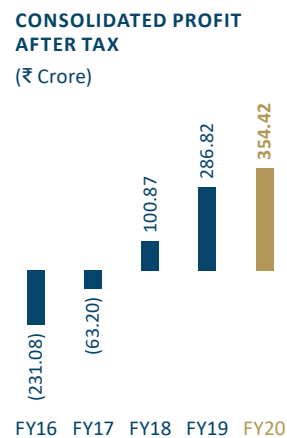
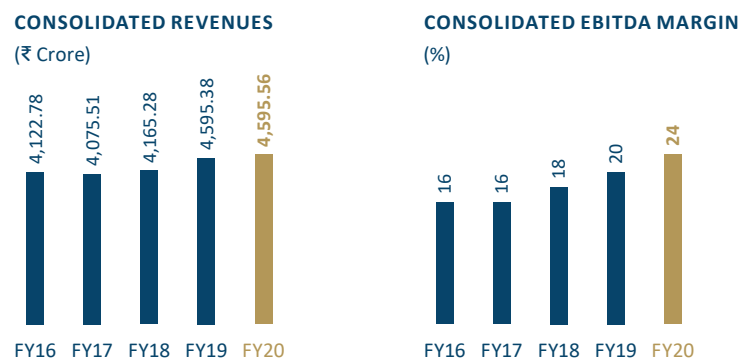
Our Aspiration 2022 strategy focuses on agile ramp-up of capacity. As a part of that growth blueprint, we have significantly enhanced the pace of new hotel launches. Our signings tripled from about 1,000 rooms annually in FY 2016-17 to 3,700+ rooms annually in FY 2019-20. Likewise, we delivered on our promise of opening one hotel every month in FY 2019-20, reflecting multi-fold growth over FY 2016-17, when we opened just five hotels. We identify locations with high growth potential (capitals of all states in India, spiritual destinations in India, among others) and evolve appropriate concepts for market traction.



PAGE 40

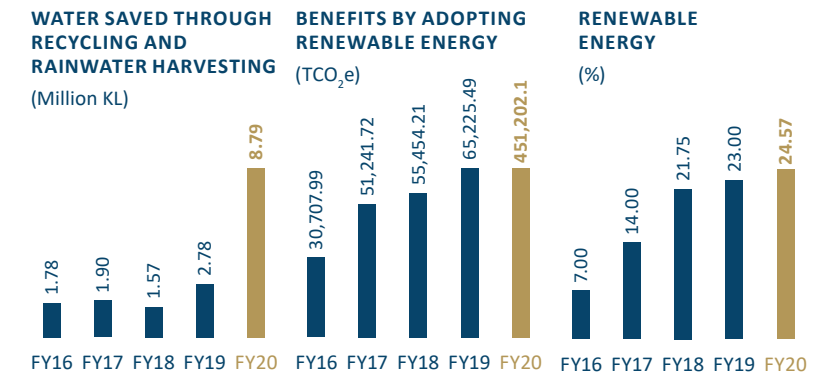
FINANCIAL PERFORMANCE

As we achieve higher scale through an asset-smart strategy, our leading position across most brands enables us to command premium pricing compared to the industry average and with occupancies improving, our revenues have grown consistently. Another focus area for us has been to drive overall profitability by enhancing operational efficiencies. These strategies have paved the way for sustainable turnaround of our operations with demonstrated margin expansion.



ENVIRONMENTAL

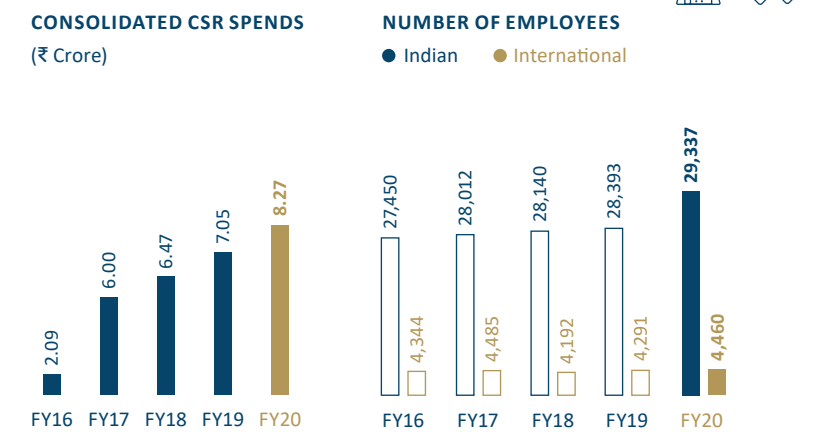
We are a socially responsible organisation and are committed to maintaining the sanctity of the environment in our day-to-day operations. We have defined specific targets to ensure that we utilise our resources optimally and continue to contribute towards making our communities greener, and more sustainable. Optimum utilisation of energy and water at all our properties and efficient waste management are three major focus areas for us, and we are making steady progress towards our goals.



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SOCIAL

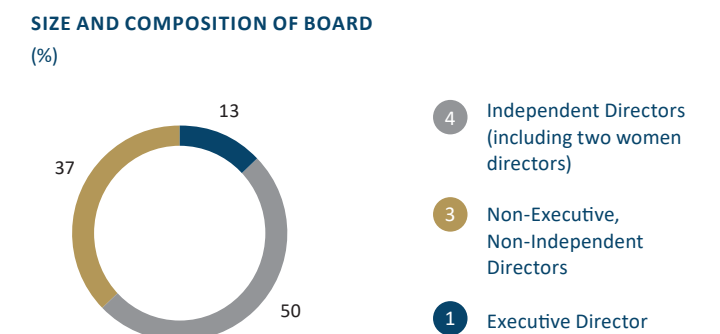
In line with the overarching tenets of our Group, we are working hard to uplift the communities around us; and are committed to building capabilities and further livelihoods of underprivileged communities. We have meticulously cultivated a culture of excellence and meritocracy to nurture our talent pool. Capability building is a continuous process for us; and we continue to promote the spirit of entrepreneurship within the organisation. We engage with all our stakeholders including customers, partners, regulators and the society responsibly to develop mutually beneficial, long-lasting relationships with them.



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GOVERNANCE

The tenets of inclusiveness and transparency are integral to our corporate governance practices, and we have generously adopted best practices from all over the world. These guidelines cover aspects related to the composition and role of the Board and its Committees, Chairman and Directors, Board diversity, Directors' term and retirement age. It also encompasses aspects relating to the nomination, appointment, induction and development of Directors, Directors' remuneration, subsidiary oversight, Board effectiveness review and mandates of Board Committees.



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## MD &amp; CEO'S MESSAGE

Embracing a new normal  
with conviction

Dear Stakeholders,

*For the travel and tourism sector, the end of the decade saw greater emphasis on the industry as a significant contributor to the overall global economy and employment. A strong economy, rising global consumer purchasing power and digital disruption was paving the way for a bright future, and FY 2019/2020 was, in fact, a tipping point, presenting tremendous potential for the sector.*

However, this buoyant sentiment was upended by a sudden outbreak of a pandemic that has had no parallels in recent history in terms of scale and impact. The world was placed under suspended animation, and the industry was brought to a halt, with estimated losses at trillions and millions of jobs at risk. With the very foundation of the world altered, the need of the hour is to see our industry, and IHCL, through the crisis with greater urgency, revised strategy and more agility (stragility).

It also calls for a greater need for communities to unite and support one another in this time of need. Guided by our values as a Tata company, our priority besides ensuring the safety and security of our guests and employees, was to help the community in any manner we could. We are humbled to have been given the opportunity to be of service to the nation by providing over 2 Million meals to healthcare workers and migrant labourers throughout the lockdown. Some of our hotels were also offered to doctors and healthcare workers, while some were converted into quarantine facilities.

#### A SILVER LINING – EVERY CRISIS ALSO PRESENTS AN OPPORTUNITY

The travel and tourism industry accounts for 10% of the global GDP and generates 1 out of 10 jobs. In India, it is a significant contributor to GDP and also contributes 8.1% to the overall workforce. Thus, given its significance, the industry will have a crucial role to play in any economic revival and with tourism likely to look inwards in the new normal, India is well placed with its rich heritage and cultural diversity.

With a 116-year legacy honed by Tata values, our ability to consistently deliver industry-leading growth while

maintaining profitability and balance sheet strength, combined with our business sense and thrift, makes us resilient to disruptive challenges.

Change breeds innovation and in light of the current global scenario, at IHCL, we have detailed a comprehensive five-point strategy – R.E.S.E.T 2020. This will not only cater to the rapidly changing market conditions, shifting government policies and dynamic customer needs, but will also focus on re-imagining business models, implementing various operational excellence interventions required for safety and hygiene, revenue enhancement and creating alternative sources of revenue through our well established hospitality eco-system, cost optimisation and other measures through utmost financial prudence.

#### SUSTAINABILITY LED BY PROFITABILITY

The relentless pursuit of our five-year strategy – Aspiration 2022 – has enabled us to deliver nine quarters of profitable growth in a row. In FY 2019-20, we recorded the highest full-year PAT at ₹354 Crore, up 24% Y-O-Y; the highest full-year EBITDA at ₹1,100 Crore, up 20%; and a 406-basis-point expansion in EBITDA margin. Our balance sheet was further strengthened by lowering net debt-to-EBITDA to 1.74.

We have made significant inroads in meeting our defined objectives within two years of outlining our aspirations. In order to drive asset-light growth, we have restructured our portfolio, with management contracts now accounting for 42%. We have signed over 50 new hotels in the past two years, reaching a milestone of 200 hotels with 25,000+ rooms across 100+ locations (excluding amã Stays and Trails) – 29 hotels were signed in the last fiscal alone.

#### STRONG BRAND VALUE

The overall positive outcome was further accelerated by Taj being rated as India's Strongest Brand in Brand Finance's Brand Value Report – 'India 100 2020' report recently. With a brand strength index (BSI) score of 90.5 out of 100 and AAA+ brand strength rating, it is a matter of pride, and has further reinforced the brand's resonance and trust among all our stakeholders.

#### RE-IMAGINING AND CONSOLIDATING OUR HOSPITALITY ECOSYSTEM

Even as we adapt to the new normal, we will continue to re-imagine our multi-product, multi-segment brandscape to transform from a hotels business to a hospitality ecosystem. Our new brand – SeleQtions – along with the expansion of amã Stays & Trails across offbeat locations, offers distinct value propositions across demographics. The repositioned Ginger recorded the highest number of rooms signed under any brand in India in FY 2019-20, and reached a milestone with the opening of the 50<sup>th</sup> Ginger hotel in Surat.

Our ancillary service brands perfectly complement our hospitality brands. The Chambers – Taj's exclusive business club – was relaunched with enhanced features and over 100 new members. In order to capture diverse customer segments, we launched our salon brand, niu&nau; and re-designed our F&B offerings with the recent launch of Qmin, a repertoire of culinary experiences. An exclusive partnership with AB InBev, for an industry first on-site chain of microbreweries, will see the first 7 Rivers brewpub open at Taj MG Road in Bengaluru, shortly. We also tied up with globally acclaimed Italian restaurant chain, Paper Moon – its first restaurant in India is due to launch in Goa.

We opened 12 hotels including Taj Fateh Prakash Palace in Udaipur; Taj Jumeirah Lakes Towers in Dubai; Taj Tirupati – strengthening our presence in spiritual tourism; Taj Hotel & Convention Centre Goa – the largest convention venue in the state with Cidade De Goa – IHCL SeleQtions; Devi Ratn – IHCL SeleQtions in Jaipur and Ginger Surat. We also augmented our development portfolio with multiple signings in the North East, Haridwar, Thiruvananthapuram and Bhubaneswar, while readying the launch of a Vivanta prototype in Bengaluru.

#### TAJNESS – A COMMITMENT RESTRENGTHENED

As we slowly but steadily embark on the path to recovery, our hotels stand prepared to welcome guests back with an enhanced focus on hygiene and safety through exacting protocols delivered with a renewed and restrengthened commitment to Tajness.

#### LOOKING AHEAD

Although the new decade has begun on a challenging note, history is testament to the resilience our company has demonstrated in the face of adversity. We are confident that we will emerge stronger and more unified than ever. We will also have the opportunity to create a more positive impact and reshape the world together, making it a better place for all who inhabit it.

Sustainability will remain at the core of all that we do. We will continue to give back to society by enabling livelihoods through skilling, leverage our business value chain to support traditional art and heritage, drive societal welfare through the Taj Public Welfare Trust, and carry out responsible sourcing of local products and materials.

Guided by our values of Trust, Awareness and Joy, we remain committed to deepening our collaborations, and driving business performance in a responsible manner. This will, of course, be impossible without the continued support of our patrons, investors, employees and other stakeholders. I thank you all for being the strongest pillars of our success.

Best Regards,

Puneet Chhatwal

Managing Director and CEO

₹4,596CR

Revenue\*

₹1,100CR ▲ 20%

EBITDA\*

₹354CR ▲ 24%

Profit after tax\*

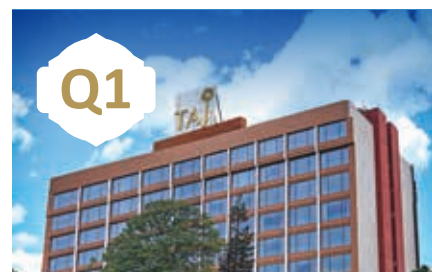
Consolidated figures  
\* For FY 2019-20

▲ Y-o-Y growth



## HIGHLIGHTS OF OPERATIONAL PERFORMANCE

## A reflection of continued progress



Q1

**New signings**

We signed eight new hotels in the quarter. We signed two hotels under our iconic Taj brand in Agra and Ahmedabad, two new Vivanta properties in Greater Noida and Gorakhpur and three new Ginger hotels in Dwarka, Kalinganagar and Amravati. Our new SeleQtions hotel in Jaipur is aimed at capturing the demand in the upcoming suburbs and the Eastern part of the city.

**New openings/renovations**

- In April 2019, we opened doors to the iconic Cidade de Goa in Goa under the SeleQtions brand.
- In May, the Taj brand debuted in Agra with the opening of Taj Hotel & Convention Centre, Agra and Ginger unveiled its new lean luxe hotel in Dwarka, Gujarat.
- We opened Taj MG Road, Bengaluru in April 2019, after undertaking major renovation spanning more than 21 months.

8 HOTELS SIGNED

**Driving inorganic growth**

In partnership with Singapore's sovereign wealth fund, GIC we have created an investment platform worth ₹ 4,000 Crore (\$600 Million) for the next three years. This platform will have equity contribution of 30% from IHCL and 70% from GIC. The objective is to acquire fully operational but underperforming hotels in the luxury, upper upscale, upscale and lodging segments in India. This partnership will enable us to meet our strategic goal of scaling up our portfolio through an asset smart growth.



Q3

**New openings/renovations**

- Further solidifying our position as pioneers in India's religious tourism segment, we opened our first Taj property in the holy town of Tirupati, home to the renowned shrine of Tirumala Venkateswara temple. Tirupati is one of the largest pilgrimage destinations globally and attracts millions of devotees every year.
- We strengthened our international presence by opening Taj JLT in Dubai in December 2019.
- We opened three new Ginger hotels in the quarter; one each in Madgaon (the largest commercial hub of Goa), Patna (IHCL's first hotel in Bihar) and Surat (the 50th Ginger hotel).

- We opened 2 new villas in Candolim, Goa under the Ama Stays & Trails brand.
- In October, we reopened the iconic restaurant Bombay Brasserie at Taj Cape Town with a refreshed look and a new bar.

**Pioneering new concepts in F&B**

To leverage our collective strengths, in October, we partnered with Anheuser Busch InBev (AB InBev), the world's leading brewer, to launch a premium chain of microbreweries at our hotels across select cities in India.

**New signings**

- We added yet another iconic palace to our Taj brand portfolio by signing the 65-room Taj Fateh Prakash Palace, Udaipur.
- We signed two new Ginger properties in the holy cities of Varanasi and Amritsar and another Ginger hotel was signed in Rajarhat, Kolkata. We signed two new Vivanta hotels in Tawang and Gangtok, in line with our commitment to grow our presence across religious destinations and North-East region, respectively.
- We signed our very first franchise agreement for a 35-room SeleQtions hotel in Haridwar.
- With the signing of six bungalows across different locations (two each in Maharashtra and Kerala and one each in Karnataka and Tamil Nadu) we strengthened the footprint of Ama Stays & Trails brand.

7 HOTELS SIGNED



Q2

**New signings**

We signed seven new hotels in the quarter including a Taj in Dehradun and a Vivanta in Shillong – in line with our strategy of having a presence in all state capitals. We also signed a Vivanta in Manipal and Miramar (Goa) and three Ginger hotels in Udaipur, Nagpur and Candolim (Goa).

**New openings/renovations**

In August, we unveiled a new Ginger hotel in the town of Sanand, Gujarat.

7 HOTELS SIGNED



Q4

**New openings/renovations**

- With the opening of Taj Fateh Prakash Palace in January, we became the largest hospitality operator in Udaipur with a total of four hotels.
- The quarter saw us further enhancing our presence in Jaipur with the opening of Devi Ratn in Jaipur under the SeleQtions brand.
- We opened our doors to the Taj Hotel & Convention Centre in Goa, adjacent to Cidade de Goa.

**New signings**

- We announced our 371-room flagship Ginger project in Santacruz, Mumbai during the Capital Market Day event in February 2020. In addition, we signed seven properties with two Ginger hotels in Chennai and one in Patna.
- The quarter also witnessed the signing of one property each under Taj (Jaipur) and Vivanta (Dharamshala) to strengthen its offerings for the leisure/MICE and spirituality segments, respectively. We also signed a Vivanta hotel in Thiruvananthapuram to strengthen our presence in India's state capitals.
- In sync with our strategy of scaling up brands, we collaborated with Italy-based Ristorante Paper Moon S.R.L to launch their globally acclaimed Italian cuisine restaurant – Paper Moon at some of our marquee hotels in India.

7 HOTELS SIGNED

**Curating distinct experiences**

In January, we launched 'Divinity Trails at the Taj' new experiences which aims to provide unique experiences to spiritual seekers including restorative stays focused on yoga and meditation. Taj is already present across 17 pilgrimages (including Tirupati, Varanasi, Amritsar, Madurai, Rishikesh, Nashik, Ajmer, Katra, and Dwarka) through its portfolio of 32 hotels; and will continue to launch new properties in attractive locations.



## AWARDS &amp; ACCOLADES

## Recognitions for excellence

*In addition to being recognised as the Strongest Brand, IHCL won numerous prestigious awards across various functions for demonstrated excellence and delivery.*


**ETHICAL BOARDROOM  
CORPORATE GOVERNANCE  
AWARDS 2019**

IHCL received three top honours at the Ethical Boardroom Corporate Governance Awards 2019 for the second consecutive year for the Leisure & Hospitality category in Asia including:

**Best Corporate Governance, Asia**

**CEO of the Year, Asia**

**Best Company Secretary, Asia**


**GLOBAL HOSPITALITY ICON  
OF THE YEAR AWARD AT THE  
PATWA INTERNATIONAL  
TRAVEL AWARDS**

Mr. Puneet Chhatwal, MD & CEO was awarded for his contribution in the promotion of travel and tourism industry.

**GOLDEN PEACOCK AWARD FOR  
EXCELLENCE IN CORPORATE  
GOVERNANCE 2019**

IHCL was the winner of this prestigious award for Excellence in corporate governance


**CONDÉ NAST TRAVELLER  
READERS' CHOICE AWARDS 2019  
– UK AND US**

The Best Hotels in the world

The Best Hotels in the world

\*Taj Lake Palace, Udaipur, ranked #3

\*Rambagh Palace, Jaipur, ranked #7

Top 15 Hotels in India

\*Taj Lake Palace, Udaipur, ranked at #1

\*Rambagh Palace, Jaipur, ranked at #2

\*Taj Mahal Palace, Mumbai, ranked at #9

\*Umaid Bhawan Palace, Jodhpur, ranked at #11

\*Jai Mahal Palace, Jaipur, ranked at #12

**CONDÉ NAST TRAVELLER  
GOLD LIST 2020**

Taj Falaknuma Palace, Hyderabad and The Taj Mahal Palace, Mumbai have been featured in the 'Best Hotels in Asia' category


**CONDÉ NAST TRAVELLER  
INDIA READERS' CHOICE  
AWARDS 2019**

Five of IHCL's hotels have been recognised with these awards

Favourite Leisure Hotel in India  
**Taj Lake Palace, Udaipur**

Favourite New Business Hotel in India  
**Taj Connemara, Chennai**

Favourite Safari Lodge in India  
**Baghvan, A Taj Safari –  
Pench National Park**

Favourite Destination Wedding Hotel in India  
**Umaid Bhawan Palace, Jodhpur**

Favourite New Overseas Hotel  
**Taj Exotica Resort & Spa, Maldives**

**MICHELIN GUIDE**

**Quilon**, Taj's award-winning coastal Indian cuisine restaurant in London, retained its Michelin Star for the 13<sup>th</sup> successive year

The award-winning Campton Place Restaurant, San Francisco, earned its second Michelin Star, establishing it as the only Indian-influenced restaurant in the United States and Europe to obtain this recognition. This also marked Campton Place Restaurant's tenth consecutive year as a Michelin-starred restaurant


**EARTHCHECK  
CERTIFICATIONS**

IHCL has set a global benchmark in hospitality for environmental sustainability with the highest number of EarthCheck Gold and EarthCheck Platinum certified hotels globally, with over 78 hotels having being awarded the EarthCheck platinum, gold and silver certifications

**BEST NEW WELLNESS  
RESORTS IN THE WORLD:  
CONDÉ NAST TRAVELER  
HOT LIST 2020**

**Taj Rishikesh Resort & Spa, Uttarakhand** is one of the top four wellness resorts across the globe to be featured in this acclaimed Hot List for 2020

**CONDÉ NAST TRAVELER HOT  
LIST 2020**

**Taj Rishikesh Resort & Spa, Uttarakhand** has been featured in the 24th edition of the coveted Condé Nast Traveler UK Hot List 2020, which features the best hotels across the globe

**TRAVEL+LEISURE IT LIST 2020**

**Taj Rishikesh Resort & Spa, Uttarakhand**, was featured in the coveted IT list 2020, which highlights some of the best new hotels and resorts from across the world

**TRUSTYOU**

**The Taj Mahal Palace, Mumbai** has been accorded the highest guest satisfaction score amongst its hospitality peers globally for the year 2019-2020 for the 3rd consecutive year. With an overall score of 94, it is ranked No. #1 and shares the top spot with five hotels globally


**NATIONAL TOURISM AWARDS  
2017-2018 BY THE MINISTRY OF  
TOURISM, AND GOVERNMENT  
OF INDIA**

**Rambagh Palace, Jaipur** was awarded the Best Five Star Deluxe Hotel in this honourable national award





VALUE CREATION MODEL

# Designed to deliver sustainable value

INPUTS

- Financial Capital (Consolidated)**
- Equity capital: ₹ 5,122 Crore<sup>#</sup>
  - Net Debt: ₹ 1,915 Crore<sup>#</sup>
  - Healthy 45% stake of institutional investors in IHCL<sup>#</sup>:
    - Foreign institutional investors: 11%<sup>#</sup>
    - Domestic institutional investors: 34%<sup>#</sup>

- Manufactured Capital**
- Fixed assets : ₹ 8,303 Crore<sup>#</sup>
  - Total area of land owned : 966 acres<sup>#</sup>

- Intellectual Capital**
- Investments in key brands: ₹ 9.22 Crore<sup>\*</sup>

- Human Capital**
- Investments in employee training: ₹ 7.47 Crore<sup>\*</sup>
  - Investments in employee engagement initiatives and recognitions: ₹ 51.40 Lakh<sup>\*</sup>

- Social & Relationship Capital**
- CSR spends: ₹ 7.56 Crore<sup>\*</sup>
  - Number of trade body memberships: 18<sup>#</sup>
  - Training hours for suppliers: 60 hours<sup>\*</sup>

- Natural Capital**
- Investments in EarthCheck certification: ₹ 1.50 Crore<sup>\*</sup>
  - Sustainability champions trained: 28<sup>\*</sup>
  - Investment towards training sustainability champions: ₹ 12 Lakh<sup>\*</sup>

OUR ACTIVITIES

- We build and manage hotels under various formats
- We also offer a wide spectrum of services that include:



OUR STRATEGIES

- Aspiration 2022 focuses on making IHCL the most iconic and profitable hospitality company in South Asia and is based on the following:

- SP1 Re-structure
- SP2 Re-engineer
- SP3 Re-imagine

OUTCOMES

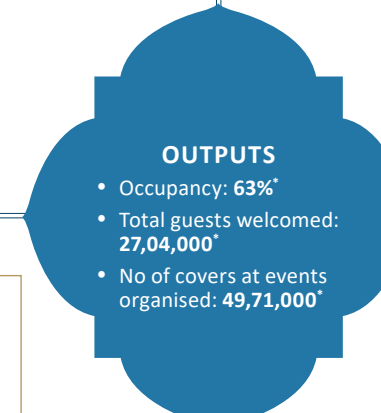
- Financial Capital (Consolidated)**
- Revenues: ₹ 4,596 Crore<sup>\*</sup>
  - EPS: ₹ 2.98<sup>\*</sup>, up 24% Y-o-Y
  - Dividend per share: ₹ 0.50<sup>\*</sup>
- Manufactured Capital**
- Total room nights: 41,20,000<sup>\*</sup>
  - Michelin-starred restaurants: 2<sup>#</sup>
  - Healthy growth across all assets: hotels, service outlets and digital platforms
  - Best-in-class customer service and higher base of loyal customers

- Intellectual Capital**
- Brand value: \$ 309 Million<sup>#</sup>
  - Bookings through digital channels: 8.3%<sup>\*</sup>
  - Trademarks registered: 660<sup>#</sup>
  - Top-of-the mind brand recall among customers
  - High degree of brand salience across segments

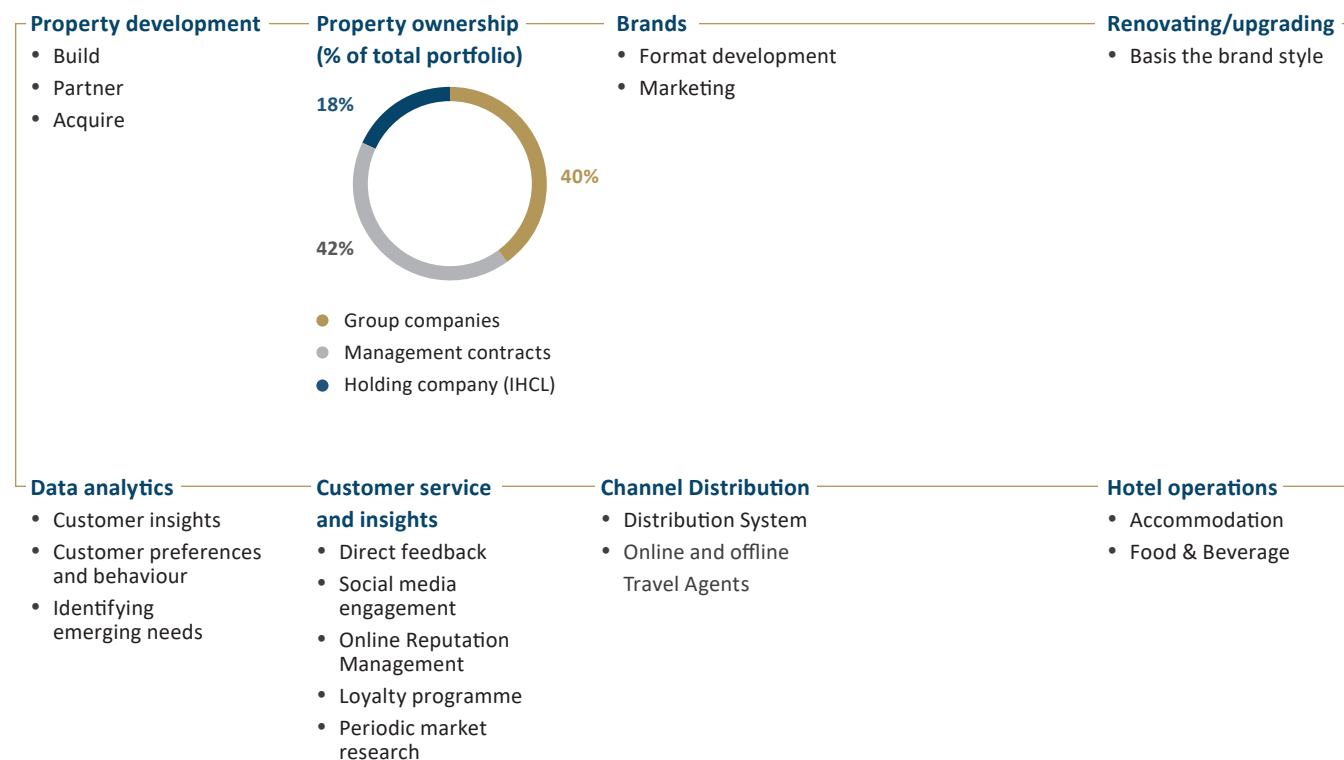
- Human Capital**
- Number of associates: 33,797<sup>#</sup>
  - Revenue per employee: ₹ 22.55 Lakh<sup>\*</sup>
  - LTIFR: 4.87%<sup>\*</sup>
  - High rate of employee retention
  - Rated highly by employees as a good place to work in
  - We are able to attract, train and retain some of the finest industry talent

- Social & Relationship Capital**
- Premium InnerCircle members: up 15%<sup>\*</sup>
  - Beneficiaries of CSR initiatives: 1,914<sup>\*</sup>
  - NPS Score: 66<sup>\*</sup>
  - Partnering leading companies in the hospitality sector
  - Active participation in industry trade fairs and events
  - Long-lasting and rewarding associations with suppliers, customers, vendors and development partners

- Natural Capital**
- Number of properties powered by renewable energy: 27<sup>#</sup>
  - Renewable Energy quotient increased from 7% to 25% over the past four years
  - Number of EarthCheck certified hotels: 78<sup>#</sup>
  - Reduction in our carbon footprint across all locations
  - Implementation of 57 action learning projects on resource conservation and safety, leading to savings of ₹ 1.15 Crore<sup>\*</sup>
  - Focus on continuous performance improvement over a rolling baseline for the material aspects of waste, water and energy



OUR PROCESS CHAIN



\*During FY 2019-20      #As on March 31, 2020



## OUR INVESTMENT CASE

## Why IHCL?

**A WELL-DIVERSIFIED SUITE OF HOSPITALITY OFFERINGS**

We are present across all major hospitality segments such as luxury, upscale, lean luxe, home stays and plantation trails.

These segments cater to a varied customer base comprising the elite, contemporary, business, leisure, millennials, among others. With an eye on optimising our offerings, we are well poised to capturing emerging opportunities in spiritual tourism, capital cities of all states as well as in the underpenetrated regions of North East. Our service retail offerings include food and beverages, spas, boutiques, among others. We are also one of the most prominent players in air catering. We endeavour to bring distinct experiences in each of these segments and make them more efficient and profitable. Such a diversified suite exposes us to a wide array of opportunities, on one hand; and limit the downside risks arising from concentration in one or two segments, on the other.

**LEADERSHIP POSITION**

Over the past 115 years, we have achieved leadership position in most of our segments.

We are among the strongest brands in hospitality globally, with a legacy that speaks of expertise and prestige. Their continued trust in our capabilities has helped us stay ahead. Our ability to evolve in sync with the emerging preferences of our customers and best-in-class service are our key differentiators. Our customer-centric approach, along with the unwavering dedication of our people, has propelled our growth and maintain our lead for over a century.

**Strongest brand group in India**

Consistent track record

**ROBUST, SCALABLE BUSINESS MODEL**

We have embraced an 'asset-right' model.

We have a prudent mix of owned hotels, hotels under management contracts and ones owned by our subsidiary companies. Alongside this, we are constantly looking out for strategic, value-accretive acquisitions. This approach allows us to achieve higher efficiency while allocating capital and enables us to maintain a favourable risk-reward profile.

# 50

New Hotels Signed in the Last Two Years

**STRONG FOCUS ON FINANCIAL PERFORMANCE**

We follow a disciplined approach while raising, allocating and managing capital.

Fiscal prudence is an absolute at IHCL and improving cost and operational efficiencies is an ongoing process. This approach has yielded results, making us one of the most profitable hospitality companies in India. We have registered consistent improvements in EBITDA margins, return ratios, cost ratios, among others. We are strengthening our balance sheet by bringing down leverage; at 1.74x, our net debt-to-EBITDA is well within our targeted sub-2x levels. Our solid financial health bodes well for our future and will hold us in good stead even in challenging times.

# 9

 QUARTERS

of EBITDA margin expansion (q-o-q) till February 2020

Decline in Debt to Equity

**HEALTHY GROWTH PROSPECTS**

Our focus on capturing all opportunities, staying relevant to customers, maximising potential of our brands and driving prudent expansion across segments/ locations will be the key catalysts for our growth.

Amid heightened focus on safety in a post-pandemic world, travellers will prefer our trusted, reputed and time-tested brands. This, along with our proactive strategies to navigate these storms (R.E.S.E.T 2020) will help us come out of this crisis stronger. As the situation normalises over the next year-year and a half, we are well poised to be among the early beneficiaries from the recovery.

**EXPERIENCED MANAGEMENT TEAM, STRONG PARENTAGE**

Guided by the strength and values of a Tata company, our well-experienced management team formulates, implements and constantly monitors our strategies under the supervision of our dynamic Board.

Our management team, with rich experience in their specific domains, have proven track record in implemented strategies to consolidate our leadership position across the hospitality sector and take our business to its next level. Their foresight and agility have enabled us to stay the course through the ebb and flow of cycles.



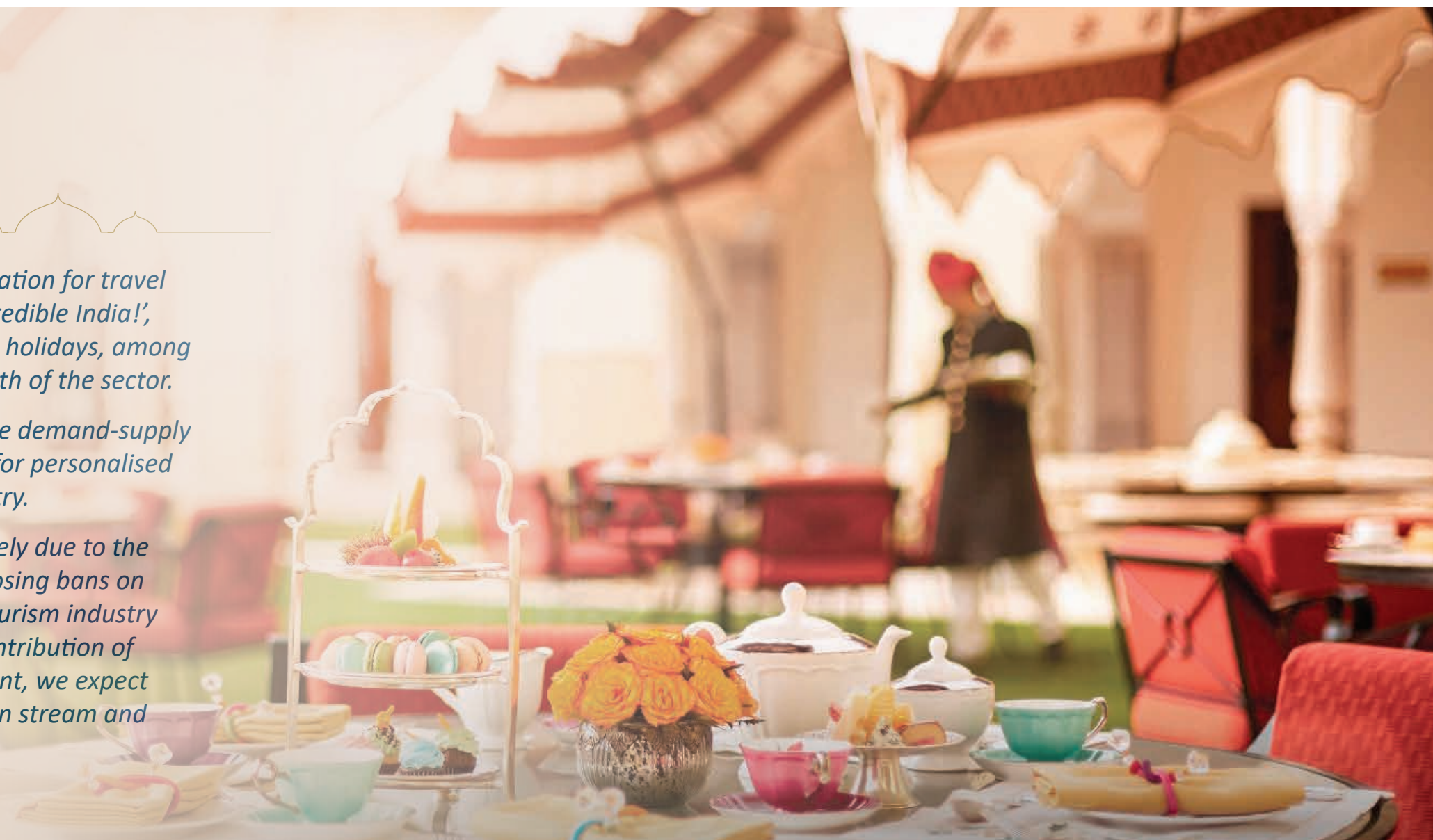
## OUR EXTERNAL ENVIRONMENT

Being reshaped by  
emerging realities

*Over the past few years, India has emerged as a key destination for travel and tourism. The government, through its campaigns, 'Incredible India!', 'Atithi Devo Bhava' and measures such as allowing FDI, tax holidays, among in the Indian market have played a key role in driving growth of the sector.*

*Rising consumption, growing disposable income, favourable demand-supply dynamics of hotel rooms and, above all, growing demand for personalised and immersive experiences have been reshaping the industry.*

*Come 2020 and the world as we knew it, changed completely due to the global pandemic. With governments across the world imposing bans on international travel as well as lockdowns, the travel and tourism industry has been hit the hardest. That said, given the increased contribution of the industry in global as well as Indian GDP and employment, we expect a gradual revival by the end of 2020, as economies come on stream and infuse policy stimulus to return to near-normal levels.*

**DEMAND FOR STAYCATIONS, BUSINESS LEISURE TRAVEL LIKELY TO GROW**

Given that the risks emanating from the pandemic are likely to abate only gradually, demand for short trips to destinations closer to homes is likely to increase. Such holidays help in reducing monotony. Business-leisure travel is another segment that is likely to revive sooner as Indians seek better work-life balance.

**TECHNOLOGY TO CONTINUE CHANGING THE FACE OF TRAVEL**

As is the case with every other industry, technology is challenging traditional business models and paving the emergence of new ones. Over the past few years, there has been a rapid growth in online transactions with increased preference for simplicity and convenience. This trend is likely to accelerate further in a post-COVID world where social distancing is a way of life. Nearly 35% of Indians will book their travels online by 2021, as estimated by Bain & Company in a recent report.

**RISING PREFERENCE FOR ONLINE FOOD ORDERING, FOOD DELIVERY**

The need to maintain social distancing has led to reduced footfall and seating capacity at restaurants. Restaurants within leading hotels are, however, though are better equipped to meet the safety and hygiene standards and thus could witness better traction. Online food ordering, food delivery, meetings and events for smaller corporate groups, catering at residences for small gatherings could witness faster demand recovery.

**FAVOURABLE GOVERNMENT POLICIES**

In the union Budget the government announced plans to develop 17 iconic tourist sites in the country into world-class destinations. These measures, coupled with the launch of Swadesh Darshan campaign, and theme-based tourist circuits are likely to drive inbound tourism in India.



STAKEHOLDER ENGAGEMENT

# Insights for better decision-making

*We have an iconic portfolio across 100+ locations (excluding amã Stays and Trails) globally and we are cognisant of our economic, social and environmental imprints across these properties. Working closely with communities is a crucial part of our growth strategy for all properties; and we are committed to optimising the natural and cultural wealth available at these locations to create sustainable value for society.*

Our stakeholder engagement methods are tailored to meet the specific requirements of each group, as shown in the table. Our overall approach is to maintain an open-door policy for stakeholder interaction to build transparency and trust.

The stakeholder interests are represented to IHCL's sustainability governance bodies through the Company's representatives who directly interact with our stakeholders, such as hotel HR managers on behalf of employees, the investor relations department on behalf of shareholders, sales & marketing teams on behalf of institutional customers, among others.

Our key stakeholder groups have been identified through guided interviews with 23 representatives of IHCL's senior management across verticals, and through group discussions with employees in each region of our operating ecosystem.



41,20,000

Total room nights\*

50%

Dividend proposed\*

\*During FY 2019-20

	Employees	Customers	Shareholders	Owners and Partners
<b>Why they are important</b>	<ul style="list-style-type: none"> <li>Our people are at the core of our business; their actions are based on our values of trust, awareness and joy</li> <li>They are our biggest strength and differentiator</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction of our institutional and retail customers is key to the growth of our business and our brand</li> <li>Customer loyalty and long-term relationships add to the distinctiveness of our brands</li> </ul>	<ul style="list-style-type: none"> <li>Support from our shareholders and investors is essential to finance the growth and development of our Company</li> </ul>	<ul style="list-style-type: none"> <li>Hotel owners are our partners in business operations and in sustainability</li> <li>Alignment of priorities with owners is critical for efficient operations and business performance</li> </ul>
<b>Key priorities</b>	<ul style="list-style-type: none"> <li>Capability building, development and enhancement of skills</li> <li>Positive and enabling work environment</li> <li>Safety and security</li> <li>Employee wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Service quality</li> <li>Differentiation and product relevance</li> <li>Safety and privacy</li> <li>Ethical business practices</li> <li>Environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance and dividends</li> <li>Good governance</li> <li>Transparency</li> <li>Growth and expansion</li> <li>Operational and resource efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Health of assets</li> <li>Operational and resource efficiencies</li> </ul>
<b>How we engage</b>	<ul style="list-style-type: none"> <li>Real-time engagement through VConnect</li> <li>Daily meetings and briefings</li> <li>Monthly town halls</li> <li>Timely internal communications</li> <li>Published training calendar</li> <li>Employee committees, union meeting</li> </ul>	<ul style="list-style-type: none"> <li>Direct feedback from guests during and after each experience</li> <li>Loyalty programme</li> <li>Real time social media engagement</li> <li>Periodic market research</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly investor calls, annual investor meets, AGM, public and media announcements</li> <li>Annual report and sustainability disclosures</li> <li>A dedicated investor relations department</li> </ul>	<ul style="list-style-type: none"> <li>Annual partner meet</li> <li>Ongoing communication from business development department</li> </ul>
<b>How we deliver value</b>	<ul style="list-style-type: none"> <li>₹1,494.60 Crore consolidated employee benefit expense</li> <li>₹ 7.47 Crore invested in employees' learning and development</li> <li>World-class performance management and career development programmes for employees</li> </ul>	<ul style="list-style-type: none"> <li>Focus on delivering superior customer experiences, consistently</li> <li>Overall customer rating of 90 from across 41,20,000 room nights customer reviews</li> </ul>	<ul style="list-style-type: none"> <li>50% dividend proposed</li> </ul>	<ul style="list-style-type: none"> <li>Revenues shared with asset owners through license fees and other partnership models</li> <li>Emphasis on efficiency and maintenance of infrastructure</li> </ul>

	Suppliers	Local community	Government & Regulators	Lenders
<b>Why they are important</b>	<ul style="list-style-type: none"> <li>Our suppliers provide materials and services that influence the quality of our customers' experiences</li> <li>Supplier relationships ensure efficiency, quality, reliability and an ethical value chain</li> </ul>	<ul style="list-style-type: none"> <li>A positive relationship with local communities ensures our social license to operate</li> <li>Furthering livelihoods, heritage and culture of regions we operate in are important for our destination's sustainability and our long-term business viability</li> </ul>	<ul style="list-style-type: none"> <li>We comply with the regulations governing our properties and engage with regulators frequently to drive important policies in the sector</li> <li>We partner the government in various policies and community improvement initiatives</li> </ul>	<ul style="list-style-type: none"> <li>A positive relationship with lenders enables us to raise growth capital in a timely and cost-effective manner</li> <li>We have a high credit rating of AA (stable) from ICRA &amp; AA+ (negative) by CARE</li> </ul>
<b>Key priorities</b>	<ul style="list-style-type: none"> <li>Quality and availability of goods and services</li> <li>Resource efficiency</li> <li>Supplier development</li> </ul>	<ul style="list-style-type: none"> <li>Livelihood opportunities</li> <li>Environmental protection</li> <li>Community development</li> <li>Preservation of culture and heritage</li> </ul>	<ul style="list-style-type: none"> <li>Timely compliance with regulations</li> <li>Transparent and open operations</li> <li>Timely tax payments</li> <li>Support to various schemes of Central and state governments</li> </ul>	<ul style="list-style-type: none"> <li>Timely repayment of both principal and interest</li> <li>Adherence to a healthy credit discipline</li> <li>Timely updates on financial performance of the Company</li> </ul>
<b>How we engage</b>	<ul style="list-style-type: none"> <li>Supplier development initiatives</li> <li>Supplier feedback surveys throughout the year</li> <li>Annual suppliers' meet</li> <li>On boarding process and constantly open communication channels</li> </ul>	<ul style="list-style-type: none"> <li>CSR partnerships</li> <li>Minimisation of environmental footprint</li> <li>Community welfare programmes</li> <li>Participation in neighbourhood associations</li> <li>Annual volunteering calendar</li> </ul>	<ul style="list-style-type: none"> <li>Participation in government consultation programmes</li> <li>Representation through trade bodies</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Ongoing communication and relationship</li> <li>Sharing regular updates on financial performance</li> </ul>
<b>How we deliver value</b>	<ul style="list-style-type: none"> <li>14,440 Total number of suppliers</li> <li>47% of suppliers are with IHCL for over four years</li> </ul>	<ul style="list-style-type: none"> <li>₹ 5.74 Crore invested as CSR funds towards ongoing livelihoods and heritage-linked programmes</li> <li>1,106 livelihoods for under-served communities supported through our CSR programmes and partnerships</li> <li>More than 23% of energy sourced from renewable sources like wind and solar</li> </ul>	<ul style="list-style-type: none"> <li>Timely tax payment</li> <li>High compliances with regulations</li> <li>Support government initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Maintaining high credit discipline</li> <li>Timely pre-payment of loans</li> </ul>



MATERIALITY

# Prioritising issues that impact value creation

## Defining materiality

We had previously undertaken a structured process to identify the key topics material to our Company under the three dimensions of economic, environmental and social performance, as presented in our Sustainability Report FY 2017-18. While these priority topics continue to guide our strategies and actions, we conducted focused discussions with our senior management during FY 2018-19 to re-validate our priorities and better align them with a changing external environment. The refreshed list of material topics, reviewed by an independent third party, is presented below.



SCALABILITY	ENVIRONMENTAL STEWARDSHIP	SOCIAL RESPONSIBILITY	VALUE CHAIN TRANSFORMATION
<ul style="list-style-type: none"> <li>Economic performance</li> <li>Growth &amp; scale</li> <li>Customer delight</li> <li>Digitalisation</li> <li>Brand, Reputation &amp; Communications</li> </ul>	<ul style="list-style-type: none"> <li>Climate Change, Energy &amp; Emissions</li> <li>Water</li> <li>Circular economy</li> </ul>	<ul style="list-style-type: none"> <li>Talent management &amp; retention</li> <li>Employee health &amp; safety</li> <li>Customer health &amp; safety</li> <li>Diversity &amp; equal opportunity</li> <li>Social inclusion &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>Procurement practices</li> <li>Sustainable supply chain</li> </ul>

## Our material topics

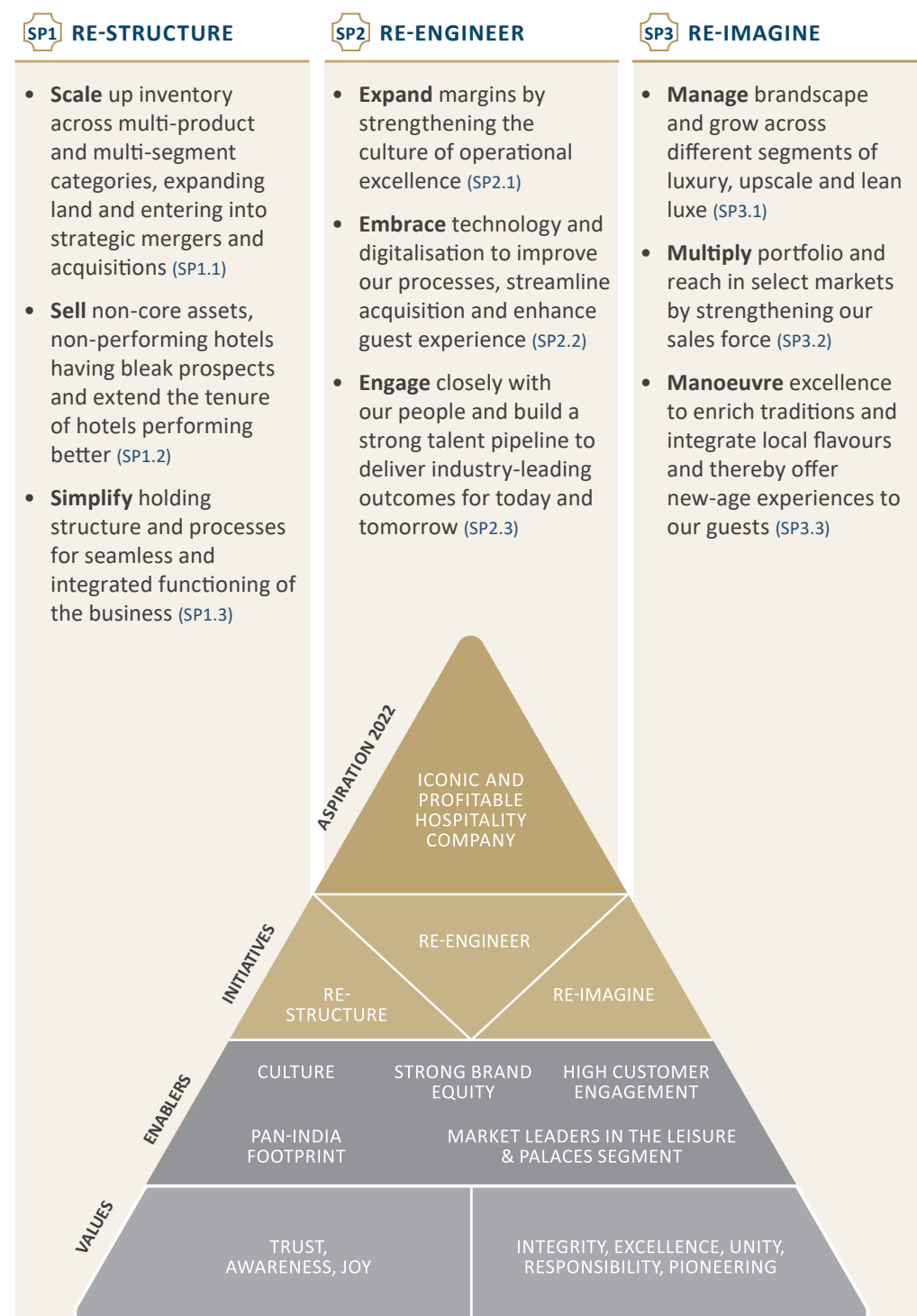
SUSTAINABILITY DIMENSION	MATERIAL TOPICS	TOPIC DEFINITION
<b>Scalability</b> We will continue to re-structure, re-engineer and re-imagine our portfolio in line with the Aspiration 2022 strategy	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Growth &amp; scale</li> <li>Customer delight</li> <li>Digitalisation</li> <li>Brand, Reputation &amp; Communications</li> </ul>	<ul style="list-style-type: none"> <li>Key economic performance parameters of the Company, covering the direct economic value generated, retained and distributed</li> <li>Growth in inventory across multi-product, multi-segment categories to meet the emerging demands of the discerning traveller, through leveraging our business enablers</li> <li>Exceeding customer expectations and creating a positive emotional connect</li> <li>Driving digital to strengthen competitiveness, achieve service excellence and make core operations faster, better streamlined and more efficient</li> <li>Reimagining the brand landscape to build on the opportunities across categories, protecting and enhancing reputation through effective communications</li> </ul>
<b>Environmental stewardship</b> We stay committed to nurturing a culture of responsibility and care towards the planet. We have upped our sustainability quotient with focused efforts on conserving water, reducing carbon emissions, enhancing renewable energy use and phasing out of single-use plastic	<ul style="list-style-type: none"> <li>Climate Change, Energy &amp; Emissions</li> <li>Water</li> <li>Circular economy</li> </ul>	<ul style="list-style-type: none"> <li>Optimise our energy management to reduce our specific energy consumption and greenhouse gas emissions</li> <li>Effective water management to reduce our water use intensity, including steps taken to recycle water</li> <li>Minimising waste and maximising the end-of-life value to decrease our natural resource footprint</li> </ul>
<b>Social responsibility</b> With inclusion and business responsibility embedded in our DNA, we continue to weave a 'thread of intent' by making a difference in communities where we operate our hotels	<ul style="list-style-type: none"> <li>Talent management &amp; retention</li> <li>Employee health &amp; safety</li> <li>Customer health &amp; safety</li> <li>Diversity &amp; equal opportunity</li> <li>Social inclusion &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>Attracting and retaining individuals with the right knowledge and skills by providing them rewarding careers and an enriching experience</li> <li>Ensuring health and safety of all employees through risk assessments, effective policies, timely interventions and proactive trainings</li> <li>Offering a healthy and safe experience to our customers by establishing robust infrastructure and well-trained staff at all our premises</li> <li>Upholding diversity and equal opportunity among all our employees through well-established policies, initiatives and culture-building</li> <li>An inclusive and collaborative approach towards helping improve the quality of life and giving back to the communities that we serve</li> </ul>
<b>Value chain transformation</b> We are striving for many business changes associated with modifying our value chain. We want to optimise our infrastructure processes and systems and promote local procurement to deliver competitive customer service	<ul style="list-style-type: none"> <li>Procurement practices</li> <li>Supply chain sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the growth and capability development of our suppliers and vendors, efficient procurement practices, and emphasis on local and indigenous procurement</li> <li>Holistic improvement in our supply chain that addresses the environmental and social impact and externalities</li> </ul>



STRATEGIC FRAMEWORK

# Achieving goals ahead of time

Aspiration 2022 strategy is based on three pillars



We have outperformed on our targets ahead of time

STRATEGIC PRIORITY	FINANCIAL YEAR		
	FY2019	FY2020	FY2022 (Target)
<b>SP1 RE-STRUCTURE</b>			
<b>SP1.1 Scale up inventory</b> Operational inventory	17,888	18,924	23,000
<b>SP1.2 Monetisation and Divestments of non-core assets</b> (₹ Crore)	246	205	Ongoing
<b>SP1.3 Simplify holding structure</b> ( % Completion)	07	02	09
<b>SP2 RE-ENGINEER</b>			
<b>SP2.1 Expand margins</b> EBITDA margin (%)	19.9	23.9	25.0
<b>SP2.2 Embrace technology</b> Revenue Growth from own digital channels (%)	12	4	23 (CAGR)
<b>SP2.3 Engage people</b> Average tenure of employees at IHCL-(years)	7.88	7.96	Ongoing
<b>SP3 RE-IMAGINE</b>			
<b>SP3.1 Manage brandscape</b> Percentage completion of brandscape execution	60	80	100
<b>SP3.2 Multiply portfolio</b> Number of new signings per year	22	29	15
<b>SP3.3 Manoeuvre excellence</b>			

ASPIRATION 2022 TARGETS

**800bps**  
EBITDA margin expansion

**15**  
New projects every year

**50-50**  
Portfolio





STRATEGIC FRAMEWORK

SP1 Re-structure



SP 1.1 SCALE UP INVENTORY

MATERIAL ISSUES



Highlights

During the year, we accelerated the pace of new openings as well as signings across all brands and segments. In fact, we have opened 1 hotel a month in FY 2019-20. Despite temporary roadblocks arising from unforeseen macro challenges, we are confident of crossing more milestones. We have also fostered a strategic partnership with GIC to acquire hotel assets that are currently underperforming but demonstrate potential for growth, and make them turn a corner.

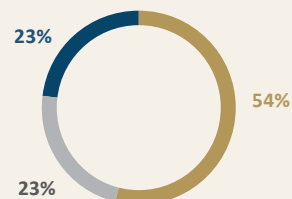
**1**  
New hotel  
each month in FY 2019-20

NEW OPENINGS

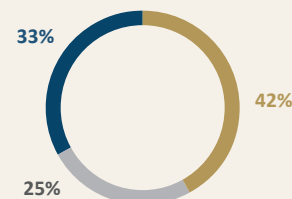
	FY16	FY17	FY18	FY19	FY20
Hotels	8	5	10	5	12
Rooms	1,065	442	625	524	1,565

Healthy growth

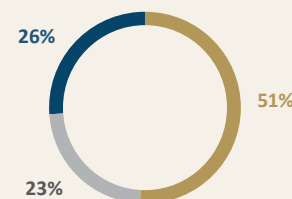
PERCENTAGE-WISE BREAKUP OF PROPERTIES ACROSS OUR TOP THREE BRANDS



BRAND-WISE BREAK-UP OF PROPERTIES IN THE PIPELINE (%)



TOTAL PROPERTIES (%)



● Taj ● Seleqtions/Vivanta ● Ginger



SP1.2 SELL NON-CORE ASSETS

MATERIAL ISSUES



Highlights

Unlocking value in non-core and latent assets is an ongoing process at IHCL. During the year, we unlocked value by monetising owned assets by us in Pune, Maharashtra. We sold land worth ₹ 63 Crore in Pune and residential apartments worth ₹ 104.5 Crore in Mumbai. In Mumbai we are looking to unlock the value of the land we own near the airport for the past 25 years. This will be achieved by building a 371-room flagship Ginger hotel. Located strategically between terminal I and terminal II of the airport, this property could attract significant patrons from the micro markets in the vicinity. The capital so freed up can be deployed not just to drive our growth, but also to de-leverage our balance sheet.

SP1.3 SIMPLIFY HOLDING STRUCTURE

MATERIAL ISSUES



Highlights

We operate through a combination of multiple associate companies, management contracts and owned properties. However, we strive to reduce complexities in our processes and holding structures to foster seamless functioning of the business. During the year, we sold 50% stake in Taj Madras Flight Kitchen for ₹ 29.8 Crore to TajSATS and made it a 100% subsidiary of IHCL. This reorganisation of shareholding was done to simplify the holding structure of both Taj SATS Air Catering and Taj Madras Flight Kitchen to achieve better operational and management synergies and reduce duplication of compliance and regulatory costs.



STRATEGIC FRAMEWORK

SP2 Re-engineer

SP2.1 EXPAND MARGINS

MATERIAL ISSUES

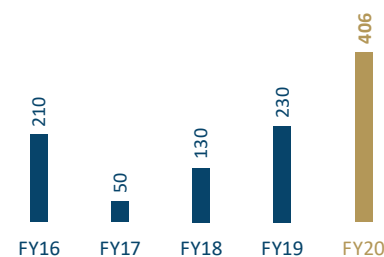


Highlights

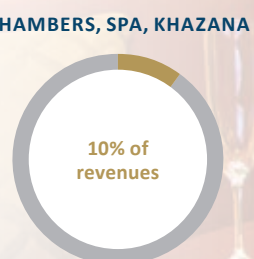
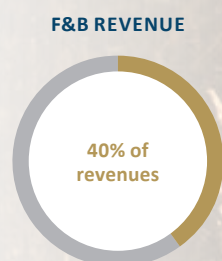
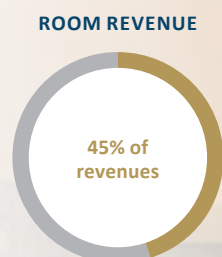
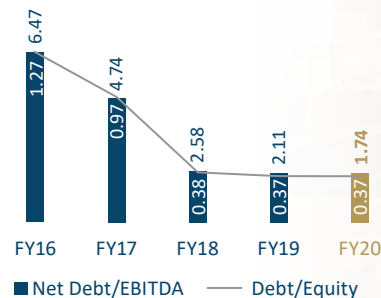
We continue to maintain a razor-sharp vigil on our operations, so that we can navigate challenges and make some headway. At IHCL, the identification of inefficiencies/redundancies is an ongoing process, and we are trying to improve efficiencies in the best way we can. Our approach is to grow with a long-term perspective by mobilising capital through various routes (equity, divestment) and fostering win-win partnerships.

We have built multiple revenue streams (including F&B, management fees, among others), and have ramped up the share of managed assets, and focused on improving cashflow generation of all group companies to enhance our overall profitability.

FIVE YEARS OF HEALTHY EBITDA MARGIN EXPANSION (Y-o-Y expansion / bps)



FIVE YEARS OF HEALTHY GROWTH IN MARGINS WITH IMPROVED GEARING



These efforts are yielding healthy dividends as is visible in our financial performance so far.



STRATEGIC FRAMEWORK

SP 2.2 EMBRACE TECHNOLOGY

MATERIAL ISSUES



Highlights

To digitalise our ecosystem, we have undertaken some important initiatives:

- Rolled out our digital workplace framework – IDiWork – for our employees, which works on four key principles of
  - Anywhere, anytime access to critical applications
  - Providing best-in-class user experience
  - Secured access through remote devices
  - Managing and measuring insights

This framework is helping the organisation to collaborate better and communicate more effectively in a remote and yet secure work environment, thereby ensuring employee productivity even during the lockdown

- Introduced an iPad-based Check-in and Check-out system. The system helps streamline property operations and eliminates the need for paper folios, reservation cards, permissions to share Personally Identifiable Information (PII), among others. It is integrated with the payment gateway, allowing guests to pay securely through a payment instrument of their choice. This has also helped us support sustainable hospitality practices by eliminating paper completely from the Check-in/Check-out process. We now use emails to capture feedback for Guest Experience Measurement (GEM) survey, instead of physical forms
- Digitised the process of capturing basic health information about guests arriving at the hotels using a QR code-based system, where they can furnish the details using their mobile devices
- Developed a digital pulse survey, VConnect to capture frequently and timely feedback from our employees to get insights into their thoughts, feelings, engagement, and understanding. This is integrated with our tablet-based time attendance systems



- Built a cloud-based application for digitising and automating internal audit processes of Taj Positive Assurance Model (TPAM)
- Launched websites for each brand – Tajhotels.com, selectionshotels.com, vivantahotels.com, amastaysandtrails.com as well as the corporate B2B website ihcltata.com
- Launched an integrated booking engine on the websites to provide a seamless on-brand website booking experience to our guests
- Built a corporate booking portal for providing quick and direct access to bookers in the enterprises for corporate bookings. In addition, we revamped the Taj Inner Circle website with single sign-on implemented across all websites
- Implemented a cloud-based tablet-driven Property Management System (PMS) for AMA Stays

Taking decision driven by Data

This will enrich the experiences of our patrons and strengthen loyalty

Taj.Live yielding results

Our initiative on Taj.Live, the social site monitoring and response systems, is yielding results.

During FY 2019-20, we witnessed the following:

- Response rate of more than 95%
- Response time less than 15 minutes
- Executed 200+ on-ground guest delight experiences
- Generated 500+ sales leads

Introduced attendance system based on facial recognition

Introduced for employees to provide a completely contactless experience

What next?

Our digitalisation initiatives encompass all important functions and processes at the organisation. We are deploying digital customer conversation platforms across channels, and building intelligent process automation tools to achieve higher operational efficiencies. Further, we are strengthening the digital apps and platforms used by our teams to offer increased convenience.

Maintaining high security standards

The security landscape at IHCL is governed by robust Information Technology (IT) policies and procedures. These cover information security management as per ISO 27001, General Data Protection Regulation (GDPR), Payment Card Industry (PCI) compliance, among others. Further, a Personally Identifiable Information (PII) data security and privacy template is being created to address the varied compliance requirements across geographies we operate in.

With cyber threats and information security breaches on the rise globally, we review our IT security infrastructure regularly to upgrade, upscale and update.

App-based checklist

Implemented a Hotel pre-opening and re-opening post lockdown checklist using mobile App and cloud based technologies





STRATEGIC FRAMEWORK



SP 2.3 ENGAGE PEOPLE

MATERIAL ISSUES



Highlights

At IHCL, we are committed to providing our people the best work environment. During the year, we digitalised several people processes and platforms, which enabled us to reduce redundancies across the people management function, enhance efficiencies and deliver superior employee experiences.

Prominent digitalisation initiatives in people function:

- Creation of an online HR Insights dashboard for the senior leadership in Corporate HR to help in taking more informed and data-driven people decisions

- Standardised payroll components to remove duplications
- Initiated automation of workforce planning process
- Automating several existing HR systems such as Paytrax, Protivity, Factohr, Ethics tracker, Workforce planning, STARS Banner, Training Needs Identification, and L&D Tracker
- During the nationwide lockdown, hotels were equipped to manage attendance and HRMS access from remote locations

Prominent people initiatives during the year

FOCUS AREA	INITIATIVES AND ACHIEVEMENTS
<b>Leadership Development</b>	<ul style="list-style-type: none"> <li>All potential General Managers are assessed through Leadership Assessment &amp; Development Center (LADC)</li> </ul> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>50%</b></p> <p>Cost reduction post moving LADC to a virtual platform</p> </div> <div style="text-align: center;"> <p><b>40</b></p> <p>Heads of Departments have undergone the assessment so far</p> </div> </div>
<b>Learning and Development</b>	<ul style="list-style-type: none"> <li>2018-20 Hotelier Development Program (HDP) batch successfully graduated and moved into full-time operations</li> <li>2019-21 batch comprising 55% women joined us on 3 September 2019 and has completed orientation</li> <li>104 trainees from the first batch of Golden Threshold Programme completed the course in June 2020, of which the 48 best have been selected by IHCL</li> <li>Standardised pre-opening training plan designed and deployed at Cidade de Goa, Taj Aravali Resorts and Spa, TCCH, Agra, TCCH, Goa and Devi Ratn</li> <li>In partnership with ESSEC and Les Roches, provided scholarships for an MSc in hospitality and a Masters in hospitality (Next General Manager of India Campaign), respectively</li> <li>A phased capability building programme was initiated for the Sales leaders, managing key accounts. 26 colleagues attended 2 phases including Key account management and Negotiation skills.</li> <li>Online learning was further strengthened by leveraging the Josh Bersin platform for 25 HR leaders. Hello English learning app was successfully used by 576 learners across 31 hotels to enhance their communication skills. LEAD platform was relaunched with curated learning paths for all executives</li> <li>A Corporate calendar was launched with online and classroom offerings focused towards understanding of Financials, Cultural sensitivity, Millennial management, Revenue management amongst others. Over 550 colleagues attended these programmes</li> <li>Tajness Learning App was piloted with All Mumbai hotels to include 400 executives and managers</li> <li>Launched Module II of Sustainability Leadership Development Programme 2020 in collaboration with National Institute of Industrial Engineering (NITIE)</li> </ul> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>28</b></p> <p>Chief engineers completed their action learning projects on resource conservation and safety risk reduction</p> </div> <div style="text-align: center;"> <p><b>₹1.15CR</b></p> <p>Savings as a result of completing action learning projects</p> </div> </div>
<b>Talent management and engagement</b>	<ul style="list-style-type: none"> <li>Launched Talent Identification and Development Initiative (TIDI) launched covering 200+ deputy HoDs in a completely virtual assessment</li> <li>Q-Chat initiative now covers 100% of our operations and has been moved online completely</li> <li>To further strengthen Performance Management Process, Corporate Scorecard has been aligned with Aspiration 2022 goals; work is underway to move this to an online platform in FY 2020-21</li> <li>'VConnect' ran smoothly at 87 of our hotels with 18,813 employees participating</li> <li>Organisational Net Engagement Score (NES) was at 73.8% (till February 2020) versus 69.9% a year back</li> <li>Employee Engagement Survey 2019-20 for contractual workforce designed and deployed; for the first time, hotels created their own reports</li> </ul>
<b>Recognition</b>	<ul style="list-style-type: none"> <li>Our flagship recognition programme STARS was launched with an enhanced tiered structure and an online redemption feature on the platform</li> <li>Over 11,200 colleagues were covered by the STARS initiative and over 22,000 of gratitude exchanged on the platform, 'The Difference you Make'</li> <li>A new initiative, 'Grooming Champion' was piloted at Taj Wellington Mews, Mumbai</li> </ul>
<b>Gender diversity</b>	<ul style="list-style-type: none"> <li>Diwa programme launched in three hotels – Devi Ratn, Jaipur, Rambagh Palace, Jaipur, and Taj Aravali Resort and Spa, Udaipur</li> <li>Collaborated with Tata Consultancy Services to create a source for trained female workforce to fill our front line roles</li> <li>Gender diversity as on March 2020 stands at 17.7%, up from 17.3% a year earlier</li> </ul>



STRATEGIC FRAMEWORK

SP3 Re-imagine

SP 3.1 MANAGE BRANDSCAPE

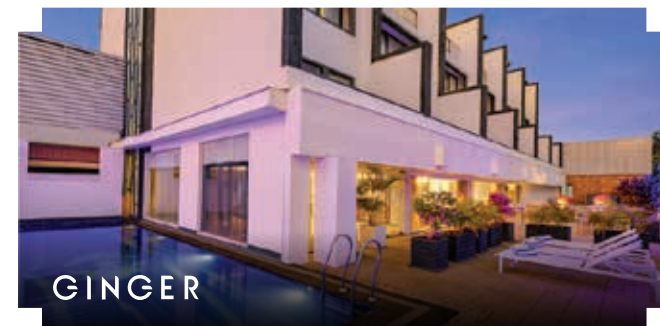
MATERIAL ISSUES



Highlights

Since embarking on our journey to realise Aspiration 2022, we have transformed ourselves completely. From being a 'Branded house' earlier, we are now a 'House of brands'. Our brands cater to all the existing and emerging customer segments across accommodation and non-accommodation services. We have reimagined our brandscape and are successfully building brands and experiences to augment our well-diversified hospitality ecosystem.

Successful revamping of brands



IN THE SPOTLIGHT: TRANSFORMING GINGER



Launched in 2004 with following focus areas

- Rooms-centric value proposition
- Encouraged self-serving
- Provided smart basic amenities

Revamped Ginger in FY 2018-19 by reimagining the budget accommodation segment to lean luxe.



All about the brand new Ginger

- First Indian brand to adopt a lifestyle approach in the midscale segment
- Vibrant and interactive spaces for the younger mindset
- Innovative, relevant and lean F&B offerings

Impact

- Revamped portfolio of 12 lean luxe hotels
- Launched new restaurant concept - Café Et Cetera
- Experienced Strong growth in ARR
- Aggressive growth in the portfolio post revamp

Introducing new brands





STRATEGIC FRAMEWORK

SP 3.2 MULTIPLY PORTFOLIO



MATERIAL ISSUES



Highlights

We are extending our expertise and the unique, and unrivalled spirit of 'Tajness' across a range of hospitality services to build South Asia's largest hospitality eco-system. Keeping our guests at the centre, we constantly endeavour to provide them with memories and cherished experiences that they can take back home.

Our focus is on ramping up 'Expressions' - our service brands portfolio, with rapid scaling up of our F&B brands and our business club - The Chambers.

Introducing new F&B concepts

- We have joined hands with the world's leading brewer - Anheuser Busch InBev (AB InBev) to open a chain of micro-breweries across our properties in urban cities of India.
- We are bringing world-renowned Italian cuisine restaurant - 'Paper Moon' to India across relevant properties. The first Paper Moon restaurant is slated to open at Taj Holiday Village, Goa.
- We are developing a unique Indian F&B concept, which will bring alive age-old recipes and cuisines from various parts of India and neighbouring countries.
- We are successfully expanding or re-inventing our marquee F&B brands such as - Shamiana, Machan, House of Ming and more. The year saw us launch Shamiana in Taj Jumeriah Lakes Towers, Dubai.

OUR COMPLETE HOSPITALITY ECOSYSTEM



TOPLINE DRIVERS

MARGIN DRIVERS

MARKET SHARE DRIVERS



STRATEGIC FRAMEWORK

SP3



**IN THE SPOTLIGHT: UNLOCKING POTENTIAL OF THE CHAMBERS**

Incorporated in 1975, The Chambers is India’s premier and iconic club for the movers and shakers of the country. Boasting of an unparalleled and enviable list of members, the club is renowned for its impeccable service. Whilst retaining its legacy, we have re-imagined by adding new codes of luxury, to make it a global offering and have added new codes of luxury. The Chambers Global Membership growing its base and offering new and existing global members a range of enhanced benefits and facilities. The Chambers will shortly open up at our landmark hotel in London – 51 Buckingham Gate.

**131**  
New members added\*

**₹32CR**  
Incremental revenue\*

**SP 3.3 MANOEUVRE EXCELLENCE**

ALL MATERIAL ISSUES

**Highlights**

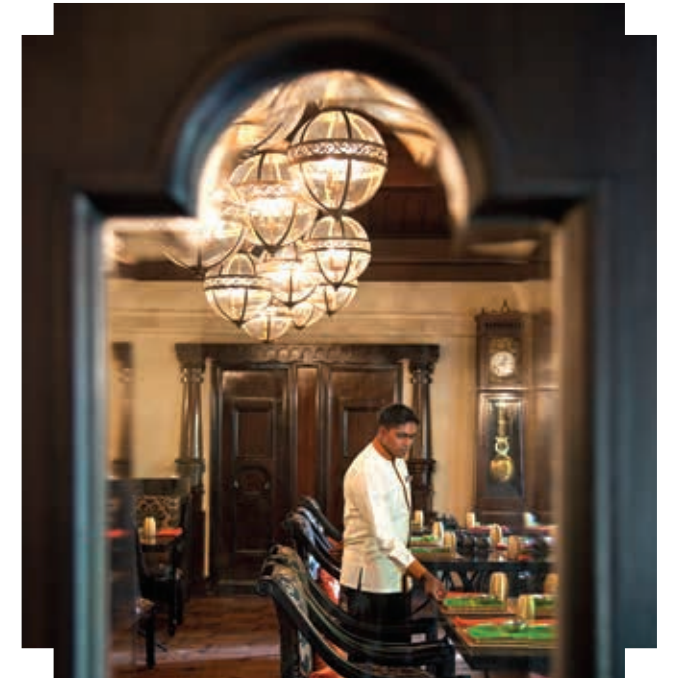
In addition to driving scale, we are also working on achieving better efficiencies across our operations.

Our unwavering focus and commitment towards fulfilling Aspiration 2022 continues to inspire us to enhance our efficiencies and overall profitability significantly. To ensure that we stay on course, we have identified three steps, which will drive excellence across our projects.

- 1) Improve processes followed in safety & security, operations, real estate & development and human resources
- 2) Identification and mitigation of risks to accomplish Aspiration 2022
- 3) Process validation to realise Aspiration 2022

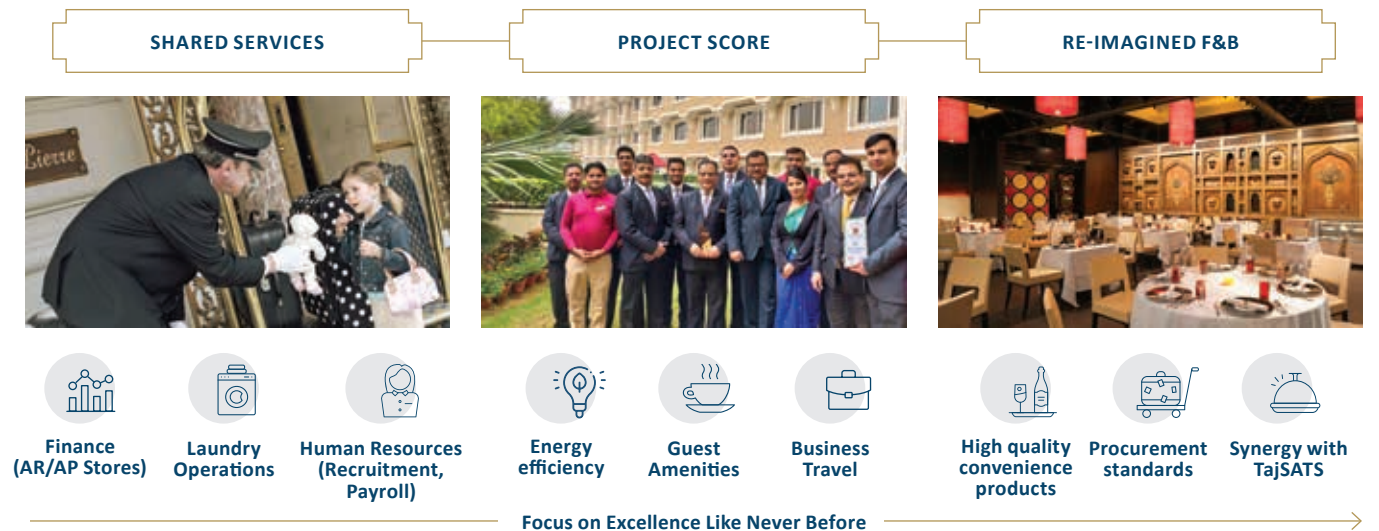
We are optimising our knowledge management platform – IGNITE to improve efficiencies.

Digitalisation of Taj positive assurance model - our internal audit process will also lead to better adherence to SOPs around safety, reporting, revenue, IT controls, expenditure, human resources, guest services, fixed assets and statutory compliances.



**725+**  
Processes have been reviewed, revalidated and refreshed over the past 1.5 years

**Operational initiatives to drive performance**





OUR RESPONSE TO COVID-19

# Responding to an unprecedented challenge

*The COVID-19 outbreak is possibly the single biggest black swan event of our lifetimes purely owing to the scale and the economic as well as social impact of the pandemic globally.*

*COVID-19 has radically changed the way we interact with each other and has put fear into the minds of all travellers today. In order to arrest the spread of the virus, governments around the world have been forced to suspend international flights for months as entire economies have temporarily shut due to nation-wide lockdowns.*

*The travel and tourism sector has come to a virtual standstill as a result. Most industry experts seem to agree that the year 2020 will be very challenging for the industry and dedicated efforts and strategies will be required for navigating through these difficult times.*

**IHCL'S RESPONSE TO COVID-19**

We recognise the need for extra-ordinary measures to navigate through these uncharted waters. However, we are well placed to combat COVID-19 owing to the following reasons:

1. We now have a clear, enabling and diversified brandscape to capitalise on all trends and opportunities.
2. Our brands enjoy immense emotional connect and trust with our customers. Our iconic brand 'Taj' is recognised as the country's strongest brand.
3. We have an exceptional legacy of 116 years, further strengthened by our parentage with the Tata Group.
4. Our culture and value systems, together with an engaged workforce, position us well in terms of resilience and courage.
5. We started on the execution of our focused strategy (Aspiration 2022) over two and a half years ago. This has helped us achieve a financial turnaround, in turn leading to a reasonably healthy balance sheet and cash position.

We have devised a five-point strategy called R.E.S.E.T 2020 to help us overcome the challenges in 2020 and emerge stronger than ever before.



With the initiatives outlined under this new strategy we are confident of overcoming the challenges posed by COVID-19 and emerging stronger to continue on our journey of sustained excellence.



MANAGING CAPITAL TRADE-OFFS

# Achieving a fine balance

SP1 RE-STRUCTURE			SP2 RE-ENGINEER		SP3 RE-IMAGINE				
Scale up inventory (SP1.1)	Sell non-core assets (SP1.2)	Simplify holding structure (SP1.3)	Expand margins (SP2.1)		Embrace technology (SP2.2)	Engage people (SP2.3)	Manage brandscape (SP3.1)	Multiply portfolio (SP3.2)	Manoeuvre excellence (SP3.3)
	Positive	Neutral	Neutral		Neutral	Positive	Positive	Neutral	Positive
	Positive	Neutral	Positive		Positive	Positive	Positive	Positive	Positive
	Neutral	Neutral	Positive		Positive	Neutral	Positive	Positive	Positive
	Positive	Neutral	Neutral		Neutral	Positive	Neutral	Positive	Positive
	Positive	Neutral	Positive		Positive	Positive	Neutral	Positive	Positive
	Neutral	Neutral	Neutral		Positive	Neutral	Neutral	Neutral	Positive

	<p>Scaling inventory requires capital investments which generates returns over time. An asset-right strategy including our strategic partnership with GIC, effective lease models and management contracts enables us to optimise direct capital allocation for building our asset base. A growing inventory requires additional people to run the operations and offers more to customers and communities around the asset.</p>	<p>This strategy has an immediate positive impact on our financial resources and a reduction in our asset base. Cashflows from reduction of non-core and low performing assets are channelised into high potential assets thus maximising return on capital employed. The impact on other capitals is largely neutral.</p>	<p>A simple holding structure leads to efficient capital allocation and is also appreciated by investors. This strategy enables us to optimise our know-how and expertise.</p>	<p>This strategy has a direct positive impact on our financial resources. Higher profitability and cashflows can be deployed to further enhance our assets, know-how and expertise and our relationship with different stakeholder groups.</p>	<p>Embracing technology brings in multi-faceted benefits to our organisation. On one hand, it allows us to attract, retain and serve our customers well and stay relevant to them. On the other, it allows us to become more efficient, agile and responsive. Our people can use digital tools to enhance the processes further.</p>	<p>Disseminating learning programmes, feedback and recognition using digital means in a cost effective manner generates a positive impact on our people and a competitive edge to our assets. It enables us to strengthen our relationships with different stakeholders.</p>	<p>Managing our brandscape is an important lever to drive efficiency across our business and hence has a positive impact on our financial resources, our assets, our know-how and expertise, our people and our relationships.</p>	<p>Our focus on proliferating established F&amp;B brands, introducing innovative F&amp;B concepts, re-imagining our business club – The Chambers and salons under the Expressions brand enable us to create a complete hospitality ecosystem without significant capital investments. This in turn helps us grow revenues and margins, leverage our assets and intellectual capital, employ more people and build social relationships.</p>	<p>This strategy enables us to drive all-round improvement across all our capitals.</p>
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Impact  
■ Positive ■ Neutral



RISK MANAGEMENT

# Identifying and mitigating challenges proactively

Our risk management policy encompasses identification and evaluation of business risks. We implement mitigative steps to manage the same on a continuous basis.

We have been following enterprise risk management (ERM) since 2006 and conduct it annually with a periodic review.

It involves internal participation, objective setting, risk assessment, control activities, information & communication and continuous monitoring.

This framework seeks to create transparency, minimise adverse impact on business objectives and enhance our competitive advantages. Our risk management committee oversees this entire process.

Key risks and steps undertaken to mitigate these

TYPE OF RISKS	MITIGATION STEPS	STRATEGIC PRIORITY	MATERIAL ISSUES IMPACTED
<p><b>Inadequate returns from investments</b></p> <p>We have invested in overseas hotels and greenfield projects and there is a risk that we may not generate enough returns from them</p>	<ul style="list-style-type: none"> <li>Focused monitoring of business performances</li> </ul>	SP2.1	
<p><b>Cyber risks</b></p> <p>These include risks like the recent global hacking incidents on hotel companies, widespread use of apps, sites, vendor sites, among others; which may expose personal and sensitive guest data</p>	<ul style="list-style-type: none"> <li>Insurance against cyber risks</li> <li>In depth cyber risk assessment and remedial action</li> <li>Cyber security training and awareness programmes</li> </ul>	SP2.2	

TYPE OF RISKS	MITIGATION STEPS	STRATEGIC PRIORITY	MATERIAL ISSUES IMPACTED
<p><b>Abuse of social media and other media by guest / staff / stakeholders</b></p> <p>Hospitality industry is more exposed to social media, due to various direct guest interfaces</p>	<ul style="list-style-type: none"> <li>Continuous monitoring of comments in social media</li> <li>Providing timely responses</li> </ul>	SP3.1 SP2.2	
<p><b>Employee and customer well-being</b></p> <p>Due to pandemic, the guests need assurances in terms of hygiene and cleanliness of the hotel. The staff also needs to be trained and tools need to be given to perform their duties.</p>	<ul style="list-style-type: none"> <li>Protective care and counselling of employees</li> <li>Continuous communication with the customers</li> </ul>	SP2.3 SP3.1	
<p><b>Data governance – quality and democratisation of data analytics</b></p>	<ul style="list-style-type: none"> <li>Various checks within applications</li> <li>Data warehouse and Analytics</li> <li>Role based access</li> </ul>	SP2.2 SP3.3	
<p><b>Complex organisation structure</b></p> <p>Some of our hotel companies are structured into various legal entities, in a subsidiary/ associate relationship with parent.</p>	<ul style="list-style-type: none"> <li>Simplification of structure of legal entities which is ongoing</li> </ul>	SP1.1 SP1.2 SP1.3	
<p><b>Complex and extensive laws and regulations</b></p> <p>Changes in fee / tax structure can lead to litigation and unrealistic demands.</p>	<ul style="list-style-type: none"> <li>Improve coordination with relevant authorities</li> </ul>	SP2.1	
<p><b>Loss in market capitalisation</b></p>	<ul style="list-style-type: none"> <li>Adherence to Aspiration 2022 strategy</li> <li>Continuous communications with stakeholders</li> </ul>	All strategic priorities	
<p><b>Loss of revenue and reputation</b></p>	<ul style="list-style-type: none"> <li>Partner management</li> <li>Continuous engagement and communication</li> </ul>	SP1.1 SP2.1 SP3.1 SP3.2	



OPERATIONAL REVIEW



# TIMELESS GRANDEUR AND LUXURY

*Inspired by its Indian heritage, Taj delivers hospitality that stands out and touches the hearts of its patrons each time. Present across 49 destinations, Taj offers authentic palaces, landmark hotels, idyllic resorts and safaris.*

**PALACES**

Represent a lineage of authentic palaces where the charm of royal living is reimagined luxuriously.

**RESORTS**

Includes delightful escapes and pristine locations, where luxury and modern comfort is inter-mingled with timeless memories and joy.

**HOTELS**

Hotels caters to the modern business and leisure travellers and creates memorable and personalised experiences on the back of highly intuitive service and genuine warmth.

**SAFARIS**

With a relentless focus on wildlife and conservation, offer a unique untainted experience to our guests complete with guided adventurous trails.

**KEY STATS**



**FUTURE STRATEGY**

Taj the epitome of warmth, service and luxury. The brand is India's strongest brand and our aspiration is to take the brand to landmark cities, leisure havens and spiritual destinations in India and overseas. We will add 11 new properties under the brand over the next few years.

Prominent new properties opened during the year include



**Taj Hotel & Convention Centre, Agra**  
May 2019



**Taj Tirupati**  
November 2019



**Taj Jumeirah Lakes Towers, Dubai**  
December 2019



**Taj Fateh Prakash Palace, Udaipur**  
January 2020



**Taj Hotel and Convention Centre, Goa**  
February 2020

Hotels (operational)  
As on March 31, 2020

Rooms (operational)  
As on March 31, 2020

Destinations (operational)  
As on March 31, 2020



OPERATIONAL REVIEW

IN THE SPOTLIGHT

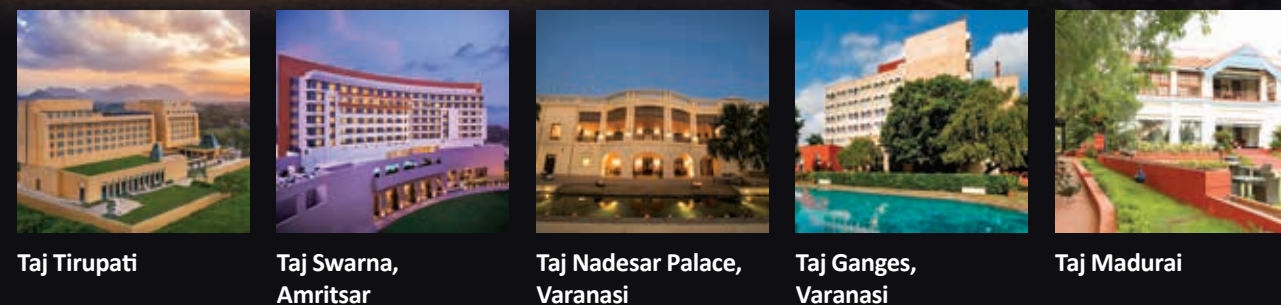
# DIVINITY TRAILS AT THE TAJ

Spiritual tourism, estimated to represent 60% of India's total domestic tourism, holds immense potential for growth. Realising the promise offered by this segment, we launched 'Divinity trails at the Taj' experiences in January 2020. These experiences are designed to provide luxurious stays to travellers seeking spiritual bliss at select Indian holy cities.

KEY STATS



OUR KEY PROPERTIES UNDER DIVINITY TRAILS



Taj Tirupati    Taj Swarna, Amritsar    Taj Nadesar Palace, Varanasi    Taj Ganges, Varanasi    Taj Madurai

IN THE SPOTLIGHT

# TAJ FATEH PRAKASH PALACE

Adding another jewel to our portfolio of authentic palaces, we opened Fateh Prakash Palace in Udaipur in January 2020. Located inside the precincts of the majestic City Palace, on the shores of Lake Pichola in Udaipur, it offers breath-taking views of the lake, and is surrounded by the Aravalli Hills, Jagmandir Island and the legendary Taj Lake Palace. Fateh Prakash was built during the reign of Maharana Fateh Singh Mewar in the 19<sup>th</sup> century as an exclusive venue for royal functions.

With this launch, we have become the largest hospitality operator in Udaipur and have four hotels in the city.

KEY STATS





OPERATIONAL REVIEW

# VIVANTA MAKE EVERY MOMENT UNIQUE

*A smart ensemble of sophisticated hotels and resorts, Vivanta celebrates the uniqueness of every individual. Innovative to the core, these properties celebrate joie de vivre.*

**PERSONALISED AND UNIQUE EXPERIENCES**

Vivanta offers a range of personalised and unique experiences like 24X7 check-in/check-out.

**PET-FRIENDLY HOTELS**

It welcomes all family members of our guests, including their pets.

**WELLNESS IN YOUR ROOM**

Provides amenities such as detox water, fruits, acupressure boards, and yoga mats for the comfort of our guests.

**KEY STATS**

22 3,197 21

**FUTURE STRATEGY**

The Vivanta brand, with its significant presence and pipeline, is uniquely poised to spur rapid growth and emerge as the strongest brand in the upscale segment. We will add 8 properties over the next few years.

**IN THE SPOTLIGHT**

## VIVANTA RESIDENCY ROAD, BENGALURU

Vivanta Residency Road's newly transformed spaces, crafted with Vivanta's hallmark ultraviolet shades, create an eclectic and electric aura. With a host of dining and wellness options, the hotel truly stands out as a landmark urban destination for the enterprising city-dwellers and a preferred choice of stay for business and leisure travellers.

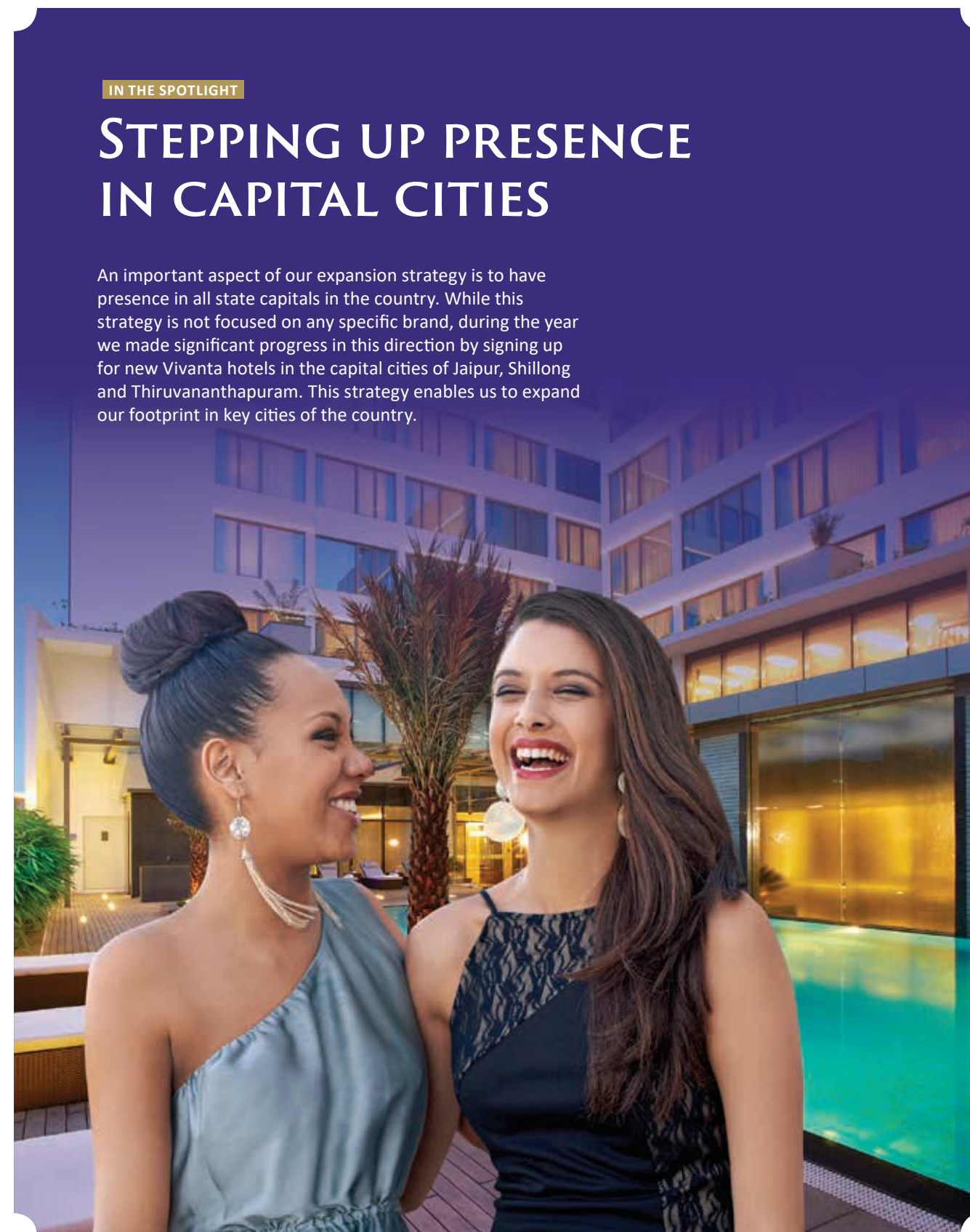


98 Rooms    4 Conference rooms and event spaces    4 F&B outlets

**IN THE SPOTLIGHT**

## STEPPING UP PRESENCE IN CAPITAL CITIES

An important aspect of our expansion strategy is to have presence in all state capitals in the country. While this strategy is not focused on any specific brand, during the year we made significant progress in this direction by signing up for new Vivanta hotels in the capital cities of Jaipur, Shillong and Thiruvananthapuram. This strategy enables us to expand our footprint in key cities of the country.





OPERATIONAL REVIEW

SELEQTIONS

CREATE RIVETING EXPERIENCES AND STORIES

*SeleQtions, a named collection of iconic hotels, offers our customers a range of unique experiences through marquee hotels.*

*A flexible hospitality platform, it leverages the strength of the company and seamlessly combines it with the distinct potential and individuality of each property.*



Devi Ratn, Jaipur  
February 2020



Ramgarh Lodge, Jaipur  
January 2020

Prominent new openings during the year include

SLICES IN TIME

A collection of hotels and resorts with resounding legacies that invite guests to discover their legendary stories.

SENSE OF PLACE

Experiences that have a unique character brought alive by their unique locations.

THEMES AT PLAY

Immersive stays built around distinctive experiences, these hotels celebrate their own unique narrative.

KEY STATS



FUTURE STRATEGY

SeleQtions, a named collection of hotels, provides IHCL both the foundation and flexibility to add a significant number of new, individual hotels in emerging resort locations, non-metros and state capitals of India. SeleQtions will be another lever to drive IHCL's growth momentum and we have a signed pipeline of 3 hotels under the brand.

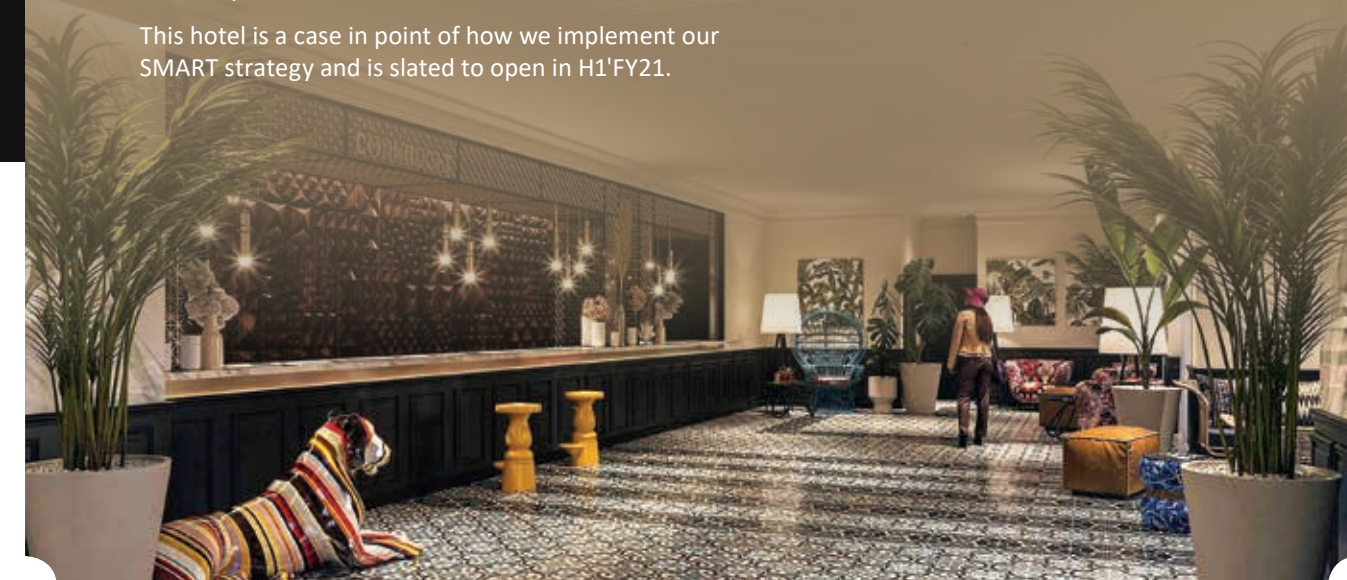
IN THE SPOTLIGHT

THE CONNAUGHT HOTEL, DELHI

In June 2018, we won a 33-year lease contract with New Delhi Municipality Council (NDMC) to share 31.6% of the annual revenue earned from The Connaught hotel. Located in the heart of Delhi, this asset will enable us to fortify our presence in this area and capture growing demand.

Ever since, we have renovated and have increased total rooms by 20% to 100.

This hotel is a case in point of how we implement our SMART strategy and is slated to open in H1'FY21.





OPERATIONAL REVIEW

# GINGER PIONEERING LEAN LUXE

*Catering to the new India, Ginger aims to inspire and energise. With a range of new-age, lively hotels across the country, these blur the line between work and play. Ginger offers new age lean luxury to a rising new India. Welcome to a new world of fusion - where local merges with global and where contrasts come together to create unique yet relatable seamless experiences.*

KEY STATS

50 4,413 35

HIGHLIGHTS OF THE YEAR

At 12, Ginger witnessed highest new signings under a single hotel brand in the year. Ginger now forms 23% of IHCL's operational properties. Another important development in the year was the successful commencement of our own F&B operations across five locations, leading to margin of over 30%.

FUTURE STRATEGY

Ginger has transformed the mid segment in India, with its revolutionary take on lean luxe. Ginger's fresh take on redefining luxury and comfort for the segment has been both pioneering and successful. With 50 hotels under its belt, enhanced levels of ADR and occupancy, the Ginger is now poised for high growth. We will add 20 hotels over the next few years.

IN THE SPOTLIGHT

## GROWING PRESENCE IN COMMERCIAL HUBS

During the year, we opened Ginger hotels in three commercial hubs, namely Madgaon (largest commercial location of Goa), Surat (textile hub for the country) and Frazer Road, Patna (commercial centre of the city).

Following these launches, the brand has strengthened its presence in the business traveller segment. The Surat property marks the brand's 50<sup>th</sup> hotel. Propelled by market traction, the brand is gradually scaling up its presence.

Prominent new openings during the year include



Ginger, Dwarka  
May 2019



Ginger, Sanand, Ahmedabad  
August 2019



Ginger, Patna  
October 2019



Ginger, Madgaon  
October 2019



Ginger Surat City Centre  
December 2019



OPERATIONAL REVIEW



# WALK THE ROAD LESS TRAVELLED

*A distinctive branded offering by IHCL, amã Stays & Trails comprise pristine experiential escapes — from charming residences to mesmerising trails in unique locations. Combining elegance with homely comfort and warm hospitality, amã Stays & Trails offers immersive and authentic local experiences to guests. The beauty, tranquillity and unique local flavours found across curated locations linger in the minds of guests long after they have left.*

KEY STATS



FUTURE STRATEGY

amã Stays & Trails, IHCL's latest offering in the home stay and experiential stays segment, caters to a fresh customer segment and will help capture a new emerging market. Going forward, we will continue to add differentiated stay experiences across distinct locations adding up to 100 residences by 2023.



PROMINENT NEW ADDITION

## CARDOZO HOUSE, GOA

The four-bedroom Cardozo House is an exquisite heritage Goan cottage that has been restored to perfection



PROMINENT NEW ADDITION

## BRAGANZA HOUSE, GOA

A trendy two-storied Braganza House, on the other hand, is a modern villa and yet one that reflects the very essence of Goa



OPERATIONAL REVIEW

EXPRESSIONS

HOLISTIC HOSPITALITY

*At IHCL, we have mastered our craft, earned an enviable reputation and built a culture of service and warmth that is loved by our patrons. Extending this unmatched service philosophy, we have successfully transformed IHCL from a hotel company to a hospitality eco-system.*

*Expressions, our service retail portfolio brand, houses our non-accommodation, ancillary hospitality products and services.*



The Chambers



ABOUT THE BRAND

- India's premier and iconic elite club since 1975
- Offers its members unparalleled ambience and services
- Present in seven key cities in India and Dubai (UAE), and is ready to be launched in London
- Our flagship wellness brand providing holistic services based on the principles of Ayurveda, Naturopathy and yoga
- Over 46 award winning and all natural spas

FUTURE STRATEGY

With the launch of the all-new The Chambers Global Membership programme, embedded with enhanced global benefits and features, The Chambers proposition is even more unrivalled now. Going forward, The Chambers would be a prominent contributor to the topline of IHCL, while continuing to remain steadfast in its philosophy of surpassing the needs of its members.

Jiva Spa and Services offer superlative services in the space of wellness, yoga and Ayurveda. In the future, Jiva Spa will continue to expand aggressively and add new concerted offerings for its target audience.

IN THE SPOTLIGHT



IHCL has always been at the forefront of introducing innovative and appealing food and beverage concepts. Across its hotels, the company has marquee restaurant brands that are leaders in their space. Continuing this trend for innovation, IHCL has partnered with the world's largest brewing company - Anheuser-Busch InBev - to set up brewpubs and bring authentic craft beer to its guests. The company is all set to open its first brewpub at Taj MG Road, Bengaluru.

The brewpub complete with its own brewery, will be a unique and differentiated concept serving superior beer and well-paired delectable food.



F&B

- Houses 380+ multi-cuisine, fine-dining restaurants and lounge bars
- Proud distinction of having two Michelin-starred restaurants - Bombay Brasserie, London and Campton Place, San Francisco

With marquee restaurant brands, partnerships with world-renowned F&B providers, constant launch of new innovative dining concepts, we will continue to unlock potential and enhance our leadership position in this field.

KHAZANA

- Luxury lifestyle boutiques showcasing artefacts, garments, and accessories created by master craftsmen of India
- Provides sustainable livelihood opportunities for artisans and weavers in India

Khazana will continue to co-develop exclusive curated product lines that cater to needs of the customer and help support Indian art and craft.

niu&nau

- A re-imagined luxury unisex salon which merges expertise with indulgence.
- Offers a wide spectrum of services spanning hair, beauty and skincare to help guests reinvent themselves.

A luxury unisex salon brand, housed within IHCL hotels, niu&nau is perfectly placed to capture the opportunities in the beauty and wellness category. The brand will continue to expand its footprint across relevant hotels and properties.



OPERATIONAL REVIEW



# RAMPING UP VOLUME CATERING, RESPONSIBLY

TajSATS is a joint venture company with SATS Limited and is an industry leader in airline catering with over four decades of experience. It also enjoys prominent position in the commercial catering segment.



VISION

Enriching lives through innovative food solutions

40+

Catering experience (Years)

40+

International airlines and domestic carriers

Market leader

Dominant share of 34%

Platinum and Gold Award from International Certification Agency QSAI

Only flight caterer in India ever to win this award two years in a row

Provides fresh Kosher Meals in India via the TajSATS Mumbai Kitchen

Only flight caterer in India to do so



PERFORMANCE AGAINST STRATEGY

4-YEAR STRATEGY

ACHIEVEMENTS



Focus on operational excellence and getting basics right

Over past five years

- Revenue increased by 23%
- Profit before tax increased by 98%
- Market share increased to 34%
- Won the QSAI Platinum award worldwide (from among 60 countries and 270 kitchens)
- Won the Gold Award in Asia Pacific



Diversify revenue base to increase contribution from international airlines and non-aviation sources

Secured many new international airline accounts including

- Delta Airlines
- KLM Royal Dutch Airlines
- Air France
- Ethiopian Airlines
- Sri Lankan Airlines
- LOT Polish
- Silk Airlines

Diversified revenue base to grow revenue from non-airline sources over last five years, from 12% to around 20% of total revenue



Re invigorate Taj Sats brand and launch a new Brand for non-aviation business and simplify shareholding

- Conceptualised ANUKA brand for the volume catering business
- In the B2C space, launch ANUKA Grab & Go to cater to the healthy eating space for customers
- Completed acquisition of Taj Madras Flight Kitchen, making it a 100% subsidiary of TajSATS



FUTURE STRATEGY

- Consolidate the airline central kitchen model
- Launch the ANUKA Brand
- Presence in top 15 airports in India
- Investment into Central Kitchen production model



ENVIRONMENTAL

# Building a more hospitable world

*At IHCL, we constantly endeavour to grow responsibly and contribute to preserving the environment in a meaningful way. Our sustainability goals are aligned with that of the changing world we live in.*

MATERIAL ISSUES



We continue to optimise our use of natural resources, and managing waste efficiently, thereby contributing to UN Sustainable Development Goals. We measure and disclose our performance on these parameters regularly through UN Global Compact and Business Responsibility Reporting.



### INCREASING ROLE OF RENEWABLES

- IHCL hotels together used 356.94 Million MJ from renewable energy sources both through Green Power Agreements with electricity providers as well as onsite and offsite generation including wind farms and solar panels in FY 2019-20.
- We avoided 451.20 KT of CO2 emissions, which is equivalent to taking 1,51,410 cars off the road.



Increased renewable energy quotient from 7% to 24.56% in past four years

## 8.79 MN KL

Water recycled in FY2019-20, up ~200% over 2018-19 and equivalent to 3,519 Olympic-size swimming pools

### REDUCING WATER INTENSITY

- Vivanta IT Expressway participated in the IHCL water SMART contest and planned initiatives like installation of aerators, recycling of sewage treatment plant (STP) water in cooling towers, which will help the hotel save 1,350 KL/day.
- Taj Connemara and Taj Coromandel have also planned water resource efficiency measures like revamping the current STP for water recycling in process, monitoring of cooling tower and operating the chiller under optimal condition.



### Platinum Certification bagged for the first time

by Jai Mahal Palace, Taj 51 Buckingham Gate, St. James' Court, A Taj Hotel, London, and Taj Pamodzi, Lusaka

### MANAGING WASTE EFFICIENTLY

- In FY 2019-20, 53 hotels achieved 100% recycling of organic waste.
- We prevented 4,245 tonnes of organic waste from going into landfills, equivalent to 128 shipping containers.

### 11 IHCL HOTELS ACHIEVE EARTHCHECK PLATINUM CERTIFICATION

EarthCheck's Platinum Certification recognises 10 consecutive years of best practice in sustainability. During the year under review, 11 of our hotels received Platinum Certification, 61 received Gold Certification and 6 received Silver Certification.



ENVIRONMENTAL

ELIMINATING SINGLE-USE PLASTICS

We are committed to phasing out single-use plastics across all our properties. Plastic straws have been eliminated from all our properties while plastic packaging for in-room amenities has been done away with at most of our luxury properties across India.

Water bottling plants were installed at seven hotel properties to eliminate PET bottles.

- Taj Exotica Resort & Spa, Andaman
- Taj Samudra, Colombo
- Taj Exotica Resort & Spa, Maldives
- Taj Palace, Delhi
- Taj Yeshwantpur, Bengaluru
- Taj Bentota Resort & Spa
- Taj Coral Reef Resort & Spa



INITIATIVES UNDERTAKEN DURING FY 2019-20

INITIATIVE	ACHIEVEMENTS
<b>Taj City Centre, Gurugram – IHCL’s first property to adopt bio-scale remover for chemical-free treatment of water</b>	<ul style="list-style-type: none"> <li>• Reduced use of harmful chemicals</li> <li>• 50% lower water consumption in cooling tower</li> <li>• Reduced recurring annual chemical expense of ~₹12 Lakh</li> <li>• Chiller plant condenser side approach temperature to improve by 0.5 degree Celsius, leading to 26,000 units of electricity savings annually</li> </ul>
<b>Rambagh Palace, Jaipur – installed Automatic Tube Cleaning System (ATCS)</b>	<ul style="list-style-type: none"> <li>• Eliminated chemical agent in descaling of condenser</li> <li>• Reduced overall GHG emissions by achieving maximum efficiency while transferring heat in condenser</li> <li>• Saved ₹1.5 Lakh in cost on chemical descaling</li> <li>• Expected annual saving of 55,000 units of electricity</li> </ul>
<b>Ginger Bangalore Whitefield, Bengaluru, Koramangala and Pune Wakad – Installed Electric Vehicle (EV) charging stations</b>	<ul style="list-style-type: none"> <li>• Expected to provide Ginger a significant competitive edge</li> <li>• Contribute towards building infrastructure that facilitates EV adoption</li> </ul>

IN THE SPOTLIGHT

PRESERVING BIODIVERSITY

OBJECTIVE

Provide sustainable livelihood to youth of Pardhi community.

The Pardhi community has been forest dwellers for ages. They can recognise animals by their pug marks, prey and predator calls, and have amazing birding skills and knowledge of flora and its use as medicine. These skills are being honed at the Taj Safaris by our team of naturalists.



Our interventions

We partnered with the Panna Tiger Reserve and the Last Wilderness Foundation to build an inclusive tourism model for enabling alternate livelihood opportunities for the Pardhi community.

We developed a unique experience, 'Walk with the Pardhis' near the Panna Tiger Reserve to enable tourists to immerse themselves in the local culture, thereby contributing to the larger purpose of biodiversity conservation. The project includes an 'experiential natural and cultural heritage walk' outside the regular safari track and an interactive workshop on carving out the teetar whistle that mimics the partridges' call.

The community has a natural entrepreneurial spirit, a flair for tracking animals and birds, and reading the forests, which have been leveraged to create an alternate livelihood path.

Taj Safaris conducted training in two batches comprising 15 trainees in FY 2019-20; two of them were placed in Taj Safaris as naturalists. In addition, 15 women from the Pardhi community were imparted culinary skills.

Challenges faced

- Mobilising and sustaining community interest and trust in tourism potential
- Being a nomadic tribe, they do not stay put in one place
- Transition from lumpsum earnings to monthly income
- Approvals from Forest Department to work in forest areas
- Roping in key tourism market players to promote this model

We overcame these challenges by constantly engaging with the community, roping in support from the Forest Department and influencing community leaders to collaborate in a sustainable manner.



SOCIAL

# Empowering communities, preserving heritage

*Social inclusion and business responsibility are integrated into everything we do at IHCL. We are building on our legacy of 'giving back to society' by focusing on skilling underprivileged youth to enable sustainable livelihood and promoting unique traditional heritage.*

MATERIAL ISSUES

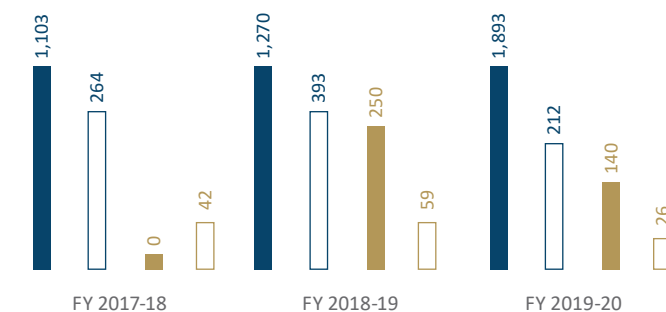


**LIVELIHOODS**

- Provide a joint professional certification to participants, in association with the programme partners and Tourism Sector Skills Council, NSDC, among others
- 14 "IHCL Tata STRIVE" Skill Training Centres offer courses and certification in housekeeping, F&B services, kitchen and bakery
- Provide a three-year vocational training programme in association with the Tata Institute of Social Sciences (TISS) at 15 of our hotels
- Offer a bridge programme for service industry jobs in eight locations with the Head Held High Foundation

**TRAINING AND EMPLOYMENT TRENDS**

- Total trained ○ SC, ST youth trained
- Total absorbed ○ Total SC, ST youth absorbed



**COMMUNITY WELFARE**

- Enable livelihoods through home stays, excursions/ tourist trails in rural, interior and under-served tribal belts through tourism-linked training and capability building initiatives
- Empower youth from the Pardhi community to enable sustainable livelihood; facilitate awareness films, joint branding, modern equipment, knowledge material, outfits and allied ecosystem enablers with respect to Tata Affirmative Action synergies; partner with tour operators and media; onboard the programme on the India Heritage Walks platform



**HERITAGE CONSERVATION AND PROMOTION**

- Some of our prominent projects include:
  - Varanasi weavers project
  - Beautification and landscaping at National Railway Museum and Gateway of India precinct
  - Walk with the Pardhis
  - Tribal Culinary Heritage Preservation with Tata Steel and partnership with Antaran project by Tata Trusts
  - Cleaning Ganga ghats in Varanasi
- Several of our palaces and resorts provide a pro bono platform to artisans, cultural troupes and traditional home cooks



**SOCIAL INCLUSION AND AFFIRMATIVE ACTION THROUGH THE IHCL VALUE CHAIN**

Co-develop and procure tulsi welcome maalas, tea light candles, chef aprons and Jiva Spa merchandise carry bags/potli from inclusion-AA centric enterprises

**₹18CR**

Worth products and services procured from social impact organisations as supply chain partners



SOCIAL

IN THE SPOTLIGHT

## SWACHHTA HI SEVA PROJECT



In line with the government’s Swachh Bharat Mission, the IHCL Corporate Office team encouraged all business units to participate in public area cleaning, waste segregation, waste management, recycling, upcycling, driving campaign awareness, among others on October 2, 2019.

The project received an overwhelming response from 83 hotels – each planned unique activities and awareness campaigns on the theme, ‘Swachhta Hi Seva’.

At the end of the cleanliness drive, the waste collected by each of the hotels were weighed and the data was uploaded to a common CII portal.



IN THE SPOTLIGHT

## PARTNERING IN THE ‘FREEDOM’ CONCEPT



### Background

The Kerala police started an initiative at the Poojappura central prison wherein the inmates set up food making units and sold the food items at a counter near the main gate of the prison.

### Our intervention

At Vivanta By Taj Trivandrum, the senior management decided to support this initiative and visited the premise to inspect hygiene and safety parameters. After a thorough and satisfactory inspection, we started buying chapatis from the prison authorities. This initiative was later extended to Taj Kovalam.

This initiative stands to benefit the families of inmates who are below the poverty line, especially women members, and also instil confidence among the inmates. Targeted at low-income groups, these professionally packed ready-to-eat chapatis, biryanis and chicken curry are competitively priced.

**1,500**

Chapatis purchased by us daily on average for both the hotels



SOCIAL



**IN THE SPOTLIGHT**

## COMBATING THE PANDEMIC, TOGETHER

At IHCL, we undertook several initiatives to join in the fight against the pandemic. While some of our hotels (Mumbai, Goa and Noida) were provided to lodge healthcare workers, some other properties were turned into quarantine facilities.

Throughout the lock-down, we provided meals to healthcare workers at Mumbai, Delhi, Bengaluru, Agra and Coimbatore. We also provided meals for stranded migrant workers in Mumbai via Taj Public Service Welfare Trust and Taj SATS Air Catering.

**30**  
Ventilators

**42,000+**  
Room nights

**70,000**  
Meals to Mumbai Police

**2.15 MN**  
Meals to healthcare workers and migrant labourers

**₹2 CR**  
PPEs worth

**COVID-19: DISASTER RESPONSE PROGRAMME**



**IN THE SPOTLIGHT**

## JOINING INDIA'S FIGHT AGAINST THE PANDEMIC

**What was the situation?**

- India adopted a proactive approach to fight this pandemic
- Doctors, nurses and other medical staff, police front line are the frontline warriors in this war
- With number of cases rising, government hospitals started running out of food for its staff and patients
- Migrant workers across Mumbai were stranded in the city without proper food supply
- State administration was grappling with the issue of migrant workers / daily wage earners



**How did Taj Public Service Welfare Trust contribute?**

**MEALS DONATED**

- Provided 2.15 million meals to migrant workers, healthcare professionals and police front line staff
  - Provided 909,358 meals to migrant workers in Mumbai in partnership with TajSATS and BMC
  - TajSATS provided meals to healthcare staff in nine hospitals in Mumbai
  - Provided 191,299 meals to healthcare staff of Lady Hardinge Medical College and seven hospitals in New Delhi in partnership with IHCL Delhi hotels and TajSATS
  - Provided 26,925 meals to healthcare staff of two hospitals in Bengaluru in partnership with Taj West End Bengaluru
- Provided 1497 meals to healthcare staff of ESIC hospital, Coimbatore in partnership with Vivanta Coimbatore
- Provided 69,745 meals to Mumbai Police in partnership with Tata Trust
- Taj West End partnered with Bangalore Airport Authority Limited (BIAL) to provide over 49,000 meals to migrant workers.

**VENTILATORS**

- Provided 30 ventilators to five hospitals in Mumbai.

**PPEs / SANITISERS, MASKS**

- IHCL supported Kasturba Hospital, Mumbai to purchase Sanitiser, Mask and other essential Personal Protective equipments for the hospital staff.





## SOCIAL

# Ensuring health, safety and wellbeing of our people

*At IHCL, we constantly adopt best-in-class practices to prioritise the health, safety and wellbeing of our people.*

## MATERIAL ISSUES



## FY 2019-20 PERFORMANCE ON EMPLOYEE HEALTH AND SAFETY

# 13,389

Safety training sessions

# 1,30,130

Cumulative number of participants in safety training

# 1,516

Health awareness sessions conducted

# ZERO

Fatalities

# 4.87

Lost Time Injuries– Frequency Rate

## MAJOR INITIATIVES UNDERTAKEN DURING FY 2019-20

- Developed and launched two animated films on safety across all hotels in partnership with Tata ELXSI to be played at dedicated locations; Film 1 featured 12 storyboards/common workplace hazards and control mechanisms; Film 2 featured road safety initiatives with trainer notes and road safety pledge; both the films uploaded to internal portal, IGNITE
- Launched Road Safety Campaign weekly emails across all hotels
- Pool disclaimer and waivers evaluated and suggestions made in line with Supreme Court guidelines on pool safety
- Circulated timely advisory on Cyclone Fani, Nipah virus to concerned hotels
- Sent coronavirus advisory to all hotels along with internal posters and notices from WHO
- Initiated Home Safety Task Force to drive Home Safety under mentorship of Dr P V Murthy
- Conducted Fire and Life Safety (FLS) audits at 84 hotels with focus on eliminating risks for areas in Leadership & Governance, Risk Management, Electrical Safety, Fire Safety, General Safety, Personal Protective Equipment, Contractor Management, Work Permit System, Sewage Treatment Plant and Road Safety
- As a part of the 'Project Excellence' initiative, standard operating procedures created for key processes across functions; in phase one, 52 processes related to safety created and shared across hotels for implementation through IGNITE – these included 12 safety processes (Hazard Identification and Risk Assessment, Elevator Safety Guidelines, among others), 16 security processes (Baggage Scanning, Lost & Found procedure, among others) and 24 processes related to business continuity
- 'Felt Leadership for Safety' workshop attended by 23 senior leaders including members of the Executive Committee; the faculty along with the Tata Group Safety team highlighted areas of safety focus that would help institutionalise a safety culture at IHCL
- Food safety, Hygiene and Cleanliness audits conducted by external audit partner ensuring implementation of FSSAI guidelines and standards; 83 hotels audited on these parameters, of which 99% scored more than 80%
- Organised Food Safety Workshop to discuss the way forward for Food Safety, Hygiene and Cleanliness implementation in the coming year



## SOCIAL

## Redefining customer experiences

*Our customers are always at the core of everything we do. The strong relationships and engagement with our customers is further enhanced by leveraging data analytic tools, optimised loyalty programme, improved user experience across our digital channels and periodic communication to craft hyper personalised experiences.*

## MATERIAL ISSUES



## DIGITAL MARKETING

- Introduced brand-specific websites to enable easy discovery of hotels through cross-selling
- Integrated booking engine with our brand websites for a seamless on-brand booking experience
- Introduced a price check tool so that customers can compare rates and get the best rate guaranteed when making bookings on our websites
- Achieved a response rate of more than 95% (< 15 minutes) for mentions in the online space through Taj.live
- Launched Corporate Booking Portal for corporate customers



4.2%

Increase in conversion rate through our digital efforts (brand.com)

## MARKETING COMMUNICATION

- Rolled out integrated Taj Brand communication campaign across print, digital, social media and direct marketing
- 'Discover SeleQtions' digital campaign rolled out for increasing awareness about the SeleQtions brand
- Digital Asset Management system was rolled out across the Company, enabling superior maintenance, distribution and usage of all our marketing assets

## CRM AND LOYALTY PROGRAMME

- Taj InnerCircle programme was refined and refreshed during the year
- Taj InnerCircle website was revamped for improved customer experience

15%

Increase in the count of premium members

16%

Increase in revenues for Taj Holidays, strong growth in portfolio

## SALES OUTREACH

- One Tata: various initiatives introduced to improve synergies within the Tata Group.
- Sports continues to be a key focus area, with cricket being the predominant contributor
- Travel + Leisure Advisory Board in India 2019: 14 top travel advisors from the US, travelled to Delhi, Agra, Jaipur, Udaipur and Mumbai.
- Weddings: Timeless Weddings, a key focus area. Partnered with topmost players in the country.
- IHCL Sales Mission 2019: enhance engagement, educate our travel trade partners about new developments and identify opportunities for growth.
- Taj Holidays Road Show: Engagement with the trade in key cities to reinforce IHCL as the preferred brand.

## PROMINENT PERSONALITIES &amp; LEADERS WHO VISITED OUR HOTELS IN FY 2019-20

## Heads of State and VIP Delegations from countries such as:

India, United Kingdom, Sweden, Bangladesh, Sri Lanka, Nepal and Zambia.

## Captains of industry and delegations from Fortune 500 &amp; multinational corporations like:

Amazon, Airbus, Barclays, Boeing, GE, HSBC, IBM, Mondelez and Unilever to name a few.

## HARNESSING THE POWER OF DATA

Tapping into the power of data, we have established Data Centers of Excellence (COE) to facilitate data driven actionable insights around areas of strategic importance. The key focus areas of the COE's are around customer experience, revenue management, F&B, procurement and cost optimisation. We hope to continue on this journey to leverage data more effectively.

COMMEMORATING  
115 YEARS

## A charity event in Taj Mahal, Mumbai and Taj Palace New Delhi to commemorate 115 years of operations

The Taj Mahal Palace, Mumbai, the lasting legacy of our founder Sir Jamsetji Tata, completed 115 years, for which we hosted an exclusive Charity Gala, to take ahead the spirit of philanthropy – the cornerstone of the 150 year TATA legacy. An exquisite Charity Gala, in support of the Taj Public Service Welfare Trust, was held at the Taj Mahal Palace Mumbai and the Taj Palace New Delhi. The event brought together friends, partners, patrons and well-wishers for an evening of music, art and fine food.

## READY FOR THE NEW NORMAL

COVID-19 has impacted the hospitality industry substantially, which is likely to abate over the next 6-12 months. In this scenario, health and safety have assumed utmost significance. Being a leader, we have proactively taken steps to enhance business practices, particularly customer service significantly. These can be read at [www.tajhotels.com/en-in/tajness-a-commitment-restrengthened/](http://www.tajhotels.com/en-in/tajness-a-commitment-restrengthened/)



GOVERNANCE

# Ensuring ethical business practices



**CORPORATE GOVERNANCE PHILOSOPHY**

At IHCL, we are committed to enhancing long-term value for all stakeholders by embracing the highest standards of ethical practices and being a proactive corporate citizen. Our values guide our interaction with our customers, colleagues and other key stakeholders.

**GOVERNANCE STRUCTURE**

We have adopted a well-defined governance framework wherein the Board is responsible for ensuring ethical and sustainability practices vests with the Board, with the committees playing a proactive role in identifying, mitigating and managing ESG risks and material issues.



**KEY BOARD ACTIVITIES DURING FY 2019-20**

**Performance, strategy and implementation**

- Direct, supervise and control performance of our Company
- Provide leadership and guidance to management
- Review strategic and business plans
- Measure objectives and review status of targets set forth under Aspiration 2022
- Align Company strategy and goals to its vision and mission statements

**Compliance**

- Monitor and review compliance of Code of Conduct for Prevention of Insider Trading, Whistle Blower Mechanism and Health & Safety standards
- Review Tata Business Excellence Model findings and monitor action plan

**Ensure efficient governance, ethical business practices**

- Ensure that high standards of Tata values and ethical conduct of are maintained
- Supervise and monitor activities of the various Board committees to ensure proper and effective governance and control of Company's activities
- Establish a framework for and review it periodically

**Talent management**

- Review talent management, leadership development and succession plan
- Ensure organisational design meets aspirations and future requirements

**KEY GOVERNANCE INITIATIVES UNDERTAKEN**

- Revamped investor website to bring all data under one roof in a comparable, tabular, searchable and easy-to-use format
- Formed a three-level escalation matrix for Investor Relations
- Provided an exclusive web-based information portal to Directors with information on Company Overview, Hospitality and Industry Insights, Management and Strategy Updates, News and Announcements, Governance & Risk, among others
- Automated and rolled out web-based application on 'Insider Trading', 'Related Party Transaction' and 'Whistle Blower Mechanism' together with launch of ESS Module
- Digitised Board evaluation process, meeting minutes, and Company statutory records

**OUR BEST-IN-CLASS GOVERNANCE PRACTICES**

A diverse Board comprising members who hold ethics and integrity in high regard

Implemented Tata Code of Conduct (TCOC) to ensure that business is conducted ethically and responsibly

Well-defined roles, responsibilities, and accountabilities of Board members and the Management

Board evaluation as a tool to improve effectiveness of members, followed by a results driven action plan

Robust Risk Management framework overseen by Risk Management Committee

Embraced Integrated Reporting as a strategic framework designed to provide quantitative and qualitative disclosures to our stakeholders



BOARD OF DIRECTORS

# Leading with excellence



**N. Chandrasekaran**

Chairman



**Nasser Munjee**

Non-Executive, Independent Director



**Venkataramanan Anantharaman**

Non-Executive, Independent Director



**Venu Srinivasan**

Non-Executive Director



**Vibha Paul Rishi**

Non-Executive Independent Director



**Hema Ravichandar**

Non-Executive, Independent Director



**Mehernosh S. Kapadia**

Non-Executive Director



**Puneet Chhatwal**

Managing Director & Chief Executive Officer



- Audit Committee
- Nominations & Remuneration Committee
- Corporate Social Responsibility & Sustainability Committee
- Risk Management Committee
- Stakeholders & Relationship Committee

Member Chairperson



## SENIOR MANAGEMENT

A perfect blend of  
expertise and experience**Puneet Chhatwal**

*Managing Director &  
Chief Executive Officer*

Mr. Chhatwal brings over three decades of leadership experience at highly acclaimed hotel groups in Europe and North America. He joined IHCL in 2017 as MD and CEO of the group. He sits on several Tata company boards including IHCL, Taj GVK Hotels and Resorts Limited, Piem Hotels Limited, ELEL Hotels and Investments Limited, Oriental Hotels Limited, TajSATS Air Catering Limited and Roots Corporation Limited. Mr. Chhatwal has won numerous awards, including the prestigious Carlson Fellowship, and was rated as one of Europe's 20 extraordinary minds in Sales, Marketing and Technology – HSMAI European Awards 2014.

**Giridhar Sanjeevi**

*Executive Vice President and  
Chief Financial Officer*

Mr. Sanjeevi has built a broad-based career over 33 years across multiple businesses – consumer businesses, financial services, retail and pharma in Asia and Europe. A Chartered Accountant and an MBA from IIM Ahmedabad, he has won several awards, including Most Influential CFOs of India award from CIMA in 2015 and 2016 and CFO of the Year for Excellence in Finance in Managing a Turnaround from IMA, 2013.

**Dr. P. V. Ramana Murthy**

*Executive Vice President and  
Global Head – Human Resources*

Dr. Murthy brings over 35 years of rich experience in the fields of strategic human resource management, leadership development and organisational effectiveness from both Indian and multi-national organisations. He holds a Ph.D. in Strategic Human Resource Management and an Executive Master's degree in Organisational Change from INSEAD, Singapore. He has also attended an advanced Human Resource Executive programme from Michigan Ross School of Business in 2009. He believes in scientific people practices and has been specialising in Talent Management, Leadership and Organisational Culture. Some of the work at IHCL in these areas is now recognised as global best practices.

**Rajendra Misra**

*Executive Vice President  
and General Counsel*

Mr. Misra brings over 28 years of rich legal experience, having occupied leadership positions in top Indian and multi-national corporations. Heading the Legal and the Asset Management functions, Mr. Misra drives strategic initiatives, crafting legal strategy and managing organic and inorganic growth, apart from strategic litigation and IP management. He is an Alumnus of the Leadership in Corporate Counsel program from Harvard. He holds a Bachelor of Laws degree from the University of Calcutta, and PGDPL from NALSAR. Mr. Misra has been featured consistently by The Legal 500 in the GC Powerlist: India. He has been conferred with numerous awards, including General Counsel of the Year – Male in 2019 by INBA.

**Renu Basu**

*Senior Vice President – Global Sales  
and Marketing*

Ms. Basu oversees the functions of sales, marketing, loyalty, digital marketing, alliances and partnerships across all brands of IHCL. She has over three decades of experience and was featured in Impact's Most Influential Women from the advertising, media and marketing industry in India. She represents the organisation as an Executive Committee member on PATA and has held positions across British Business Group, CII Western Region, Tourism Committee Bombay Chamber of Commerce and Industry. She holds a Bachelor of Arts in Psychology, Bachelor of Law from the University of Mumbai and a Diploma in Marketing Management from Jamnalal Bajaj Institute of Management Studies.

**Ashish Seth**

*Senior Vice President – Materials  
and Project Development*

Mr. Seth joined IHCL in 1996 as a Finance Executive straight from the ICAI campus. Over the last 24 years, he has worked on several facets of Finance including Strategic Planning, Finance & Accounts, Budgeting & Statutory Compliance, Procurement, Commercial and Project Development at various locations (including US). He is a Chartered Accountant as well as a CPA (US), and holds Cost Accounting and Company Secretary degrees too.

**Rohit Khosla**

*Executive Vice President –  
Operations (North and West India)*

Mr. Khosla joined IHCL in 1999 as Executive Assistant Manager, at the Taj Palace, New Delhi, and has held several positions within the group since then. Currently he oversees Hotels in Northern, Eastern and Western states of India, Taj Tashi, Bhutan and the Operations of Taj Safaris in India and Nepal. He is a Post Graduate from the Institute of Hotel Management, Mumbai and has been felicitated with numerous industry awards including the Young Hotel General Manager in 2006 by the Federation of Hotel & Restaurant Associations of India (FHRAI), International Achiever of the Year award by PATWA at ITB Berlin, Germany in 2019, among others.

**Prabhat Verma**

*Executive Vice President – Operations  
(South, International & Ancillary Business)*

Mr. Verma is overseeing the operations of South India; International hotels and the retail brand EXPRESSIONS. He joined IHCL in 1990 as a Management Trainee with the flagship Taj Mahal Palace & Towers. He has been the General Manager of some of the leading hotels of IHCL. Prior to his current role, he was the Senior Vice President - Operations, South. He is a hotel management graduate from IHMCTAN Kolkata, and has also attended the Executive Development Program at IIM, Bangalore. He is the recipient of many industry accolades including the 'International Cooperation between the UK and India Award' (2012) at the House of Parliament by Asian Voice, PATWA Award.

**Suma Venkatesh**

*Executive Vice President – Real Estate &  
Development*

Ms. Venkatesh brings over 27 years of varied experience across engineering, financial services, real estate and hospitality sectors. She has worked across advisory services, financial structuring and lending for infrastructure projects, planning and development of real estate and hotel projects. She currently heads IHCL's Development, Technical Services and Projects functions and has been at the forefront of its greenfield developments, acquisitions, licenses and management contracts. She is an Electrical Engineer from VJTI, Mumbai and holds a Master's degree in Management Studies from JBIMS, Mumbai.

**Beejal Desai**

*Senior Vice President – Corporate Affairs &  
Company Secretary (Group)*

Mr. Desai holds an L.L.B. degree from Mumbai University and is a Fellow Member of the Institute of the Company Secretaries of India. Mr. Desai has over 35 years of rich, extensive and cross functional experience and specialises in the areas of Secretarial, Legal, Corporate Governance, Corporate Affairs, Compliance & Investor relations. He has worked in leadership positions across diversified sectors including Hospitality, Pharmaceuticals, Forging, among others. He has won several National & International awards, notably Golden Peacock Award for Excellence in Corporate Governance – 2019 by Institute of Directors, London, Best Company Secretary – Leisure & Hospitality – Asia 2019 by Ethical Boardroom, London, among others.

**S Y Raman**

*Vice President – Group Internal Audit*

Mr. S Y Raman has more than 31 years of work experience, all of which are with the Tata Group - 16 years with Tata Global Beverages Limited and 15 years with IHCL. At IHCL, he has over 35 years of rich, extensive and cross functional experience and specialises in the areas of Secretarial, Legal, Corporate Governance, Corporate Affairs, Compliance & Investor relations. He has worked in leadership positions across diversified sectors including Hospitality, Pharmaceuticals, Forging, among others. He has won several National & International awards, notably Golden Peacock Award for Excellence in Corporate Governance – 2019 by Institute of Directors, London, Best Company Secretary – Leisure & Hospitality – Asia 2019 by Ethical Boardroom, London, among others.

**Vinay Deshpande**

*Senior Vice President and  
Head of Digital & IT*

Mr. Deshpande is a Tata Group veteran and brings over 25 years of experience across Digital, IT and Technology. He has worked across different functions within the IT industry. He is a Mechanical Engineer and holds a Master's Degree in Technology from Indian Institute of Technology (IIT), Bombay. He has also done an Executive Leadership Program from Ross School of Business, University of Michigan.



# Management Discussion and Analysis



## Economic environment and industry insight

### PREAMBLE

Towards the end of the fourth quarter of the current fiscal, COVID-19, a coronavirus that originated in a city, spread throughout the world at an alarming rate in a matter of a few months. On March 11, 2020, the World Health Organisation (WHO), declared COVID-19 a global pandemic. The global economy was already sluggish, with growth rates declining due to lower infrastructure spends, increased trade barriers, geopolitical stress and social unrest in many countries. COVID-19 further exacerbated the stress, impacting growth rates even further by bringing ordinary life to a standstill, reducing travel and transportation, interrupting business and threatening lives and livelihoods across the globe. What started as a public health issue has spiralled into global recession, inseparable from the uncertainty and changed priorities that it has brought in its wake. Economic revival will largely depend on how the disease is contained, and the speed at which research can lead to the development of a vaccine or therapies for the cure of the ailment. The time taken for the commercial production and proliferation of medicines will be critical to bringing back normalcy in life, the revival of consumer sentiment and business confidence. We are now placed at an inflection point.

Along with the manufacturing sector and industries such as real estate, construction, automotive, luxury retail, etc. travel and tourism, that includes hospitality, airlines, cruise

liners, road and railway transport, travel and tour operators have taken a frontal impact of the pandemic. The tourism industry has been affected both in terms of the demand for its products and its people, given that the industry is highly people-centric and service delivery involves close interaction between guests and the service-providers. The government's response to the situation, which includes social distancing norms, global travel advisories, suspension of visas, prohibition against mass gatherings, cancellation of sporting and cultural events, halting of interstate transport, railways, etc. has impacted the hospitality industry.

The industry is taking all possible measures to survive in the short-term, revive in the medium-term, and thus thrive in the long-term. This will prepare it for the "new normal", an era of changed customer perceptions about product consumption and services; an era that will see higher emphasis on hygiene and safety amongst businesses and customers alike, and an exponential increase in the use of digital solutions as the world deals with the concept of "contact-less" interaction among people. The travel and tourism industry is estimated to have contributed US\$ 8.9\* Trillion to the world's GDP, US\$ 194.3 Billion in India alone, in 2019. More importantly, the industry contributes much more through indirect employment and thus helps multiply economic growth.

\*World Travel & Tourism Council, Economic Impact Reports, 2019

### ECONOMIC OVERVIEW

#### GLOBAL ECONOMY: THE YEAR IN REVIEW (PRE-COVID-19)

The International Monetary Fund (IMF) had forecast global growth of 2.9% in 2019, its slowest pace since the global financial crisis in 2009, and downgraded its earlier forecast from 3.3%. Although trade tensions between China and the United States (US) stabilised somewhat, they impacted output and global trade. The GDP growth of the US and United Kingdom (UK) was 2.3% and 1.4% respectively, while China, India and ASEAN-5 countries' growth was better at 6.1%, 4.2% and 4.8% respectively. Sri Lanka, Nepal and the Maldives reported growth of 2.3%, 7.1% and 5.7% respectively.

#### INDIAN ECONOMY: THE YEAR IN REVIEW (PRE-COVID-19)

The IMF had revised India's growth rate to 4.2% in 2019 in the World Economic Outlook released in January, 2020, from its earlier projection of 6.8%. A sharp decline in domestic consumption and private investment, stress caused by the liquidity crisis at Non-Banking Financial Companies (NBFCs) and weakening credit growth had prompted the revision. Sluggish global growth caused by the downturn in manufacturing, trade and demand had also adversely impacted the Indian economy. However, the services sector continued to outperform the industrial and agricultural sectors in terms of gross value added (GVA), with service exports outperforming goods exports



## MANAGEMENT DISCUSSION AND ANALYSIS



in the recent years. The government's fiscal stimulus through the lowering of corporate tax rates, merger of public sector banks, focus on manufacturing, support for affordable housing, together with the Reserve Bank of India's monetary stimulus through the reduction in policy rates, and subdued oil prices were expected to propel the Indian economy. (Source: Economic Survey 2019-20)

### ECONOMIC OUTLOOK (POST-COVID-19)

#### Global scenario:

As COVID-19 continues to take its toll on human health, government responses to arrest this pandemic across the world are severely impacting economic activity. Several countries have announced large stimulus packages to support the marginalised and working-class families who have been most disadvantaged by the crisis. The US has released a US\$ 2.2 trillion coronavirus relief package, consisting of cash

disbursement to families, financial assistance to small and medium enterprises and big businesses impacted by the virus, as well as hospitals, medical suppliers and public and non-profit health organisations for bolstering life care capabilities, critical supplies and vaccine research. The UK extended a business rates holiday to all businesses in the retail and hospitality sector for twelve months, a cash grant for survival and access to loans on attractive terms.

Countries reliant on tourism, travel, hospitality and entertainment for their growth have been particularly affected. Emerging market and developing economies face additional challenges amid unprecedented reversals in capital flows with the waning of global risk appetite, currency pressures, the stress created by weaker healthcare systems and the limited fiscal space to provide support. (Source: IMF-The Great Lockdown – World Economic Outlook). In its Report, World Economic

Outlook, April, 2020, the IMF projected the global economy to contract by 3.0% in 2020. It projected the US economy to contract by 5.9%, that of the UK by 6.5%, Euro area by 7.5% and South Africa by 5.8%. Countries like Maldives could be severely impacted as they are heavily dependent on tourism, especially arrivals from China, the Middle East and Europe. In its recent report on Global Economic Prospects, June, 2020, the World Bank has forecast the global economy to contract by 5.2% in 2020 with advanced economies projected to contract by 7.0% and that of emerging market and developing economies by 2.5%.

#### India:

The Indian government has announced a series of fiscal stimulus packages and subsidies to support small and medium-sized enterprises, farmers, migrant labour, etc. It has also introduced six-month moratoriums on loans through banks, automatic collateral-free loans to small

businesses, reduced withholding tax rates and extended payment due dates. The RBI too has announced a series of monetary measures to mitigate the risk of a liquidity crisis during economic recovery apart from reducing lending rates to offset a likely credit crunch.

In the post-COVID-19 scenario, India's growth rate for 2020 was projected

by the IMF in April, 2020 at 1.9%, assuming that the pandemic is brought under control and containment efforts can be gradually scaled back, restoring consumer and investor confidence. However, a recent World Bank Report projects India's economy to contract by 3.2%. The wide range of economic forecasts notwithstanding, India's recovery will depend to a large

extent on how effectively it manages the health crisis, selectively isolates containment zones, reopens other zones for reviving economic activity as well as how effectively it manages geo-political dependencies. (Source: IMF World Economic Outlook, May 2020 and World Bank Global Economic Prospects, June, 2020)

### REAL GDP, ANNUAL PERCENTAGE CHANGE

	Actual		Projection	
	2018	2019	2020	2021
World Output	3.6	2.9	-3.0	5.8
Advanced Economies	2.2	1.7	-6.1	4.5
USA	2.9	2.3	-5.9	4.7
UK	1.3	1.4	-6.5	4.0
Emerging Market & Developing Economies	4.5	3.7	-1.0	6.6
Emerging and Developing Asia	6.3	5.5	-1.0	8.5
India	6.1	4.2	1.9	7.4
China	6.7	6.1	1.2	9.2
ASEAN-5	5.3	4.8	-0.6	7.8
Emerging and Developing Europe	3.2	2.1	-5.2	4.2
Sub Saharan Africa	3.3	3.1	-1.6	4.1
Middle East and Central Asia	1.8	1.2	-2.8	4.0

Source: IMF World Economic Outlook, April 2020

As observed from the above table, the IMF projects a sharp bounce back of economic growth in 2021.





## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY INSIGHT

#### GLOBAL HOSPITALITY AND TOURISM INDUSTRY (PRE-COVID-19)

Globally, international tourism witnessed 1.5 billion arrivals in 2019, recording a 4% growth in overnight visitors, which was lower than the growth rate of 6% in 2018. This was partly because of the slackening demand in advanced economies, particularly in Europe. Geopolitical stress, social unrest and a global economic slowdown contributed to a lower growth in 2019. With an 8% growth in arrivals and double the global average, the Middle East emerged as the fastest-growing region for international tourism. Although Europe continued to lead, with 743 million international tourists last year and a command of 51% of the global market, Asia and the Pacific saw a healthy 5% increase in international arrivals. In spite of the global economic slowdown, tourism spending continued to grow, with France reporting the strongest increase in international tourism expenditure among the world's top 10 outbound markets with an 11% increase, while the US, with a 6% increase, led growth in absolute terms, aided by a strong dollar.

(Source: UNWTO Barometer Jan 2020)

#### GLOBAL HOSPITALITY OUTLOOK (POST-COVID-19)

According to UNWTO, a global organisation for promotion of tourism, the pandemic has already caused a drop of 22% in international tourist arrivals from January-March 2020, and could lead to a further decline of 60-80% due to COVID-19 during the

year. With 67 million less international arrivals owing to lockdowns, March 2020 saw a sharp drop of 57% in arrivals and a loss of USD 80 billion in tourism exports. The Asia-Pacific region bore the biggest impact with a decline of 33 million arrivals, while the drop in Europe was 22 million.

UNWTO has given three scenarios for 2020 based on possible dates for the gradual opening up of international borders in early July, early September or in early December. The impact translates into 850 million-1.1 billion less international tourists, loss of US\$ 910 billion-1.2 trillion in revenues from tourism exports and risk to 100-120 million direct tourism jobs. Domestic leisure demand is expected to recover faster than the international demand, according to a survey by a UNWTO panel of experts. (Source: UNWTO, May 2020). As a sign of hope, Europe, China and South Korea seem to be easing up for domestic tourism, while Iceland has already confirmed that it would welcome international guests from June, 2020 after health checks, which could be the new normal.

#### INDIAN HOSPITALITY AND TOURISM INDUSTRY (PRE-COVID-19)

India is a tourism hotspot, given its diverse landscape, rich cultural heritage, and the opportunities it offers to businesses with its start-up culture and availability of a young, educated workforce. During 2019, foreign tourist arrivals (FTAs) in India stood at 10.9 million, an increase of 3.2% over 2018. Of this, 2.9 million tourists arrived on e-tourist visa as compared to 2.4 million during 2018, registering a growth of 21%.

#### INDIAN HOSPITALITY OUTLOOK (POST-COVID-19)

FTA footfall in India, particularly that of leisure travellers, started softening in February 2020, as COVID-19 spread across the globe. Although domestic flights resumed in June 2020, the restrictions on the entry of international travellers means that FTA is not about to pick up any time soon. Even though some countries are reopening, travel bans are expected to be rolled down only by the end of the year. The situation may not improve drastically for the hospitality sector. Except for the smaller-sized hotels, which are now covered under the MSME (micro, small and medium-sized enterprises) the hospitality sector in India has not benefited from the stimulus packages rolled out by the government.

India ranks 3<sup>rd</sup> in World Travel & Tourism Council's list for Travel & Tourism Power and Performance. It markedly improved its position from the 40<sup>th</sup> rank in 2018 to 34<sup>th</sup> in 2019 in the World Economic Forum's Travel and Tourism Competitive Index (TTCI). Some key trends that are expected to prevail for India's tourism industry in a post-COVID-19 environment are:

##### Rise of staycations

Over the past couple of years, there has been an increased demand for more frequent holidays near home as working millennials look to escape city life in search of tranquillity or a break from monotony. In the short term, people are expected to visit hotels within drivable distances from their homes.



*Although domestic flights resumed in June 2020, the restrictions on the entry of international travellers means that FTA is not about to pick up any time soon.*

##### Bleisure travel

This year, Bleisure travel, a combination of business and leisure, was at an all-time high and will continue to be popular in 2020. The quest for a better work-life balance is growing stronger among Indians. Most new-age corporate travellers will continue to make the most of their business trips by exploring local culture, food and other attractions by extending their stay.

##### Tech-enabled and tech-reliant travellers

With millennials preferring pre-payments, travellers go cashless today. A booming fintech industry and cashless transactions are setting the tone for travel and leisure, which no longer involve the hassle of handling physical cash. According to a report by Bain & Company, nearly 35% of Indians will book their travels online by 2021. COVID-19 has further compelled businesses and consumers to adopt contactless payment.

##### Food & Beverages (F&B)

F&B, which generally provides sustainable revenues to the Indian hospitality industry, is likely to see lower revenues in a post-COVID-19 environment. The trends in F&B are likely to veer towards online food ordering, food delivery to home and offices, meetings and events for smaller corporate groups, catering at residences of high net worth individuals for small gatherings, etc. Seating capacity at restaurants is expected to fall in order to provide space for social distancing, which will reduce meal volumes. High street restaurants are likely to suffer the most while and restaurants in hotels that enjoy the trust of patrons and meet their safety and hygiene concerns may see a higher footfall.

##### Value for money

Millennials are spending more on experiences like food, adventure, etc. As a result, India, is seeing a widening base of customers who

prioritise travel that give them quality experience while being wallet-friendly as well.

##### Policy support

The Government of India plans to develop 17 iconic tourist sites in India into world-class destination as per Union budget of 2020. Campaigns such as Swadesh Darshan, theme-based tourist circuits, were launched to harness the potential of the tourism industry.

##### Diverse attractions

India offers tourists a vast geographical diversity, attractive beaches, a chance to see 37 World Heritage Sites and 10 bio-geographical zones.



## MANAGEMENT DISCUSSION AND ANALYSIS

## Review of the business



## BUSINESS OVERVIEW

IHCL continued its execution of 'Aspiration 2022' during the year. With a clearly defined and re-imagined brandscape catering to diverse customer segments through Taj, SeleQtions, Vivanta, Ginger and amã Stays and Trails, its increased presence in cities and resorts, consolidation in destinations like Delhi, Dubai and Goa and entry in new destinations such as Andaman, Shimla and Tirupati, IHCL has further diversified its geographical footprint and is strategically placed to achieve its set goals. The year also saw strong performance of international hotels in the UK and the US until the onset of COVID-19 pandemic towards the end of FY 2019-20.

The strategic levers executed by the Company under 'Aspiration 2022' during the year were:

## 1. BRANDSCAPE – KEY INITIATIVES:

**Taj** saw the addition of the iconic Taj Fateh Prakash Palace, Udaipur, under a lease agreement. Four other hotels opened under the Taj brand in Agra, Dubai, Goa and Tirupati, taking the tally to five openings during the year. The brand also had five hotel signings with 966 rooms during the year.

**SeleQtions** was launched in April, 2019, as part of IHCL's named collection of hotels. During the year, two more hotels— Cidade de Goa - IHCL SeleQtions, Goa and Devi Ratn - IHCL SeleQtions, Jaipur — were opened and two hotels were signed under the brand. The Connaught - IHCL SeleQtions, New Delhi is scheduled to open during FY 2020-21.

**Vivanta** had nine hotel agreements signed during the year with an aggregate of just under 1,000 rooms.

**Ginger** pursued an aggressive growth strategy with five openings to reach a milestone of 50 hotels under operation. Ginger now has an aggregate inventory of 4,410 rooms across 35 locations. The brand also had 13 signings in the year, the highest number of rooms signed under a single brand in India. (Source: JLL Hotels Brand Signings Tracker)

Hotels are planned in clusters to drive economies of scale. With a refurbished portfolio of 12 Lean Luxe Hotels, constituting 24% of the portfolio, and a new concept restaurant, Ginger is ready to harness the opportunities the midscale segment has to offer, especially in the new normal. Ginger's fully fitted lease model optimises capital expenditure and minimises cash outflow in the early stages of operations of the hotels. For FY 2019-20, the Lean Luxe portfolio achieved a growth of 21% in average room rates, a rating of 4.62 on Tripadvisor and 75% of its hotels in the Top 10 city rank in competitive benchmarking reports.

**Expressions** constitutes an ecosystem of hospitality brands. Initiatives under this umbrella of brands constituted scaling of Jiva at hotels, relaunching 'niu&nau', a re-imagined salon, and scaling homestays under 'amã Stays and Trails', which is a portfolio of 22 bungalows that has 14 bungalows in operation.

**TajSATS** has consolidated its position in the air catering business by securing a higher number of international airlines and is now poised to scale its non-aviation business.

## 2. GROWTH

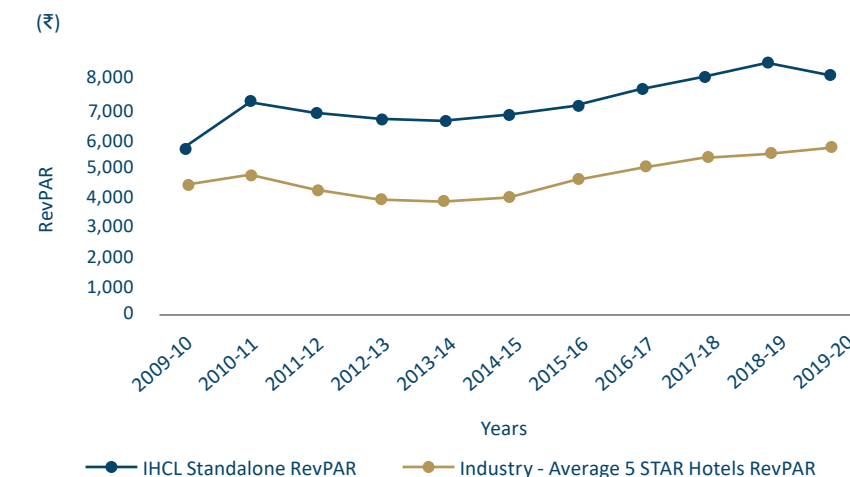
IHCL expanded the portfolio with 12 openings at an average of one hotel a month. It also signed 29 hotels with an inventory of over 3,700 rooms, completing more than 50 signings in the past two years. IHCL's portfolio, constituting operational and pipeline hotels, has reached a key milestone of 200 hotels, with more than 25,000 rooms at over 100 locations.

## 3. REVENUE SALIENCY

a. **Room revenue** constitutes 45% of the turnover. With high margins, room revenue grew with increase in RevPAR driven by occupancies. IHCL hotels were leaders in the micro markets they operated in during the year. A strategy of multiple hotels in various cities, and leadership position in key cities, helped maximise its market share. A drop in GST slab rates for accommodations priced above ₹7,500 from 28% to 18% also assisted IHCL in improving room demand.

IHCL enjoys RevPAR dominance across key markets in which it operates and is well poised to further strengthen this metric on its path to recovery from the current environment in the post-COVID-19 economy.

## REVPAR DOMINANCE OF IHCL



Source: Internal and STR

- b. **F&B revenue** constitutes 40% of the turnover and is backed by the strength of IHCL's banqueting business. The Company has always been a pioneer in F&B in India, being the first to introduce new cuisines. During FY 2019-20, IHCL signed new hospitality concepts viz. Brew Pub with AB InBev, Paper Moon and GTR. It also expanded key F&B brands such as Shamiana, House of Ming, Thai Pavilion and Golden Dragon across the network.
- c. **The Chambers** - Taj's exclusive business club was launched globally with enhanced features. The initiative saw a good response by way of new memberships, migration of existing members that has increased both annual and initiation membership fees during the year. Members also use regular facilities of accommodation, F&B, meeting rooms, and banquets, etc. With more than 100 new members, and a total of over 2,000 members, the club has the potential to be a ₹100 Crore business that will help grow revenues and contribute to improving margins.
- d. **Management fees** - IHCL's set target is to have 50% share of its portfolio as hotels under management contracts by 2022. The Company's hotel signings under management contracts comprise approximately 80% of the pipeline. In FY 2019-20, managed hotels contributed ₹218.77 Crore in management fees and reimbursements, a source of high margin that provides a high Return on Capital Employed (ROCE) since it involves minimal incremental capital.

## 4. MONETISATION OF NON-CORE ASSETS

₹205 Crore was monetised through the sale of residential apartments, a vacant land and sale of investments in a Joint Venture Company.



## MANAGEMENT DISCUSSION AND ANALYSIS

### IHCL'S RESPONSE TO COVID-19

Following WHO's declaration of the COVID-19 outbreak as a pandemic, the Government of India undertook a series of measures to contain the outbreak, which included imposing multiple lockdowns across the country. Governments all across the globe had undertaken similar measures since February and March, 2020. The lockdowns and restrictions imposed on various activities, have posed a serious challenge to the businesses of the Company and its subsidiaries, JVs and associates, given the mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies/shutdown of hotels.

IHCL took a series of measures with agility, which are as follows:

#### HEALTH AND SAFETY

As an immediate response, IHCL took measures to protect the health of its employees and guests by implementing renewed health and hygiene standards and complying with the directives of the Central and State governments and municipal authorities. The Company adopted

a work-from-home policy for its corporate and regional sales offices as well as hotel employees as a precautionary measure while operating hotels in Green zones with minimum staff under the administrative authority's guidelines. New and detailed standard operating procedures were formulated as a comprehensive guide covering all areas of operations and service design, factoring in social distancing, digital-first approach and heightened precautionary processes for guests and employees.

#### REVENUE OPPORTUNITIES

IHCL's brands enjoy the tremendous trust of its patrons, guests as well as the neighbourhoods in which it operates its hotels. Given the limitations that the prevailing situation has imposed on existing business models, IHCL has explored multiple alternative revenue opportunities to ensure business continuity. These include a Hospitality@Home programme by which hotels supply bakery, confectionery and gourmet hampers, wellness and laundry services to homes. The Company is also exploring digital channels to make more products and services available to guests. Certain corporates have

been using hotels as part of their Business Continuity Programme to maintain their operations during the lockdown. Long-stay guests have continued to put up at the hotels. The Company has also been working with, and supporting, the government in its efforts to combat the COVID-19 situation by offering rooms to the medical fraternity and providing accommodation for quarantine purposes to guests who have availed repatriation flights.

With the lifting of lockdown restrictions, IHCL has started reopening a few hotels in non-containment zones after establishing thorough and well-rehearsed safety protocols. IHCL expects all the hotels to become operational in a phased manner after the lockdown is lifted and the confidence of travellers is restored. However, it expects demand for its services to pick up at a slow pace. Business recovery is likely to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel. The trust that the Company's brands enjoy and its emphasis on the health and safety of guests and employees will help it gain market share as and when the economy revives.

### COST ACTIONS

IHCL has instituted a robust spend optimisation programme to reduce fixed costs and rationalise resources. While variable costs have reduced with lower business volume, the Company's focus has shifted to fixed costs. It has taken the following initiatives with regard to this:

- Maximising shutdown of hotels by operating hotels for medical and quarantine purposes in city clusters
- Renegotiating F&B ingredient contracts and exploring alternative sources of procurement; pruning F&B offerings to essentials
- Rationalising human resource costs through strategies that while saving costs also conform with Tata Group values; voluntary pay cuts taken by senior management and freezing recruitment
- Optimising consumption of power and fuel by rationalising open floors or wings at operating hotels
- Discussing lease agreements with lessors and judiciously invoking 'force majeure' clauses for relief during the lockdown period
- Reducing corporate overheads viz. professional contracts, marketing spends, renegotiating annual maintenance contracts, technology support agreements, leased-line costs, reducing support staff of inbound and outbound call centres, travel expenses, etc.
- Accessing government support where available. In the UK, the Company has benefited from the Coronavirus Job Retention Scheme and business rates holiday. In the US, it has furloughed staff. In certain states of India, it has taken

benefit of waivers or deferrals in minimum demand electricity charges, etc.

In doing so, the Company has ensured that MSME interests are protected according to the laws of the countries in which it operates and the values of the Tata Group.

#### CONSERVATION OF CASH

The Company has taken immediate measures to control cash flows during the year and maintain liquidity during the period. These include deferral of capital expenditure and renovations, unless absolutely required. Capital expenditure is planned to be incurred for essential hotel maintenance, or where a project is nearing completion. The Company has also provided adequate liquidity for capital commitments on work undertaken and completed prior to the lockdown.

#### LIQUIDITY

The Company has drawn down lines of credit and benefited from the TLTRO (Targeted Long Term Repo Operation) programme announced by the RBI to shore up liquidity. Its credit rating has been reaffirmed as AA (stable) from ICRA & AA+ (negative) by CARE. All these lines of credit have a minimum maturity of three years. In April 2020, the Company repaid its debenture obligations of ₹ 200 Crore and met all its debt obligations. The Company has not sought any moratoriums and is well-positioned on the liquidity front with strong financial ratios of debt/equity and debt/EBITDA.

#### STRATEGIC PLATFORM WITH GIC

IHCL has in place a strategic investment platform with GIC to acquire marquee assets in key cities.

The Company can leverage this platform to monetise existing assets as well as grow inorganically by acquiring distressed assets that are expected to come to the market in the medium-to long-term.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

IHCL has been working with and supporting the government in its efforts to combat the COVID-19 pandemic. The Company's initiatives involved provision of meals to medical practitioners, migrant workers and the police from its hotels and air catering facilities in partnership with the Taj Public Service Welfare Trust.

### RISK MANAGEMENT

The Company has carried out a risk assessment to ascertain any potential COVID-19 related risks. As of now, it does not foresee any disruption in raw material supplies nor any incremental risk to recoverability of assets (inventories, investments, receivables, etc.) given the measures being taken to mitigate the risks. There is also no impact on internal financial controls due to the COVID-19 situation. However, as the situation is uncertain, dynamic and constantly evolving, the Company intends to reassess its position periodically. The possible effect of uncertainty in estimations arising from COVID-19 on the Company's financial statements has been given in Note 2(d) of the Notes to financial statements for the year ended March 31, 2020.



#### A spend optimisation programme

Instituted to reduce fixed costs and rationalise resources



## MANAGEMENT DISCUSSION AND ANALYSIS

### KEY PROPERTY UPGRADES OR RENOVATIONS

During FY 2019-20, IHCL embarked upon an ambitious renovation plan for multiple hotels, including Taj Mahal Hotel, Delhi; Taj Holiday Village, Goa; 'The Connaught' New Delhi and Vivanta Bengaluru, Residency Road among others.

The following projects were undertaken during the year:

- Ongoing renovation of 68 bays to 31 rooms in two floors of Taj Mahal Hotel, New Delhi as part of the first phase; also renovations in all-day dining (Machan), Emperors Lounge, Lobby, Porch and the Chambers.
- Adding a new hotel, The Connaught, New Delhi, after full-scale renovation of 104 rooms, lobby, bar, all-day dining and meeting rooms.
- Renovation completed for 40 rooms in its first phase at Taj Holiday Village Resort & Spa, Goa, along with fitness centre, kids' area, conference and banquet spaces and Caravella Restaurant.
- Renovation completed in Morrisco Restaurant Bar, SFX Restaurant and fitness centre at Hermitage Lounge of Taj Fort Aguada Resort & Spa, Goa.
- Completed the renovation of old houses converted to amā Stays and Trails at Goa as Cardozo House and Braganza House.
- Renovation completed for 21 rooms of the 15<sup>th</sup> series at Taj West End, Bengaluru.
- Renovation completed for 40 rooms in first phase at new-age Vivanta at Vivanta Bengaluru, Residency Road; also renovations in lobby, bar, all-day dining and meeting rooms.

- Completed second phase of renovations at Savoy-IHCL SeleQtions, Ooty, that includes 21 rooms and Jiva Spa.
- Added six new villas at Taj Exotica Resort & Spa, Andamans, as part of second phase; work on 12 more going on.

Renovation at IHCL's subsidiary, joint venture and associate companies include the following:

- Completed renovation of 34 rooms in the final phase at Taj Ganges Varanasi.
- Completed conversion of Spa into four new suite rooms at Taj Nadesar Palace, Varanasi.
- Completed conversion of two restaurants into grand all-day dining restaurant at Taj MG Road, Bengaluru. Completed the conversion of Ice Bar into New Brew Pub.
- Completed renovation of Golden Dragon Restaurant at Taj Coromandel, Chennai.
- Completed conversion of three villas into Presidential Villa at Taj Fisherman's Cove Resort & Spa, Chennai along with upgradation of Machan and Bay View Restaurant.
- Completed refurbishment of 19 rooms in the first phase at The Gateway Hotel, Madurai along with the lobby.
- Ongoing renovation works at the lobby of President, Mumbai - IHCL SeleQtions
- Completed renovation works of 21 rooms at Tajview, Agra - IHCL SeleQtions
- Completed renovation work in three 2-bay suite rooms at Blue Diamond, Pune - IHCL SeleQtions



## 21 ROOMS

Renovated under the 15<sup>th</sup> series at Taj West End, Bengaluru

### Golden Dragon Restaurant

At Taj Coromandel, Chennai, renovated



### TATA BUSINESS EXCELLENCE MODEL

The past year was a momentous one for IHCL in its journey towards excellence. Having adopted the Tata Business Excellence Model (TBEM) 25 years ago, the Company underwent another TBEM assessment this year. In preparation for this assessment, the Company partnered with the Tata Business Excellence Group (TBExG) and conducted a series of 'Aspiration 2022 Business Excellence Workshops' for the Executive Committee members, senior IHCL leaders and subject matter experts. These workshops occasioned deep dives into key functions and processes based on the TBEM Maturity Framework. They also helped identify initiatives that could potentially fast track the achievement of 'Aspiration 2022' goals.

As part of the TBEM assessment, an assessment team of certified TBEM assessors with varied functional expertise drawn from within the Tata Group spent four months understanding the strategy of the Company and how it had

been implemented. The exercise culminated into a five-day site visit, which included in-person interaction with employees across the corporate office as well as select hotels. The assessment team pegged IHCL as an 'Emerging Industry Leader' with 625 points out of a possible 1000, which is IHCL's highest score thus far.

### DATOM

In keeping with the Company's focus on data and analytics, IHCL volunteered to be assessed on its data maturity levels. The data maturity assessment was done for the first time in the Tata Group using TCS' patented framework, the Data and Analytics Target Operating Model (DATOM). The assessment focused primarily on the level of importance accorded to and usage of data across various functions while at the same time identifying aspects in the business that could be improved using data. The assessment focused on four dimensions – data, technology, people and processes. A consolidation of these dimensions helped understand

the Company's data maturity levels as well as to benchmark it against other leading chains of the world. The findings of the assessment team were highlighted before the management and were also fed into a larger and more in-depth study of the Company's processes around business excellence. This has led to the setting up of internal task forces to work towards improving the Company's data maturity. It has also led the Company to embark on a journey of constant improvement in the way data is handled across IHCL.

### DRIVING EXCELLENCE ACROSS IHCL THROUGH CoEs

The Centre of Excellence (CoE), instituted in the beginning of the previous year is responsible for managing and reviewing processes, sharing best practices, cost management and building people capability. The CoE establishes synergies across IHCL properties, resulting in better efficiencies, higher quality, innovation and resource optimisation.



MANAGEMENT DISCUSSION AND ANALYSIS



Compliance

IHCL deploys a robust internal check process to prevent and limit the risk of non-compliance. The Company approaches compliance from a proactive standpoint and believes in responsive intervention. Compliance with laws and regulations is an essential part of its business operations and it adheres to all national and regional laws and regulations in such diverse areas as product safety, product claims,

trademark, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes. Nevertheless, it is focusing on increasing awareness, documentation and supplementing the expertise of internal professionals with that of independent consultants, as may be required from time to time.



The Centre of Excellence – Learning & Development (L&D) revised the vocational modules for the front office and F&B service departments aimed at building functional capability in the frontline team members. The updated modules included latest trends and current initiatives. All frontline team members will be certified in these modules. A Restaurant Manager & Chef’s Capability Building Workshop was conducted to enhance the capability of the F&B team members.

In order to address the business changes arising from COVID-19, CoE L&D, in consultation with other CoEs concerned - Accommodations, Culinary and F&B - re-defined the service standards and design to address the need for social distancing, hygiene and safety of guests and associates.

**THE CENTRE OF EXCELLENCE – ACCOMMODATIONS**

Some of the important outcomes of CoE – Accommodations were:

- Completed study and research on cleaning and disinfection procedures for ‘Infection

Prevention and Control’ for implementation at all hotels, including cleaning and disinfecting spaces, use of Personal Protection Equipment (PPE), defining standards for accommodations, laundry, spa, etc. post-COVID-19 to maintain high level of safety and hygiene

- Ideas for planning celebrations at hotels
- Presentations and modules, including indoor flower arrangements, linen upkeep, laundry operations, sanitisation, zero-plastic, pre-opening and zero budgeting, etc.

**THE CENTRE OF EXCELLENCE – HOUSEKEEPING**

Some of the important outcomes of CoE – Housekeeping were:

- Participated in various housekeeper’s conventions
- Organised International Housekeeper’s Week within the Group

- Prepared checklists for critical processes and job descriptors for every role and training component

**THE CENTRE OF EXCELLENCE – F&B**

Some of the important outcomes of CoE – F&B were:

- Enhancing F&B standards for breakfast, sourcing of oil, rice and other staples
- Standardising kitchen layouts for new hotel openings
- Launch of Hospitality@Home to deliver F&B offerings in the neighbourhoods
- Defining standards for F&B, menu engineering, beverage analysis
- Re-imagining and re-defining F&B standards for the 'new normal' in post-COVID-19 environment

Internal control systems and their adequacy

The Company has institutionalised an adequate system of internal controls, with documented procedures covering all corporate functions and hotel operating units. Internal controls 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.

The internal audit process (Taj Positive Assurance Model), based on the audits of operating units and corporate functions, provides positive assurance. It converges the process framework, risk and control matrix and a scoring matrix, covering all critical and important functions inter alia revenue management, hotel operations, purchase, finance, human resources and safety. A framework for each functional area is identified based on risk assessment and control, while allowing the unit to identify and mitigate high-risk areas. These policies

and procedures are updated periodically and monitored by the Group Internal Audit. The Company aligns all its processes and controls with best practices.

Internal controls are reviewed through the annual internal audit process, which is undertaken for every operational unit and all major corporate functions under the direction of the Group Internal Audit. These reviews focus on:

- Identification of weaknesses and improvement areas
- Compliance with defined policies and processes
- Compliance with applicable statutes
- Safeguarding tangible and intangible assets
- Managing risk environment, including operational, financial, social and regulatory risks
- Conformity with the Tata Code of Conduct





## MANAGEMENT DISCUSSION AND ANALYSIS

## Information technology

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## Environment, Health and Safety

**ENERGY MANAGEMENT**

During FY 2019-20, IHCL hotels cumulatively used a total of 356.9 million MJ (megajoule) of renewable energy sources both through Green power agreements with their electricity providers as well as onsite and offsite renewable energy sources, including wind farms and solar panels. Thereby, the Company avoided 451.2 kt (kilotons) of CO<sub>2</sub> emissions, which is comparable to taking 1,51,410 cars off the road. IHCL's renewable energy consumption has increased from 7% to 25% of the total energy mix over the last four years.

**WASTE MANAGEMENT**

Waste management is an integral part of IHCL's environment management endeavours and the Company promotes waste reduction, as well as segregation and recycling. Of the 78 hotels covered under the EarthCheck programme, 53 have achieved 100% recycling of organic waste. This prevented 4,245 tonnes of organic waste from going into landfills, the equivalent of 128 shipping containers.

**WATER MANAGEMENT**

The Company saved 8.8 million kl (kilolitres) of water through rainwater harvesting and recycling of greywater by utilising onsite wastewater treatment plants. The amount of recycled and reused water would fill 3,519 Olympic-sized swimming pools.

**EARTHCHECK CERTIFICATION**

Since joining the EarthCheck Certified programme, the world's leading scientific benchmarking and certification programme for the tourism and travel industry, in 2008, a sustainability framework has been integrated into each of the Company's properties. IHCL has been able to increase efficiencies, maximise guest experience and minimise its environmental footprint. IHCL has achieved EarthCheck Certification for 78 of its hotels, which has generated significant savings. Of this, 11 hotels are Platinum certified, 61 are Gold certified and 6 are Silver certified. Globally, IHCL has the highest number of platinum and gold certified hotels.

**CULTURE OF SUSTAINABILITY**

The Company has undertaken wide-ranging steps to integrate sustainability and environmental initiatives into its day-to-day operations. IHCL engineers from 28 hotels participated in classrooms and onsite training programme on Sustainability & Safety Leadership Development. The training was specially designed by professors from the National Institute of Industrial Engineering (NITIE) and IHCL experts to develop leadership capabilities with regard to sustainability in the team, and also implement projects on site related to resource efficiency and safety. All hotels also participate in events like Earth Hour and Tata Sustainability in order to raise the awareness amongst guests, employees and the community on environment.

**HEALTH AND SAFETY**

IHCL continues to remain committed to making the Company a safe and secure place for all stakeholders. Safety is part of the integral agenda for all Executive Committee and Board meetings. Routinely identifying safety risks associated with operations helps the Company implement appropriate and effective mitigation plans and ensures overall safety compliance.

IHCL carries out unannounced Fire and Life Safety (FLS) audits at hotels and in its corporate office with a focus on identifying and eliminating risks in areas pertaining to Leadership & Governance, Risk Management, Electrical Safety, Fire Safety, General Safety, Personal Protective Equipment, Contractor Management, Work Permit System, Sewage Treatment Plant and Road Safety.

As a part of the 'Project Excellence' initiative, standard operating procedures (SOPs) have been created for key processes across functions. In Phase I, 52 processes related to safety have been created and shared across hotels for implementation through an online portal 'IGNITE'. These included 12 safety processes (e.g. Hazard Identification and Risk Assessment, Elevator Safety Guidelines, etc.), 16 security processes (e.g. Baggage Scanning, Lost & Found procedure, etc.) and 24 processes related to Business Continuity. A workshop titled 'Felt Leadership for Safety' was attended by 23 senior leaders, including members of the Executive Committee. The faculty, along with the Tata Group Safety team, highlighted areas of safety focus that would help institutionalise a safety culture at IHCL. This resulted in a set of personal



## MANAGEMENT DISCUSSION AND ANALYSIS



*Amid the COVID-19 crisis, the safety of IHCL's guests and associates has been a top-most priority, and the Company has taken several measures to ensure their well-being.*

commitments (by each attendee) to drive safety across hotels.

The Company continues to drive awareness on safety across hotels. Common safety hazards and their safeguards have been highlighted in specially designed animated safety videos, and case studies based on true incidents continue to be shared with the hotels as a learning tool. IHCL is pleased to report that the sustainability programme being conducted annually at NITIE for Chief Engineers has 'Safety' included as a key module in each phase. In Phase II of the programme, a plant visit to Tata Motors at Pimpri was conducted to orient the participants to the safety practices deployed on the ground. A Home Safety Task Force team has been constituted to extend IHCL's safety orientation into the homes of the Company's employees. As a result of this focus on safety and learnings from incidences, IHCL has reported no fatality for the year.

Amid the COVID-19 crisis, the safety of IHCL's guests and associates has been

a top-most priority, and the Company has taken several measures to ensure their well-being. Employees have been working from home in accordance with the guidelines issued by the Central/State/municipal authorities. Exclusive helpline and online counselling for employees has been made available and the Company has been providing help to the employees as and when needed for various purposes. The safety of essential employees, who are required to report for work, is being ensured and they have been mandated to use protective gear and take all safety precautions. All employees have been instructed to download the Arogya Setu app launched by the Government of India. The Company conducted a Back to Work programme for familiarising employees with the changes that have affected the workplace and guidelines that would need to be followed in the changed workplace setting as an when employees return to work, subject to Central/State Government directives and in keeping with health and safety as a priority.

### FOOD SAFETY, HYGIENE AND CLEANLINESS

The Company is committed to continually improving the Food Safety Management System by training and optimising the capacities of people, processes and technologies within the system and ensuring implementation of all applicable internal and external standards. Food Safety, Hygiene and Cleanliness audits were conducted by an external audit partner ensuring implementation of FSSAI guidelines and standards. As many as 83 hotels were audited on these parameters, of which most of the hotels scored more than 80%. Internal Food Safety workshops were organised to discuss the way forward for the implementation of food safety, hygiene and cleanliness at the hotels.

### Risk Governance

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## Operating results and financial position

*The Annual Report contains financial statements of the Company, both on a standalone and consolidated basis. An analysis of the financial affairs is discussed below under summarised headings.*

### RESULTS OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2020

#### STANDALONE FINANCIAL RESULTS

The following table sets forth financial information for the Company for the year ended March 31, 2020

Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>Income</b>		
Revenue from Operations	2,743.47	2,780.41
Other Income	134.41	90.50
<b>Total Income</b>	<b>2,877.88</b>	<b>2,870.91</b>
<b>Expenditure</b>		
Food and Beverages Consumed	235.74	246.76
Employee Benefit Expenses	725.07	703.85
Depreciation and Amortisation Expense	203.78	169.10
Other Expenditure	1,021.60	1,100.36
<b>Total Expenditure</b>	<b>2,186.19</b>	<b>2,220.07</b>
<b>Profit Before Finance Costs and Tax</b>	<b>691.69</b>	<b>650.84</b>
Finance Costs	237.55	158.64
<b>Profit Before Exceptional Items and Tax</b>	<b>454.14</b>	<b>492.20</b>
Exceptional Items	(16.40)	(74.66)
<b>Profit Before Tax</b>	<b>437.74</b>	<b>417.54</b>
Tax Expense	36.33	153.84
<b>Profit After Tax</b>	<b>401.41</b>	<b>263.70</b>

The analysis of major items of financial statements are given below:

#### a) Revenues

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

Particulars	Year ended		% Change
	March 31, 2020	March 31, 2019	
Room Income	1,135.51	1,155.01	(2)
Food, Beverage & Banqueting Income	1,091.72	1,136.65	(4)
Other Operating Income	516.24	488.75	6
Non-operating Income	134.41	90.50	49
<b>Total Income</b>	<b>2,877.88</b>	<b>2,870.91</b>	-
Statistical information			
Average rate per room (₹)	10,734	11,003	(2)
Occupancy (%)	67	68	(1% pt)



## MANAGEMENT DISCUSSION AND ANALYSIS

- Room income for the year decreased by 2% from the previous year, with decreases in average rate per room (ARR) and occupancies across hotels. Room sales up to the nine months ended December 31, 2019 were higher over the previous year by 4%, driven mainly by increased occupancies. Occupancies continued to rise in January and February, 2020. Thereafter, there was a sharp decrease in travel in early March, 2020 due to travel advisories and lockdowns announced by governments across the globe in response to the spread of COVID-19.
- F&B income decreased by 4% from the previous year across restaurants and banqueting alike. F&B income for the nine months ended

December 31, 2019 was higher by 3% mainly due to banqueting events; while it tapered off during January and February, 2020. Both restaurants and banqueting were severely impacted in March, 2020 by the responses to announcements on COVID-19.

- Other Operating Income primarily comprises income from management fees, membership fees, spa and health club, laundry, transportation, telephone and business centre rents, among others. Other operating income increased by 6% over the previous year, mainly arising out of increase in revenues from both membership and initiation fees to The Chambers of ₹24.82 Crore and Export incentive income of ₹3 Crore. However, management and

operating fees at ₹218.77 Crore was lower by 2% from the previous year with increase in fees of recently added managed hotels being offset by a decline in business from the managed portfolio in March, 2020 due to COVID-19.

- Non-Operating Income increased by ₹43.91 Crore, compared to the previous year mainly due to a higher profit on disposal of non-core assets of ₹72.98 Crore. On the contrary, dividend income was lower by ₹14.11 Crore, gain from investments in mutual funds was lower by ₹7.37 Crore due to higher gains in the previous year on rights issue proceeds held in liquid funds, interest income was lower by ₹2.22 Crore and revaluation gain on receivables was lower by ₹1.27 Crore.

### b) Operating Expenses

Operating expense, including depreciation and amortisation decreased by 2% from ₹2,220.07 Crore to ₹2,186.19 Crore during the current year.

#### i) Food and Beverages Consumed

	March 31, 2020	March 31, 2019	Change
	(₹ Crore)	(₹ Crore)	(%)
Food and beverages consumed	235.74	246.76	4

The decrease in consumption of food and beverages was variable to income from food, beverages and banqueting business, which correspondingly decreased by 4% from the previous year.

#### ii) Employee Benefit Expenses and Payment to Contractors

	March 31, 2020	March 31, 2019	Change
	(₹ Crore)	(₹ Crore)	(%)
Employee benefit expenses and payment to contractors	725.07	703.85	(3)

The employee benefit expenses were higher than the previous year, mainly due to salary revisions during the year.



#### iii) Depreciation and Amortisation Expenses

	March 31, 2020	March 31, 2019	Change
	(₹ Crore)	(₹ Crore)	(%)
Depreciation and amortisation expenses	203.78	169.10	(21)

The increase in depreciation charge for the year was mainly due to amortisation of Right-of-Use assets ₹30.49 Crore consequent to the adoption of Ind AS 116 on "Leases" effective April 1, 2019.

#### iv) Other Expenditure

	March 31, 2020	March 31, 2019	Change
	(₹ Crore)	(₹ Crore)	(%)
Other Operating Expenses	532.56	543.49	2
General expenses	489.04	556.87	12
<b>Total</b>	<b>1,021.60</b>	<b>1,100.36</b>	<b>7</b>

Other Expenditure decreased by 7% from ₹1,100.36 Crore to ₹1,021.60 Crore in the current year.

Other operating expenses decreased from ₹543.49 Crore in previous year to ₹532.56 Crore. This was primarily due to decreases in variable costs corresponding to lower business volumes, especially in the month of March, 2020 consequent to the COVID-19 pandemic.

General expenses decreased from ₹556.87 Crore in the previous year to ₹489.04 Crore. Consequent to the adoption of Ind AS 116 "Leases"

at the beginning of the year, lease costs now includes only variable lease payments, linked to turnover of leased properties.

Under Ind AS 116, Lease Liabilities and associated Right-of-Use assets are recognised on the Balance Sheet using discounted cash flows of lease payments over the lease term. In the Statement of Profit and Loss, rental charges for operating leases are substituted with amortisation of newly recognised

Right-of-Use assets and interest on the newly recognised Lease Liabilities. As a result, lease costs for the year were lower by ₹86.03 Crore which had the impact of increasing the EBITDA as a pre-interest measure while a higher combined cost of amortisation and interest of ₹107.85 Crore reduced Profit before Tax by ₹21.82 Crore in comparison with the previous year.



## MANAGEMENT DISCUSSION AND ANALYSIS

## c) Finance Costs

	March 31, 2020	March 31, 2019	Change
	(₹ Crore)	(₹ Crore)	(%)
Finance Costs	237.55	158.64	(50)

Finance Costs for the current year at ₹237.55 Crore were higher than the preceding year by ₹78.91 Crore, mainly due to interest on lease liabilities accounted under Ind AS 116 "Leases".

## d) Exceptional Items

Exceptional Items includes items as under:

Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>Exceptional Items-Derivative Contracts</b>		
Change in fair value of Derivative Contracts	(21.76)	(41.03)
<b>Exceptional Items-Investment</b>		
Provision for impairment of investment in a subsidiary that incurred losses	(68.98)	(31.71)
Provision for impairment of investment in a Joint Venture	(1.39)	(1.92)
Profit on sale of investment in a Joint Venture company	21.23	-
<b>Other Gains</b>		
Profit on sale of land and building	54.50	-
<b>Total</b>	<b>(16.40)</b>	<b>(74.66)</b>

## e) Tax Expense

Tax expense for the year decreased from ₹153.84 Crore to ₹36.33 Crore. Current Tax expenses at ₹162.38 Crore were in line with the previous year. However, Deferred Tax benefit increased from ₹10.82 Crore to ₹126.05 Crore mainly due to a re-measurement of opening deferred tax liability consequent to

the Company exercising its option to adopt lower corporate income-tax rates under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

## f) Profit after Tax

Profit after Tax for the year increased from ₹263.70 Crore to ₹401.41 Crore, higher by ₹137.71

Crore. Operating earnings for the nine months of the year supplemented by profit on sale of non-core assets and a reduction of corporate tax rates contributed in increasing Profit after Tax offset by a reduction in operating earnings in the fourth quarter due to the impact of COVID-19 and adjustments on account of Ind AS 116 "Leases" for the year.

## g) Gross Debt and Net Debt

	March 31, 2020	March 31, 2019	Change
	(₹ Crore)	(₹ Crore)	(%)
Gross Debt	1,943.32	1,784.05	(9)
Less: Cash and cash equivalents	131.47	88.93	48
Less: Current Investments	408.72	193.43	111
<b>Net Debt</b>	<b>1,403.13</b>	<b>1,501.69</b>	<b>7</b>

Gross debt increased during the year by ₹159.27 Crore as the Company maintained adequate liquidity towards the end of the year to meet its financial obligations and commitments. This was in anticipation of expected reduction of cashflows due to COVID-19 lockdowns. Hence, Cash and Current Investments increased by ₹257.83 Crore and net debt reduced by ₹98.56 Crore.

## Cash Flow

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Net Cash from operating activities	610.85	546.81
Net Cash from/(used in) investing activities	(332.96)	(372.44)
Net Cash from/(used in) financing activities	(235.35)	(206.72)
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>42.54</b>	<b>(32.35)</b>

## Operating Activities

During the year, net cash generated from operating activities improved from ₹546.81 Crore in the previous year to ₹610.85 Crore. This was mainly due to cost optimisation initiatives, re-classification of fixed lease payments and prudent management of working capital to address the sudden, significant drop in business during the last month of the year.

## Investing Activities

During the year, net cash utilised for investing activities amounted to ₹332.96 Crore, compared to ₹372.44 Crore in the previous year.

The Company incurred capital expenditure of ₹327.83 Crore a majority of which was towards the Taj Mahal Delhi, 'The Connaught' New Delhi, completion of additional villas at Taj Exotica, Andamans, as well as planned renovations at hotels. The Company also placed long-term security deposits for hotel operations amounting to ₹47.38 Crore.

Further, the Company has monetised certain non-core assets which resulted in an inflow of ₹164.92 Crore. It also received a capital subsidy of ₹40.69 Crore in relation to capital expenditure towards a greenfield project in the past. The Company realised ₹29.79 Crore from its investment in a Joint Venture Company which it sold to

another Joint Venture Company to consolidate its Air Catering business.

Net surplus cash of ₹206.00 Crore was deployed in mutual funds as a part of cash management resulting in aggregate current investments of ₹408.72 Crore at March 31, 2020.

## Financing Activities

During the year, net cash utilised for financing activities was ₹235.35 Crore as against ₹206.72 Crore in the previous year. During the year, the Company, redeemed 2% Non-Convertible Debentures on the due date amounting to ₹560.87 Crore along with the redemption premium.

Further, the Company borrowed a fresh loan of ₹695 Crore from banks. The Company paid dividend (including Tax on Dividend) of ₹70.99 Crore during the year.

Payment towards lease liabilities of ₹45.23 Crore is disclosed under financing activities under Ind AS 116 "Leases" from FY 2019-20. Under the applicable standards in the previous years these payments were classified as operating activities.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Key Financial Ratios for Standalone Financials

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Net Debt to Total Capital (Gross Debt less cash, cash equivalents and current investments / Net debt and Net worth) (in times)	0.23	0.25
Net Debt to Equity (Gross Debt less cash, cash equivalents and current investments / Equity Capital and Other Equity) (in times)	0.31	0.33
Interest Service Coverage Ratio (Profit before Tax + Net Finance Costs + Depreciation + Provision for diminution in the value of long-term Investments / Net Finance Costs) (in times)	4.17	5.32
Net profit margin (Profit after tax / Turnover)	13.9%	9.2%
Return on Net Worth (Profit after tax / Average Equity Capital and Other Equity)	8.9%	5.9%
Return on Capital employed (Profit Before Exceptional Items and Tax + Finance Costs / Average Capital Employed i.e. Equity Capital + Other Equity + Borrowings + Current Maturities of Non-Current Borrowings + Current Borrowings + Lease Liabilities)	9.4%	10.5%

Note: The adoption of Ind AS 116 "Leases" effective April 1, 2019 was without retrospectively adjusting comparative financial information as allowed by the Standard (refer Note 33 of Notes to standalone financial statements for the year ended March 31, 2020). Hence, ratios based on profitability and finance costs may not be strictly comparable with the previous year.

The Company continued to maintain a healthy capital structure as is evident from its Debt to Equity ratio. Interest Service Coverage Ratio declined during the year since the current year's interest includes interest on leased liabilities. Net margins and Return on Net Worth improved with increase in post-tax profits during the year.

#### Consolidated Financials

The Consolidated Financial Statements comprise the Company and its subsidiaries (referred collectively as the 'Group') and the Group's interest in associates and joint ventures prepared in accordance with Ind AS, as applicable to the Company.

The Consolidated Statements include the financial position of subsidiaries on a line-by-line basis and for joint ventures and associates by applying equity method of accounting.



### Consolidated Results

The following table sets forth the consolidated financial results for year ended March 31, 2020.

Particulars	Year ended	
	March 31, 2020	March 31, 2019
		(₹ Crore)
<b>Income</b>		
Revenue from Operations	4,463.14	4,512.00
Other Income	132.42	83.38
<b>Total Income</b>	<b>4,595.56</b>	<b>4,595.38</b>
<b>Expenditure</b>		
Food and Beverages Consumed	370.56	404.05
Employee Benefits Expenses	1,494.60	1,470.79
Depreciation and Amortisation Expense	404.24	327.85
Other Expenditure	1,630.45	1,807.43
<b>Total Expenditure</b>	<b>3,899.85</b>	<b>4,010.12</b>
<b>Profit before Finance Costs and Tax</b>	<b>695.71</b>	<b>585.26</b>
Finance Costs	341.12	190.13
<b>Profit before Tax, Exceptional Items and share of profit of equity accounted investees</b>	<b>354.59</b>	<b>395.13</b>
Exceptional Items	40.95	6.58
<b>Profit before Tax, before share of profit of equity accounted investees and Non-Controlling interests</b>	<b>395.54</b>	<b>401.71</b>
Tax Expense	44.77	157.12
<b>Profit after Tax, before share of profit of equity accounted investees and Non-Controlling interests</b>	<b>350.77</b>	<b>244.59</b>
Add : Share of Profit of Associates and Joint Ventures (net of tax)	12.97	51.53
Less : Non-Controlling interest in Subsidiaries	9.32	9.30
<b>Profit after Tax attributable to Owners of the Company</b>	<b>354.42</b>	<b>286.82</b>

#### Income

Revenue from operations decreased by 1% from ₹4,512.00 Crore to ₹4,463.14 Crore. The operations and profitability of the Group were impacted by COVID-19 during the last quarter of the year which peaked across all nations in March, 2020. Up to the nine months ended December, 2019, the Group reported a growth of 4% in revenue from operations. Increase in Other Income was mainly due to disposal of non-core assets.

#### Operating Expenses

Operating Expenditure decreased by ₹110.27 Crore or 3% to ₹3,899.85 Crore. Food and beverage consumed decreased commensurate with

business volumes. Employee benefit expenses increased by 2% in line with industry and local requirements.

The Group adopted Ind AS 116 "Leases" to all lease contracts existing on and effective April 1, 2019. Under this Standard, it has recognised Lease Liabilities and associated Right-of-Use assets on the Balance Sheet using discounted cashflows of lease payments over the lease term. The cumulative effect of this on the Statement of Profit and Loss was that lease costs for the year recognised under "Other Expenditure" was lower by ₹179.27 Crore, which had the impact of increasing the EBITDA, while a higher combined

cost of amortisation and interest of ₹226.07 Crore reduced Profit before Tax by ₹46.80 Crore in comparison with the previous year.

Depreciation and amortisation for the year was higher due to amortisation of Right-of-Use assets.

#### Finance Costs

Finance Costs for the year ended March 31, 2020, at ₹341.12 Crore was higher than the previous year by ₹150.99 Crore due to interest on lease liabilities accounted under Ind AS 116 "Leases".



## MANAGEMENT DISCUSSION AND ANALYSIS

### Exceptional Items

Exceptional Items include the following:

Particulars	(₹ Crore)	
	Year ended	
	March 31, 2020	March 31, 2019
Change in fair value of derivative contracts	(21.76)	(41.03)
Profit on sale of hotel property in a subsidiary	6.09	-
Profit on sale of long-term investments	2.12	-
Profit on sale of land and building	54.50	-
Incentive fees received pursuant to amendment of a Management Service Agreement	-	48.24
Provision of financial exposure in an associate	-	(0.63)
	<b>40.95</b>	<b>6.58</b>

### Profit after Tax attributable to Owners of the Company

Profit after Tax, Non-Controlling Interest and share of profit of equity accounted investees for the year was higher at ₹354.42 Crore as compared to ₹286.82 Crore for the previous year. This was mainly due to increase in operating earnings during the first nine months, profit from sale of non-core assets and an increase in deferred tax benefit arising from a lower Indian corporate income-tax rate which was offset in part by the impact of COVID-19 on business performance for the fourth quarter, including that of associates and joint ventures as well as adjustments on account of Ind AS 116 "Leases" for the year.

### Consolidated Cash Flow

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

Particulars	(₹ Crore)	
	Year ended	
	March 31, 2020	March 31, 2019
Net Cash from operating activities	823.47	711.43
Net Cash from/(used) in investing activities	(501.88)	(388.15)
Net Cash from/(used) in financing activities	(265.38)	(343.26)
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>56.21</b>	<b>(19.98)</b>

### Operating Activities

Net cash from operating activities increased from ₹711.43 Crore in the previous year to ₹823.47 Crore in the current year, mainly due to improved operating performance and prudent working capital management.

### Investing Activities

Cash used for investing activities was ₹501.88 Crore in the current year mainly owing to project expenditures and renovations during the year funded out of cash from operating activities.

### Financing Activities

The Company continued to repay its borrowings and service existing debt as well as pay dividends primarily from cash generated from operating activities.

Payment towards Lease Liabilities of ₹136.12 Crore is disclosed under financing activities under Ind AS 116 "Leases" from FY 2019-20. Under the applicable standards in the previous years these payments were classified as operating activities.

### Financial Ratios for Consolidated Financial Statements

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Net Debt to Total Capital (Gross Debt less cash, cash equivalents and current investments / Net debt and Net worth) (in times)	0.27	0.27
Net Debt to Equity (Gross Debt less cash, cash equivalents and current investments / Equity Capital and Other Equity) (in times)	0.37	0.37
Interest Service Coverage Ratio (Profit before Tax + Net Finance Costs + Depreciation + Provision for diminution in the value of long-term Investments / Net Finance Costs) (in times)	3.48	5.29
Net profit margin (Profit after tax / Turnover)	7.7%	6.2%
Return on Net Worth (Profit after tax / Average Equity Capital and Other Equity)	6.9%	5.7%
Return on Capital employed (Profit Before Exceptional Items and Tax + Finance Costs / Average Capital Employed i.e. Equity Capital + Other Equity + Borrowings + Current Maturities of Non-Current Borrowings + Current Borrowings + Lease Liabilities)	7.3%	7.9%

Note: The adoption of Ind AS 116 "Leases" effective April 1, 2019 was without retrospectively adjusting comparative financial information as allowed by the Standard (refer Note 34 of Notes to consolidated financial statements for the year ended March 31, 2020). Hence, ratios based on profitability and finance costs may not be strictly comparable with the previous year.

### ANNEXURE:

#### Table showing average occupancies of IHCL network Hotels

The Table below gives the average occupancy rates of hotels of IHCL Network in the respective Indian domestic markets

City - FY 2019-20	No of Hotels	Occupancy
<b>Business</b>		
Bengaluru	8	65%
Chennai	8	62%
Delhi & NCR	15	69%
Hyderabad	5	61%
Kolkata	2	59%
Mumbai	7	75%
Pune	5	67%
<b>Leisure</b>		
Ahmedabad	3	72%
Goa	9	72%
Jaipur	6	60%
Kerala	7	63%
<b>Pan-India</b>	<b>141</b>	<b>64%</b>



## FINANCIAL HIGHLIGHTS

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
	(₹ crores)			
Total Income	2,877.88	2,870.91	4,595.56	4,595.38
Profit Before Tax and Exceptional Items	454.14	492.20	354.59	395.13
Profit Before Tax	437.74	417.54	395.54	401.71
Profit After Tax, Non - controlling Interest & Share of Associates & Joint Ventures	401.41	263.70	354.42	286.82
Total Assets	8,906.58	7,880.54	11,518.26	9,583.76
Equity Share Capital	118.93	118.93	118.93	118.93
Other Equity	4,464.63	4,364.81	4,237.88	4,229.07
Non-controlling interest	-	-	764.90	799.86
Total Equity	4,583.56	4,483.74	5,121.71	5,147.86
Borrowings	1,943.32	1,784.05	2,602.07	2,325.98
Net Debt	1,403.13	1,501.69	1,915.01	1,925.48
Net Debt : Equity Ratio	0.31:1	0.33:1	0.37:1	0.37:1
Book Value per Share of ₹ 1/- each - In ₹	38.54	37.70	43.06	43.28
Earnings Per Share - Basic and Diluted - In ₹	3.38	2.22	2.98	2.41
Dividend proposed Per Share - In ₹	0.50	0.50	0.50	0.50



## BOARD'S REPORT

### To the Members

The Directors present the Annual Report of The Indian Hotels Company Limited ("IHCL" or "the Company") along with the Audited Financial Statements for the Financial Year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## 1. FINANCIAL RESULTS

(₹ crores)

	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue	2,743.47	2,780.41	4,463.14	4,512.00
Other income	134.41	90.50	132.42	83.38
<b>Total income</b>	<b>2,877.88</b>	<b>2,870.91</b>	<b>4,595.56</b>	<b>4,595.38</b>
<b>Expenses</b>				
Operating expenditure	1,982.41	2,050.97	3,495.61	3,682.27
Depreciation and amortization expenses	203.78	169.10	404.24	327.85
<b>Total Expenses</b>	<b>2,186.19</b>	<b>2,220.07</b>	<b>3,899.85</b>	<b>4,010.12</b>
<b>Profit before finance cost and tax</b>	<b>691.69</b>	<b>650.84</b>	<b>695.71</b>	<b>585.26</b>
Finance cost	237.55	158.64	341.12	190.13
<b>Profit before Exceptional Items, Tax and share of equity accounted investees</b>	<b>454.14</b>	<b>492.20</b>	<b>354.59</b>	<b>395.13</b>
Add/(Less): Exceptional Items	(16.40)	(74.66)	40.95	6.58
<b>Profit before Tax (PBT)</b>	<b>437.74</b>	<b>417.54</b>	<b>395.54</b>	<b>401.71</b>
Tax expense	36.33	153.84	44.77	157.12
<b>Profit after Tax before share of equity accounted investees</b>	<b>401.41</b>	<b>263.70</b>	<b>350.77</b>	<b>244.59</b>
Add: Share of Profit of Associates and Joint Ventures net of tax	NA	NA	12.97	51.53
<b>Profit for the year</b>	<b>401.41</b>	<b>263.70</b>	<b>363.74</b>	<b>296.12</b>
<b>Attributable to:</b>				
Shareholders of the Company	401.41	263.70	354.42	286.82
Non-Controlling Interest	NA	NA	9.32	9.30
<b>Opening Balance of Retained Earnings</b>	<b>603.77</b>	<b>411.84</b>	<b>154.00</b>	<b>(56.86)</b>
Adjustment on account of transition to the new lease standard, net of taxes	(106.43)	-	(264.32)	-
Profit for the Year	401.41	263.70	354.42	286.82
Other comprehensive income / (losses)	(16.04)	(6.53)	(17.67)	(6.56)
<b>Total comprehensive income</b>	<b>385.37</b>	<b>257.17</b>	<b>336.75</b>	<b>280.26</b>
Dividend	(59.46)	(47.57)	(59.46)	(47.57)
Tax on Dividend	(11.72)	(5.74)	(11.70)	(7.42)
Realised loss on sale of investment transferred from OCI	(3.01)	-	(3.01)	-
Transfer to Debenture Redemption Reserve		(11.93)		(11.93)
Transfer to Reserves				
Adjustments on account of Joint Venture				(2.48)
<b>Closing Balance of Retained Earnings</b>	<b>808.52</b>	<b>603.77</b>	<b>152.26</b>	<b>154.00</b>

## 2. DIVIDEND

Based on the performance of the Company, the Board recommended a dividend of ₹ 0.50 per fully paid Equity Share on 118,92,58,445 Equity Shares of face value ₹ 1 each, for the year ended March 31, 2020 (Previous Year ₹ 0.50 per share).

The dividend on Equity Shares if approved by the Members, would involve a cash outflow of ₹ 59.46 crores resulting in a dividend pay-out of 15% of the standalone profits of the Company.



## BOARD'S REPORT (CONTD.)

The Board recommended dividend based on the parameters laid down in the Dividend Distribution Policy adopted by the Company. As per Regulation 43A of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Dividend Distribution Policy is disclosed in the Corporate Governance Report and is uploaded on the Company's [https://www.ihcltata.com/Dividend\\_Distribution\\_Policy.pdf](https://www.ihcltata.com/Dividend_Distribution_Policy.pdf)

### 3. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profit for Financial Year 2019-20 in the statement of profit and loss.

### 4. COMPANY'S PERFORMANCE

On a standalone basis, the Total Income for Financial Year 2019-20 was ₹ 2,877.88 crores, which was in line with the previous year Total Income of ₹ 2,870.91 crores. The Profit after Tax (PAT) attributable to shareholders for Financial Year 2019-20 was ₹ 401.41 crores registering a growth of 52% over the PAT of ₹ 263.70 crores for Financial Year 2018-19.

On a consolidated basis, the Total Income for Financial Year 2019-20 was ₹ 4,595.56 crores, in line with the previous year's Total Income of ₹ 4,595.38 crores. The Profit after Tax (PAT) attributable to shareholders and non-controlling interests for Financial Year 2019-20 and Financial Year 2018-19 was ₹ 363.74 crores and ₹ 296.12 crores, respectively. The PAT attributable to shareholders of the Company for Financial Year 2019-20 at ₹ 354.42 crores was 24% higher than that of the previous year at ₹ 286.82 crores.

#### Depreciation and Finance Costs

Depreciation at ₹ 203.78 crores was higher than Financial Year 2018-19 by ₹ 34.68 crores. Finance costs for the year ended March 31, 2020 at ₹ 237.55 crores was higher than Financial Year 2018-19 cost by ₹ 78.91 crores. This was mainly due to the impact of amortisation of lease costs previously recognised under Operating Expenditure.

#### Exceptional Items

Exceptional Items include exchange loss on change in Fair value of cross currency swap derivative contracts ₹ 21.76 crores (Previous Year ₹ 41.03 crores)

and a provision for impairment due to losses in an overseas subsidiary of ₹ 68.98 crores (Previous Year ₹ 31.71 crores). The Company recorded a gain on sale of land and building ₹ 54.50 crores. It also consolidated its air catering holdings by selling shares in a Joint Venture company to another Joint Venture company.

#### Borrowings

The total borrowings stood at ₹ 1,943.32 crores as on March 31, 2020 as against ₹ 1,784.05 crores as on March 31, 2019.

#### Debentures

During Financial Year 2019-20, the Company redeemed 2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating to a face value of ₹ 250 crores.

#### Capital Expenditure

During Financial Year 2019-20, the Company incurred ₹ 327.83 crores towards capital expenditure, a majority of which was towards the Taj Mahal Delhi, 'The Connaught' New Delhi and planned renovations at hotels.

#### Business Overview

An analysis of the Business and Financial Results are given in the Management Discussion and Analysis, which forms a part of the Annual Report.

### 5. SUBSIDIARY COMPANIES

The Company has 22 subsidiaries, 6 associates and 8 joint venture companies as on March 31, 2020. There has been no material change in the nature of the business of the subsidiaries.

During the year under review, Zarrenstar Hospitality Private Limited (ZHPL) was incorporated as a Joint Venture Company with Government of Singapore Investment Corporation for acquiring hotels in India.

During the year, the Company divested its entire shareholding held in Taj Madras Flight Kitchen Private Ltd (TMFK) to Taj SATS Air Catering Ltd (Taj SATS). Accordingly, TMFK will be considered as a wholly-owned subsidiary of Taj SATS, and an indirect subsidiary of the Company, from earlier being a Joint Venture.



## BOARD'S REPORT (CONTD.)

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act") a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at <https://www.ihcltata.com/investors/>.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory and Secretarial Auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and 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 Financial Year 2019-20.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Based on the recommendations of the Nomination and Remuneration Committee ("NRC") and in accordance with the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Mr. Nasser Munjee, Ms. Hema Ravichandar and Mr. Venkataraman Anantharaman were appointed as Additional and Independent Directors of the Company for a term of five years with effect from August 5, 2019 subject to approval of the Members at the ensuing Annual General Meeting ("AGM").

Ms. Vibha Paul Rishi was appointed as an Independent Director at the 114<sup>th</sup> AGM held on August 10, 2015 for a term of five years commencing from September 10, 2014. Based on the recommendation of the NRC, the Board re-appointed Ms. Rishi as an Independent Director for a second term of two years with effect from September 10, 2019 to September 9, 2021 subject to a Special Resolution being passed by the Members at the ensuing AGM.

In accordance with the requirements of the Act and the Company's Articles of Association, Mr. N. Chandrasekaran retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

During the year under review, the following ceased to be Independent Directors of the Company upon completion of their term:

- Mr. Deepak Parekh, Mr. Nadir Godrej and Ms. Ireena Vittal with effect from August 26, 2019
- Mr. Gautam Banerjee with effect from September 9, 2019



## BOARD'S REPORT (CONTD.)

The Board places on record its appreciation for their invaluable contribution and guidance during their tenure as Independent Directors.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are:

- Mr. Puneet Chhatwal, Managing Director & CEO
- Mr. Giridhar Sanjeevi - Executive Vice President & Chief Financial Officer
- Mr. Beejal Desai, Senior Vice President - Corporate Affairs & Company Secretary (Group)

### 8. NUMBER OF MEETINGS OF THE BOARD

Four meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms a part of the Annual Report.

### 9. 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 SEBI Listing Regulations.

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Board and the NRC reviewed the performance of individual Directors on the basis of 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.

At the Board Meeting that followed the meeting of the Independent Directors and meeting of NRC, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.



## BOARD'S REPORT (CONTD.)

### 10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on appointment of Directors is available on [https://www.ihcltata.com/board\\_diversity\\_director\\_attributes.pdf](https://www.ihcltata.com/board_diversity_director_attributes.pdf)

The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms a part of the Annual Report and is also available on [https://www.ihcltata.com/Remuneration\\_Policy\\_KMP\\_Directors\\_Employees.pdf](https://www.ihcltata.com/Remuneration_Policy_KMP_Directors_Employees.pdf)

### 11. VIGIL MECHANISM

The Company has revised the Whistle Blower policy to insert "reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)" in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and the revised policy was approved by the Audit Committee and the Board at its respective meetings held on March 27, 2019 and April 30, 2019 and has established the necessary vigil mechanism for Directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour. The details of the policy have been disclosed in the Corporate Governance Report, which forms a part of the Annual Report and is also available on [https://www.ihcltata.com/Whistle\\_Blower\\_Policy.pdf](https://www.ihcltata.com/Whistle_Blower_Policy.pdf)

### 12. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms a part of the Annual Report.

### 13. AUDIT COMMITTEE

The details including the composition of the Audit Committee including attendance at the Meetings and terms of Reference are included in the Corporate Governance Report, which forms a part of the Annual Report.

### 14. AUDITORS

At the 116<sup>th</sup> AGM held on August 21, 2017 the Members approved appointment of B S R & Co LLP ("BSR"), Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the 116<sup>th</sup> AGM till the conclusion of the 121<sup>st</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditor at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

### 15. CORPORATE SOCIAL RESPONSIBILITY

The 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 under review are set out in Annexure I of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which forms a part of the Annual Report. The CSR policy is available on [https://www.ihcltata.com/CSR\\_Policy.pdf](https://www.ihcltata.com/CSR_Policy.pdf).

### 16. EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for the Financial Year 2019-20 is given in Annexure II in the prescribed Form No. MGT-9, which is a part of this report. The same is available on <https://www.ihcltata.com/Annual-Return.pdf>.

### 17. AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

The Statutory Auditor's Report and the Secretarial Auditor's Report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

Secretarial Auditor's Report is attached to this report as Annexure III.



## BOARD'S REPORT (CONTD.)

### 18. RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms a part of the Annual Report.

### 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company falls within the scope of the definition "infrastructure company" as provided by the Act. Accordingly, the Company is exempt from the provisions of Section 186 of the Act with regards to Loans, Guarantees and Investments.

### 20. RELATED PARTY TRANSACTIONS

The Company has revised the policy on Related Party Transactions to include Changes based on Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019 and SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2019 and the revised policy was approved by the Audit Committee and the Board at its respective meetings held on March 27, 2019 and April 30, 2019 and the same can be accessed on the Company's website at <https://www.ihcltata.com/RPT.pdf>.

None of the transactions with related parties falls under the scope of Section 188(1) of the Act, except for two transactions which were not in the Ordinary Course of Business. However all the transactions entered into were at Arm's Length Basis. During the year under review, all transactions entered into with related parties were approved by the Audit Committee.

Further in the Financial Year 2019-20, there were no material transactions of the Company with any of its related parties. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the Financial Year 2019-20.

### 21. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure IV to this report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said Annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

### 22. DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, the Corporate Governance Report with the Practicing Company Secretary's Certificate thereon, and the Management Discussion and Analysis are attached as a separate section which forms a part of the Annual Report.

As per Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report forms a part of the Annual Report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.



## BOARD'S REPORT (CONTD.)

### 23. DEPOSITS FROM PUBLIC

The Company does not accept and/or renew Fixed Deposits from the general public and shareholders. There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits at the end of Financial Year 2019-20 which is ₹ 0.03 crores (Previous year ₹ 0.39 crores).

### 24. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [PURSUANT TO COMPANIES (ACCOUNTS) RULES, 2014]

A. Conservation of Energy: The Company has a longstanding history of stewardship through efficient management of all its assets and resources. The Company's conscious efforts are aligned with the Tata ethos of keeping communities and environment at the heart of doing business. In line with IHCL's commitment to safeguard the environment, we have been the flagbearers of responsible tourism through elimination of two million plastic straws across all our properties. Our renewable energy proportion has improved to 25% from 7% in the past four years. In this rapidly transforming world, our sustainability goals will certainly evolve as our industry grow and as per the needs arising in the society.

B. Technology Absorption: There is no material information on technology absorption to be furnished. The Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations.

C. Foreign Exchange Earnings and Outgo:

- Earnings : ₹ 596.38 crores
- Outgo : ₹ 108.09 crores

### 25. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The impact of Covid-19 on the Company's financial statements has been given in Note 2(d) of the Notes to financial statements for the year ended March 31, 2020 and the Company's response to the situation arising from this pandemic has been explained in the Management Discussion and Analysis, which forms part of the Annual Report.

### 26. 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. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the Financial Statement

### 27. COST AUDITORS

Maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is not applicable to the Company.

### 28. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act, and the rules framed thereunder, including constitution of the Internal Complaints Committee. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same is available on the Company's website at [https://www.ihcltata.com/POSH\\_Policy.pdf](https://www.ihcltata.com/POSH_Policy.pdf). All employees (permanent, contractual, temporary and trainees, etc.) are covered under this Policy. The Policy is gender neutral.

#### Status of complaints as on March 31, 2020:

Sl. No.	Particulars	Number of Complaints
1.	Number of complaints filed during the financial year	18
2.	Number of complaints disposed off during the financial year	17
3.	Number of complaints pending at the end of the financial year	1*

\* the case was received in the last week of March 2020 and is pending closure due to lockdown.



## 29. INTEGRATED REPORT

The Company being one of the top companies in the country in terms of market capitalization, has voluntarily provided Integrated Report, which encompasses both financial and non-financial information to enable the Members to take well informed decisions and have a better understanding of the Company's long term perspective.

The Report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

## 30. ACKNOWLEDGEMENT

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to Covid-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the IHCL family.

On behalf of the Board of Directors

**N. Chandrasekaran**  
Chairman  
(DIN: 00121863)

Mumbai, June 10, 2020



## ANNUAL REPORT ON CSR ACTIVITIES

### **A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

As one of India's strongest hospitality brand, your Company is conscious of its responsibility as a custodian of Indian culture and heritage and towards the welfare and development of communities around its Ecosystem. The Indian Hotels Company Limited (IHCL) and its partners have historically been contributing towards the betterment of underprivileged & socially dis-advantaged communities by supporting livelihoods and promoting art & culture as an integral part of the ethos seeded by our founder J N Tata. Your Company's CSR Policy outlines key programs, initiatives and mechanisms followed for driving Corporate Social Responsibility.

Your Company's CSR programs are implemented by in-house CSR and HR teams, volunteers, and in partnership with NGOs, other Tata Companies and Government bodies in various locations. Your company has focused on building livelihoods in the country by skilling less-privileged, school dropout youth and by handholding & offering business opportunities to micro enterprises, artisans & social organisations.

Your Company has formulated its CSR Policy, imbibing the vision of its promoters, Tata values and traditions of giving back to the society. The projects broadly confirms to the framework prescribed under Schedule VII of the Companies Act, 2013. Details of the CSR policy of the Company is available on link given here <https://www.ihcltata.com/CSR Policy/.pdf>

More than 3000 people including youth, women, artisans and differently abled have availed the benefit of the Company's CSR programmes this year.

Aimed at standardization and quality in skilling youth in hospitality, the partnership brings the best of domain expertise from IHCL coupled with superior approach to holistic youth development driven by Tata STRIVE. Apart from playing the role of knowledge and quality assurance partner in training centres run directly by Tata STRIVE, your Company has also invested in creating high quality infrastructure to support hospitality training across F&B service, food production, and housekeeping operations. The 13 IHCL Tata STRIVE Hospitality Skill Centres

are located in Bengaluru, Jaipur, Varanasi, Trivandrum, Chhindwara, Mumbai, Hyderabad, Pithoragarh, Chamoli, Pune, Mohali, Agartala, and Goa. In the current year, 800 youth have been trained at these centres. Your Company in partnership with Tata STRIVE conducts Recognition of Prior Learning ("RPL") training program, which helps fill the gap and obtain a certification from National Skill Development Corporation. Over 1000 individuals were trained through RPL program in the current year. This included people from diverse backgrounds, including employees of Mumbai International Airport Limited, Indian Navy.

Further in skilling space, the focus has been on vocational training & certification of aspiring youth to empower them to be work-ready. This is taken forward by collaborating with Tata Institute of Social Science ("TISS"), and the youth from underprivileged socio-economic backgrounds.

We recognise that heritage and authentic cultural experiences create value for our industry. We aim to preserve and promote these sites for future generations through neighbourhood development programmes.

### **Livelihoods through Skilling:**

- 13 IHCL Tata STRIVE Hospitality Skill Centres offering short practical courses and certification in housekeeping operations, food & beverage services, and food production.
- Three Year Vocational Education Programme in association with TISS at 15 of our hotels.
- 1000 plus youth trained through these programmes.

### **Heritage Conservation & Promotion:**

- Promoting native culinary heritage in Coorg.
- Natural & cultural heritage walk with Pardhi youth near Panna Forest Reserve.
- Training women in Banarasi Silk Weaving.
- Gateway of India precinct upkeep, Varanasi Ghat maintenance upkeep and National Railway Museum beautification.

Procurement team encourages local sourcing with special focus on vendors from marginalised community, small scale farmers, and women self-help groups. This generates dual impact of supporting livelihood of these artisans and encouraging preservation of traditional art



## ANNEXURE I (CONTD.)

forms. Some of the products sourced by our hotels include fresh fish, fruits, vegetables, Paper chef cap, laundry bags, honey, candles, and gift items for guests, table napkins, dusters, etc. Additionally, local art and culture troupes, artists and craftsmen are provided a platform in hotels to perform to guests and sell their products. In Financial Year 2019-20, hotels sourced ₹ 18.23 Crores of products and services supporting over 1300 such underserved community members in earning a regular livelihood.

Nurturing IHCL's Culture for Social Responsibility and Volunteering throughout the year, contributed over 14500 hours supporting several initiatives and under-privileged communities in their vicinity as a part of our regular volunteering initiatives.

**1. The composition of the CSR and Sustainability committee (CSR): The Company has a CSR committee of Directors comprising of:**

Mr. Puneet Chhatwal – Chairman

Mr. Nasser Munjee

Ms. Hema Ravichandar

**2. Average net profit of the company for last three financial years for the purpose of computation of CSR: ₹ 371.50 Crores**

**3. Prescribed CSR Expenditure (two per cent of the amount as in item 2 above): ₹ 7.43 Crores**

**4. Details of CSR spent during the financial year: ₹ 7.56 Crores**

a. Total amount to be spent for the financial year: ₹ 7.43 Crores

b. Amount unspent: Nil

c. Manner in which the amount spent during the financial year: Attached as table

**5. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

**Mr. Puneet Chhatwal**

Chief Executive Officer and Managing Director,  
Chairman, Corporate Social Responsibility and  
Sustainability Committee  
(DIN: 07624616)

Mumbai, June 10, 2020

**Mr. Nasser Munjee**

Independent Director,  
Member, Corporate  
Social Responsibility and  
Sustainability Committee  
(DIN: 00010180)

## ANNEXURE I (CONTD.)

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

(₹ crores)

Sr. No.	CSR Project or Activity identified	Sector in which project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or program Subhead: (1) Direct Expenditure (2) Overheads	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Building Livelihoods	Vocational skilling & promotion of livelihoods Sch VII (ii)	Pan India	2.74	2.81	2.81	Direct + with partners
2	Community Welfare	Promoting Education Sch VII(ii)	Pan India	1.80	1.45	1.45	Direct + with partners
3	Being a Responsible Neighbour	Environmental sustainability Sch VII (iv) Restoration of buildings and sites of historical importance Sch VII (v) Support towards eradicating poverty & malnutrition Sch VII (i) Disaster Response & Relief	Pan India	2.89	3.30	3.30	Direct + with partners
	<b>Sub- total</b>			<b>7.43</b>	<b>7.56</b>	<b>7.56</b>	
	Overhead for various CSR initiatives			-	-	-	
	<b>Total CSR Spend</b>			<b>7.43</b>	<b>7.56</b>	<b>7.56</b>	

Note: With respect to the project identified by the Company as a part of its CSR activities, the company had an outlay of ₹ 7.43 Crores against which a cumulative expenditure of ₹ 7.56 Crores has been incurred up to March 31, 2020.



**FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on **March 31, 2020**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN:	L74999MH1902PLC000183
ii) Registration Date:	April 1, 1902
iii) Name of the Company:	The Indian Hotels Company Limited
iv) Category:	Company Limited by Shares
v) Sub-Category of the Company:	Indian Non-Government Company
vi) Address of the registered office and contact details:	Mandlik House, Mandlik Road, Mumbai-400 001
vii) Whether listed company:	Yes
viii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083 Maharashtra, India +91-22-49186270

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code (Division) of the product/ service	% to total turnover of the Company
1	Short Term Accommodation activities	551	41.39%
2	Restaurants and mobile food service activities	561	39.79%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	KTC Hotels Limited The Gateway Hotel, Shanmugham Road, Marine Drive, Ernakulam- 682011	U55101KL1984PLC004105	Subsidiary	100	2 (87)
2	United Hotels Limited Vivanta by Taj - Ambassador, Sujan Singh Park, New Delhi- 110003	U74899DL1950PLC001861	Subsidiary	55	2 (87)
3	Roots Corporation Limited Godrej & Boyce Complex, Gate No. 8, Plant No. 13, Office Building Vikhroli (E), Mumbai- 400079	U55100MH2003PLC143639	Subsidiary	63.74	2 (87)
4	Taj Sats Air Catering Limited* Mandlik House, Mandlik Road, Mumbai- 400001	U55204MH2001PLC133177	Subsidiary	51	2 (87)
5	Taj Madras Flight Kitchen Private Limited** Taj Coromandel, 37, M.G. Road, Chennai 600034	U63090TN1995PTC030706	Subsidiary	51	2 (87)
6	Piem Hotels Limited 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	73.03	2 (87)

## ANNEXURE II (CONTD.)

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
8	Inditravel Limited Mandlik House, Mandlik Road, Mumbai- 400001	U74999MH1981PLC023924	Subsidiary	78.86	2 (87)
9	Northern India Hotels Limited Tajview Hotel, Fatehabad Road, Taj Ganj, Agra 282001	U55101UP1971PLC003838	Subsidiary	48.56	2 (87)
10	Skydeck Properties and Developers Private Limited Mandlik House, Mandlik Road, Mumbai- 400001	U45200MH1998PTC114881	Subsidiary	100	2 (87)
11	Sheena Investments Private Limited Mandlik House, Mandlik Road, Mumbai- 400001	U65990MH1990PTC055375	Subsidiary	100	2 (87)
12	Luthria & Lalchandani Hotel & Properties Private Limited Mandlik House, Mandlik Road, Mumbai- 400001	U55100MH2008PTC178963	Subsidiary	87.15	2 (87)
13	ELEL Hotels and Investments Limited Mandlik House, Mandlik Road, Mumbai- 400001	U70101MH1969PLC014326	Subsidiary	85.72	2 (87)
14	Taj Enterprises Limited Taj Palace Hotel, Sardar Patel Marg, New Delhi- 110021	U55101DL1979PLC009746	Subsidiary	93.19	2 (87)
15	Benares Hotels Limited Nadesar Palace Compound, Varanasi 221002	L55101UP1971PLC003480	Subsidiary	51.68	2 (87)
16	Taj International Hotels (H. K.) Limited 42 <sup>nd</sup> floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	Foreign Company	Subsidiary	100	2 (87)
17	IHOCO BV Teleportboulevard 140, 1043 EJ Amsterdam	Foreign Company	Subsidiary	100	2 (87)
18	St. James Court Hotels Limited Crown Plaza, St. James, Buckingham Gate, Westminster, London SWIE6AF	Foreign Company	Subsidiary	72.25	2 (87)
19	Taj International Hotels Limited Crown Plaza London St James, Buckingham Gate, Westminster, London SWIE6AF	Foreign Company	Subsidiary	100	2 (87)
20	Piem International (H. K) Limited 42/F, Central Plaza, 18 Harbour Road, Wanchai, Hongkong	Foreign Company	Subsidiary	51.57	2 (87)
21	BAHC 5 78 Shenton Way, #26-02A, Singapore 079120	Foreign Company	Subsidiary	51.57	2 (87)
22	United Overseas Holding Inc Corporation Service Company, 251, Little Falls Drive, Wilmington, County of New Castle, Delaware 19808	Foreign Company	Subsidiary	100	2 (87)
23	Taida Trading and Industries Limited Mandlik House, Mandlik Road, Mumbai 400 001	U13100MH1959PLC011396	Associate	34.78	2 (6)
24	Oriental Hotels Limited Taj Coromandel, 37 M. G. Road, Chennai 600034	L55101TN1970PLC005897	Associate	35.67	2 (6)
25	Taj Madurai Limited Taj Coromandel, 37, M.G. Road, Chennai 600 034	U55101TN1990PLC018883	Associate	26	2 (6)
26	TAL Lanka Hotels Plc 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.62	2 (6)
27	Lanka Island Resorts Limited 25, Galle Face Centre Road, Colombo, Sri Lanka	Foreign Company	Associate	24.66	2 (6)
28	Bjets Pte Limited 80 Raffles Place, #32-01, UOB Plaza 1, Singapore 048624	Foreign Company	Associate	45.69	2 (6)

\*Classified as Joint Venture as per Indian Accounting Standards.

\*\*During the year under review, the Company sold its stake in Taj Madras Flight Kitchen Private Limited (TMFK) to Taj SATS Air Catering Limited. Accordingly, TMFK is a wholly-owned subsidiary of Taj SATS Air Catering Limited and an indirect subsidiary of IHCL.



## ANNEXURE II (CONTD.)

### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### (i) Category-wise Shareholding

Name of the Shareholder	No. of Shares held at the beginning of the year (i.e 01/04/2019)				No. of Shares held at the end of the year ( i.e 31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual	0	0	0	0	0	0	0	0	0
b) HUF	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt (s)	0	0	0	0	0	0	0	0	0
e) Bodies Corp.	46,48,56,979	0	46,48,56,979	39.09	48,46,42,250	0	48,46,42,250	40.75	1.66
f) Banks / FI	0	0	0	0	0	0	0	0	0
g) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>46,48,56,979</b>	<b>0</b>	<b>46,48,56,979</b>	<b>39.09</b>	<b>48,46,42,250</b>	<b>0</b>	<b>48,46,42,250</b>	<b>40.75</b>	<b>1.66</b>
<b>(2) Foreign</b>									
a) NRIs -	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
b) Other –	0	0	0	0	0	0	0	0	0
Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>46,48,56,979</b>	<b>0</b>	<b>46,48,56,979</b>	<b>39.09</b>	<b>48,46,42,250</b>	<b>0</b>	<b>48,46,42,250</b>	<b>40.75</b>	<b>1.66</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds / UTI	29,38,19,794	1,55,820	29,39,75,614	24.72	29,53,35,729	1,55,820	29,54,91,549	24.85	0.13
Financial Institutions / Banks	2,78,67,048	9,900	2,78,76,948	2.34	2,92,47,703	0	2,92,47,703	2.46	0.12
Alternate Investment Fund	34,73,013	0	34,73,013	0.29	27,66,171	0	27,66,171	0.23	-0.06
Central Government / State Government(s)	1,500	0	1,500	0	1,13,15,629	0	1,13,15,629	0.95	0.95
Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
Insurance Companies	1,82,85,758	0	1,82,85,758	1.54	6,85,36,602	0	6,85,36,602	5.76	4.22
Foreign Institutional Investors	14,43,59,887	11,880	14,43,71,767	12.14	13,84,10,321	11880	13,84,22,201	11.64	-0.50
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0.00	0.00
Others									
Foreign Financial Institutions / Banks	5,850	0	5,850	0	5,850	0	5,850	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>48,78,12,850</b>	<b>1,77,600</b>	<b>48,79,90,450</b>	<b>41.03</b>	<b>54,56,18,005</b>	<b>1,67,700</b>	<b>54,57,85,705</b>	<b>45.89</b>	<b>4.86</b>

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Name of the Shareholder	No. of Shares held at the beginning of the year (i.e 01/04/2019)				No. of Shares held at the end of the year ( i.e 31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	7,83,32,197	62,075	7,83,94,272	6.59	93,45,528	71,137	94,16,665	0.79	-5.80
ii) Overseas	0	0	0	0	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	10,88,84,902	1,07,19,347	11,96,04,249	10.06	10,53,34,057	97,78,822	11,51,12,879	9.68	-0.38
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,26,70,756	6,92,523	2,33,63,279	1.96	2,11,77,955	6,32,240	2,18,10,195	1.83	0.13
c) Others (specify)	0	0	0	0	0	0	0	0.00	0.00
Trusts	9,442	0	9,442	0	51,206	0	51,206	0.00	0.00
Directors and relatives	68,720	0	68,720	0.01	1,63,620	0	1,63,620	0.01	0.00
Foreign Nationals	25,439	0	25,439	0	26,139	0	26,139	0.00	0.00
Non-residents	64,02,632	34,687	64,37,319	0.54	59,39,455	28,434	59,67,889	0.50	-0.04
Clearing Members	39,58,651	0	39,58,651	0.33	13,40,609	0	13,40,609	0.11	-0.22
HUFs	30,22,580	103	30,22,683	0.25	29,19,461	0	29,19,461	0.25	0.00
Investor Education and Protection Fund (IEPF) Authority	15,26,962	0	15,26,962	0.13	18,47,807	0	18,47,807	0.16	0.03
NBFCs registered with RBI	0	0	0	0	1,74,020	0	1,74,020	0.01	0.01
<b>Sub-total (B)(2):-</b>	<b>22,49,02,281</b>	<b>1,15,08,735</b>	<b>23,64,11,016</b>	<b>19.88</b>	<b>14,83,19,857</b>	<b>1,05,10,633</b>	<b>15,88,30,490</b>	<b>13.36</b>	<b>-6.52</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>71,27,15,131</b>	<b>1,16,86,335</b>	<b>72,44,01,466</b>	<b>60.91</b>	<b>69,39,37,862</b>	<b>1,06,78,333</b>	<b>70,46,16,195</b>	<b>59.25</b>	<b>-1.66</b>
<b>Total (A) + (B)</b>	<b>1,17,75,72,110</b>	<b>1,16,86,335</b>	<b>1,18,92,58,445</b>	<b>100</b>	<b>1,17,85,80,112</b>	<b>1,06,78,333</b>	<b>1,18,92,58,445</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>1,17,75,72,110</b>	<b>1,16,86,335</b>	<b>1,18,92,58,445</b>	<b>100</b>	<b>1,17,85,80,112</b>	<b>1,06,78,333</b>	<b>1,18,92,58,445</b>	<b>100.00</b>	<b>0.00</b>



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### (ii) Shareholding of Promoters (including the Promoter Group)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e 01/04/2019)			Shareholding at the end of the year (i.e 31/03/2020)			% Change in shareholding 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	Tata Sons Private Limited (Promoter)	433,219,860	36.43	-	453,005,131	38.09	-	1.66
2	Tata Investment Corporation Limited*	16,071,539	1.35	-	16,071,539	1.35	-	0.00
3	Ewart Investments Limited*	2,127,705	0.18	-	2,127,705	0.18	-	0.00
4	Tata Chemicals Limited*	10,689,348	0.90	-	10,689,348	0.90	-	0.00
5	Tata Industries Limited*	665,278	0.06	-	665,278	0.06	-	0.00
6	Tata Capital Limited*	17,640	0.00	-	17,640	0.00	-	0.00
7	Oriental Hotels Limited*	752,398	0.06	-	752,398	0.06	-	0.00
8	Taida Trading & Industries Limited*	187,818	0.02	-	187,818	0.02	-	0.00
9	Taj Madurai Limited*	1,125,393	0.09	-	1,125,393	0.09	-	0.00
	<b>Total</b>	<b>464,856,979</b>	<b>39.09</b>	<b>0.00</b>	<b>484,642,250</b>	<b>40.75</b>	<b>0.00</b>	<b>1.66</b>

\*A part of Promoter Group

### (iii) Changes in Promoter Shareholding (including the Promoter Group)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (i.e 01/04/2019)		Date	Increase/ Decrease in share holding		Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Tata Sons Private Limited (Promoter)	433,219,860	36.43	--	19,785,271	1.66	453,005,131	38.09
2	Tata Investment Corporation Limited*	16,071,539	1.35	--	--	--	16,071,539	1.35
3	Ewart Investments Limited*	2,127,705	0.18	--	--	--	2,127,705	0.18
4	Tata Chemicals Limited*	10,689,348	0.90	--	--	--	10,689,348	0.90
5	Tata Industries Limited*	665,278	0.06	--	--	--	665,278	0.06
6	Tata Capital Limited*	17,640	0.00	--	--	--	17,640	0.00
7	Oriental Hotels Limited*	752,398	0.06	--	--	--	752,398	0.06
8	Taida Trading & Industries Limited*	187,818	0.02	--	--	--	187,818	0.02
9	Taj Madurai Limited*	1,125,393	0.09	--	--	--	1,125,393	0.09

\*A part of Promoter Group

## ANNEXURE II (CONTD.)

## (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 (i.e. 01/04/2019)		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Reliance Capital Trustee Company Limited-A/C Nippon India Multi Cap Fund	92,691,722	7.79				92,691,722	7.79
				05 Apr 2019	897,728	Purchase	93,589,450	7.87
				12 Apr 2019	13,032	Purchase	93,602,482	7.87
				19 Apr 2019	5,068	Purchase	93,607,550	7.87
				26 Apr 2019	1,080,806	Purchase	94,688,356	7.96
				03 May 2019	1,283	Purchase	94,689,639	7.96
				10 May 2019	464,462	Purchase	95,154,101	8.00
				17 May 2019	40,327	Purchase	95,194,428	8.00
				24 May 2019	501,677	Purchase	95,696,105	8.05
				31 May 2019	328,091	Purchase	96,024,196	8.07
				07 Jun 2019	1,201,907	Purchase	97,226,103	8.18
				14 Jun 2019	98,190	Purchase	97,324,293	8.18
				21 Jun 2019	2,654	Purchase	97,326,947	8.18
				28 Jun 2019	431,886	Purchase	97,758,833	8.22
				05 Jul 2019	-1,096,156	Sale	96,662,677	8.13
				12 Jul 2019	-1,864,164	Sale	94,798,513	7.97
				19 Jul 2019	-458,583	Sale	94,339,930	7.93
				26 Jul 2019	-435,992	Sale	93,903,938	7.90
				02 Aug 2019	307,840	Purchase	94,211,778	7.92
				09 Aug 2019	-2,376,747	Sale	91,835,031	7.72
				16 Aug 2019	-2,793,105	Sale	89,041,926	7.49
				23 Aug 2019	-1,214,173	Sale	87,827,753	7.39
				30 Aug 2019	44,874	Purchase	87,872,627	7.39
				06 Sep 2019	-200,562	Sale	87,672,065	7.37
				13 Sep 2019	-7,357	Sale	87,664,708	7.37
				20 Sep 2019	-907,182	Sale	86,757,526	7.30
				27 Sep 2019	-624,913	Sale	86,132,613	7.24
				18 Oct 2019	-8,841,451	Sale	77,291,162	6.50
				01 Nov 2019	1,611	Purchase	77,292,773	6.50
				08 Nov 2019	607,789	Purchase	77,900,562	6.55
				15 Nov 2019	-1,609,551	Sale	76,291,011	6.42
				22 Nov 2019	-2,198	Sale	76,288,813	6.41
				29 Nov 2019	314,627	Purchase	76,603,440	6.44
				06 Dec 2019	120,419	Purchase	76,723,859	6.45
				13 Dec 2019	1,513,178	Purchase	78,237,037	6.58
				20 Dec 2019	1,988,884	Purchase	80,225,921	6.75
				27 Dec 2019	1,319,395	Purchase	81,545,316	6.86
				31 Dec 2019	1,530,177	Purchase	83,075,493	6.99
				03 Jan 2020	1,340,310	Purchase	84,415,803	7.10
				10 Jan 2020	1,005,676	Purchase	85,421,479	7.18
				17 Jan 2020	9,027	Purchase	85,430,506	7.18
				24 Jan 2020	-803,147	Sale	84,627,359	7.12
				31 Jan 2020	-269,753	Sale	84,357,606	7.09



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Sr. No.	Name	No. of Shares at the beginning (i.e. 01/04/2019)		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				07 Feb 2020	-200,919	Sale	84,156,687	7.08
				14 Feb 2020	501,265	Purchase	84,657,952	7.12
				21 Feb 2020	-8,142	Sale	84,649,810	7.12
				28 Feb 2020	999,114	Purchase	85,648,924	7.20
				06 Mar 2020	1,035,896	Purchase	86,684,820	7.29
				13 Mar 2020	-3,369,740	Sale	83,315,080	7.01
				20 Mar 2020	182,511	Purchase	83,497,591	7.02
				27 Mar 2020	661,761	Purchase	84,159,352	7.08
				31 Mar 2020	9,381	Purchase	84,168,733	7.08
		84,168,733	7.08				84,168,733	7.08
2	HDFC Trustee Company Limited - A/C HDFC Mid – Cap Opportunities Fund	67,302,453	5.66	05 Apr 2019	1,000,000	Purchase	67,302,453	5.66
				12 Apr 2019	100,000	Purchase	68,302,453	5.74
				05 Jul 2019	1,295,000	Purchase	69,697,453	5.86
				12 Jul 2019	651,700	Purchase	70,349,153	5.92
				16 Aug 2019	1,017,000	Purchase	71,366,153	6.00
				23 Aug 2019	718,000	Purchase	72,084,153	6.06
				30 Aug 2019	500,000	Purchase	72,584,153	6.10
				20 Sep 2019	500,000	Purchase	73,084,153	6.15
				11 Oct 2019	46,000	Purchase	73,130,153	6.15
				25 Oct 2019	990,000	Purchase	74,120,153	6.23
				01 Nov 2019	850,000	Purchase	74,970,153	6.30
				08 Nov 2019	500,000	Purchase	75,470,153	6.35
				22 Nov 2019	149,000	Purchase	75,619,153	6.36
				29 Nov 2019	30,000	Purchase	75,649,153	6.36
				06 Dec 2019	360,000	Purchase	76,009,153	6.39
				20 Dec 2019	223,000	Purchase	76,232,153	6.41
				10 Jan 2020	500,000	Purchase	76,732,153	6.45
				24 Jan 2020	164,000	Purchase	76,896,153	6.47
				31 Jan 2020	10,000	Purchase	76,906,153	6.47
				07 Feb 2020	829,600	Purchase	77,735,753	6.54
				14 Feb 2020	500,000	Purchase	78,235,753	6.58
				28 Feb 2020	213,000	Purchase	78,448,753	6.60
				06 Mar 2020	785,000	Purchase	79,233,753	6.66
				20 Mar 2020	563,000	Purchase	79,796,753	6.71
		79,796,753	6.71				79,796,753	6.71

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Sr. No.	Name	No. of Shares at the beginning (i.e. 01/04/2019)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
3	ICICI Prudential Life Insurance Company Limited	30,984,524	2.61				30,984,524	2.61
				05 Apr 2019	2,346,903	Purchase	33,331,427	2.80
				19 Apr 2019	400,242	Purchase	33,731,669	2.84
				26 Apr 2019	52,760	Purchase	33,784,429	2.84
				03 May 2019	413,453	Purchase	34,197,882	2.88
				10 May 2019	101,781	Purchase	34,299,663	2.88
				24 May 2019	8,797	Purchase	34,308,460	2.88
				21 Jun 2019	22,188	Purchase	34,330,648	2.89
				28 Jun 2019	-1,023,091	Sale	33,307,557	2.80
				05 Jul 2019	19,100	Purchase	33,326,657	2.80
				12 Jul 2019	1,172	Purchase	33,327,829	2.80
				26 Jul 2019	12,418	Purchase	33,340,247	2.80
				30 Aug 2019	6,549	Purchase	33,346,796	2.80
				06 Sep 2019	-100	Sale	33,346,696	2.80
				27 Sep 2019	2,925,275	Purchase	36,271,971	3.05
				11 Oct 2019	1,646,863	Purchase	37,918,834	3.19
				18 Oct 2019	383,062	Purchase	38,301,896	3.22
				25 Oct 2019	158,405	Purchase	38,460,301	3.23
				01 Nov 2019	276,620	Purchase	38,736,921	3.26
				08 Nov 2019	270,998	Purchase	39,007,919	3.28
				22 Nov 2019	186,979	Purchase	39,194,898	3.30
				29 Nov 2019	724,562	Purchase	39,919,460	3.36
				06 Dec 2019	223,790	Purchase	40,143,250	3.38
				13 Dec 2019	315,147	Purchase	40,458,397	3.40
				20 Dec 2019	105,000	Purchase	40,563,397	3.41
				27 Dec 2019	-446,116	Sale	40,117,281	3.37
				31 Dec 2019	-208,951	Sale	39,908,330	3.36
				03 Jan 2020	-77,417	Sale	39,830,913	3.35
				10 Jan 2020	-808,411	Sale	39,022,502	3.28
				17 Jan 2020	-543,113	Sale	38,479,389	3.24
				24 Jan 2020	43,816	Purchase	38,523,205	3.24
				07 Feb 2020	915,307	Purchase	39,438,512	3.32
				14 Feb 2020	-46,578	Sale	39,391,934	3.31
				21 Feb 2020	-371,216	Sale	39,020,718	3.28
				28 Feb 2020	-975,736	Sale	38,044,982	3.20
				13 Mar 2020	-2,734,922	Sale	35,310,060	2.97
				20 Mar 2020	-1,396,808	Sale	33,913,252	2.85
				27 Mar 2020	497,677	Purchase	34,410,929	2.89
				31 Mar 2020	467,057	Purchase	34,877,986	2.93
		34,877,986	2.93				34,877,986	2.93



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Sr. No.	Name	No. of Shares at the beginning (i.e. 01/04/2019)		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	ICICI Prudential Balanced Advantage Fund	28,483,912	2.40				28,483,912	2.40
				05 Apr 2019	-18,606	Sale	28,465,306	2.39
				17 May 2019	744	Purchase	28,466,050	2.39
				24 May 2019	854,427	Purchase	29,320,477	2.47
				07 Jun 2019	-57,508	Sale	29,262,969	2.46
				05 Jul 2019	372	Purchase	29,263,341	2.46
				19 Jul 2019	-47,999	Sale	29,215,342	2.46
				26 Jul 2019	-268,965	Sale	28,946,377	2.43
				16 Aug 2019	374	Purchase	28,946,751	2.43
				23 Aug 2019	124,496	Purchase	29,071,247	2.44
				30 Aug 2019	375	Purchase	29,071,622	2.44
				20 Sep 2019	92,847	Purchase	29,164,469	2.45
				27 Sep 2019	74,850	Purchase	29,239,319	2.46
				30 Sep 2019	367	Purchase	29,239,686	2.46
				11 Oct 2019	4,526	Purchase	29,244,212	2.46
				18 Oct 2019	202	Purchase	29,244,414	2.46
				25 Oct 2019	-721,853	Sale	28,522,561	2.40
				01 Nov 2019	-1,486,855	Sale	27,035,706	2.27
				08 Nov 2019	-113,917	Sale	26,921,789	2.26
				15 Nov 2019	-99,922	Sale	26,821,867	2.26
				22 Nov 2019	-264	Sale	26,821,603	2.26
				06 Dec 2019	-177,525	Sale	26,644,078	2.24
				13 Dec 2019	287,929	Purchase	26,932,007	2.26
				20 Dec 2019	-211,020	Sale	26,720,987	2.25
				27 Dec 2019	3,644	Purchase	26,724,631	2.25
				31 Dec 2019	-84,778	Sale	26,639,853	2.24
				10 Jan 2020	119,104	Purchase	26,758,957	2.25
				17 Jan 2020	-1,081	Sale	26,757,876	2.25
				31 Jan 2020	7,105	Purchase	26,764,981	2.25
				07 Feb 2020	995	Purchase	26,765,976	2.25
				14 Feb 2020	-6,912	Sale	26,759,064	2.25
				21 Feb 2020	321,180	Purchase	27,080,244	2.28
				28 Feb 2020	-11,000	Sale	27,069,244	2.28
				06 Mar 2020	943,674	Purchase	28,012,918	2.36
				13 Mar 2020	3,084,223	Purchase	31,097,141	2.61
				20 Mar 2020	2,196,990	Purchase	33,294,131	2.80
				27 Mar 2020	164,607	Purchase	33,458,738	2.81
				31 Mar 2020	56,112	Purchase	33,514,850	2.82
		33,514,850	2.82				33,514,850	2.82

## ANNEXURE II (CONTD.)

Sr. No.	Name	No. of Shares at the beginning (i.e. 01/04/2019)		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
5	Franklin India Prima Fund	19,272,445	1.62				19,272,445	1.62
				21 Jun 2019	15,970	Purchase	19,288,415	1.62
				05 Jul 2019	500,000	Purchase	19,788,415	1.66
				19 Jul 2019	500,000	Purchase	20,288,415	1.71
				02 Aug 2019	61,457	Purchase	20,349,872	1.71
				09 Aug 2019	2,538,543	Purchase	22,888,415	1.92
				23 Aug 2019	1,780,000	Purchase	24,668,415	2.07
				30 Aug 2019	1,041,504	Purchase	25,709,919	2.16
				06 Sep 2019	341,783	Purchase	26,051,702	2.19
				20 Sep 2019	200,000	Purchase	26,251,702	2.21
				11 Oct 2019	933,625	Purchase	27,185,327	2.29
				18 Oct 2019	2,116,375	Purchase	29,301,702	2.46
				25 Oct 2019	400,000	Purchase	29,701,702	2.50
				22 Nov 2019	300,000	Purchase	30,001,702	2.52
				13 Dec 2019	100,000	Purchase	30,101,702	2.53
				24 Jan 2020	500,000	Purchase	30,601,702	2.57
				31 Jan 2020	500,000	Purchase	31,101,702	2.62
				28 Feb 2020	-724,514	Sale	30,377,188	2.55
				06 Mar 2020	-1,902,924	Sale	28,474,264	2.39
				20 Mar 2020	1,500,000	Purchase	29,974,264	2.52
		29,974,264	2.52			29,974,264	2.52	
6	SBI Magnum Multicap Fund	25,284,800	2.13				25,284,800	2.13
				19 Jul 2019	-92,000	Sale	25,192,800	2.12
				16 Aug 2019	110,000	Purchase	25,302,800	2.13
				23 Aug 2019	140,000	Purchase	25,442,800	2.14
				11 Oct 2019	-115,000	Sale	25,327,800	2.13
				25 Oct 2019	72,000	Purchase	25,399,800	2.14
				17 Jan 2020	151,000	Purchase	25,550,800	2.15
				24 Jan 2020	1,700,000	Purchase	27,250,800	2.29
				06 Mar 2020	-1,741,991	Sale	25,508,809	2.14
				13 Mar 2020	-25,409	Sale	25,483,400	2.14
				20 Mar 2020	394,268	Purchase	25,877,668	2.18
		25,877,668	2.18			25,877,668	2.18	



## ANNEXURE II (CONTD.)

Sr. No.	Name	No. of Shares at the beginning (i.e. 01/04/2019)		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
7	Government Pension Fund Global	32,606,340	2.74				32,606,340	2.74
				05 Apr 2019	-727,654	Sale	31,878,686	2.68
				14 Jun 2019	-200,000	Sale	31,678,686	2.66
				21 Jun 2019	-76,634	Sale	31,602,052	2.66
				05 Jul 2019	-23,366	Sale	31,578,686	2.66
				26 Jul 2019	-106,000	Sale	31,472,686	2.65
				02 Aug 2019	-122,807	Sale	31,349,879	2.64
				23 Aug 2019	-225,140	Sale	31,124,739	2.62
				30 Aug 2019	-720,295	Sale	30,404,444	2.56
				06 Sep 2019	-125,758	Sale	30,278,686	2.55
				27 Sep 2019	-1,111,046	Sale	29,167,640	2.45
				11 Oct 2019	-457,462	Sale	28,710,178	2.41
				15 Nov 2019	-938,301	Sale	27,771,877	2.34
				29 Nov 2019	-307,327	Sale	27,464,550	2.31
				06 Dec 2019	-165,186	Sale	27,299,364	2.30
				20 Dec 2019	-54,250	Sale	27,245,114	2.29
				27 Dec 2019	-445,750	Sale	26,799,364	2.25
				10 Jan 2020	-166,288	Sale	26,633,076	2.24
				17 Jan 2020	-173,786	Sale	26,459,290	2.22
				24 Jan 2020	-788,015	Sale	25,671,275	2.16
31 Jan 2020	-25,000	Sale	25,646,275	2.16				
28 Feb 2020	-500,000	Sale	25,146,275	2.11				
13 Mar 2020	150,000	Purchase	25,296,275	2.13				
20 Mar 2020	-2,191,000	Sale	23,105,275	1.94				
		23,105,275	1.94				23,105,275	1.94
8	HDFC Life Insurance Company Limited	16,980,113	1.43				16,980,113	1.43
				05 Apr 2019	297,887	Purchase	17,278,000	1.45
				12 Apr 2019	25,723	Purchase	17,303,723	1.46
				26 Apr 2019	350,390	Purchase	17,654,113	1.48
				03 May 2019	320,445	Purchase	17,974,558	1.51
				10 May 2019	3,956	Purchase	17,978,514	1.51
				17 May 2019	99,697	Purchase	18,078,211	1.52
				07 Jun 2019	46,139	Purchase	18,124,350	1.52
				14 Jun 2019	137,514	Purchase	18,261,864	1.54
				05 Jul 2019	67,227	Purchase	18,329,091	1.54
				19 Jul 2019	17,722	Purchase	18,346,813	1.54
				26 Jul 2019	34,159	Purchase	18,380,972	1.55
				02 Aug 2019	4,577	Purchase	18,385,549	1.55
				09 Aug 2019	-1,276	Sale	18,384,273	1.55
				16 Aug 2019	-1,054	Sale	18,383,219	1.55
				23 Aug 2019	1,499,549	Purchase	19,882,768	1.67
				30 Aug 2019	519,065	Purchase	20,401,833	1.72
06 Sep 2019	-2,590	Sale	20,399,243	1.72				
13 Sep 2019	8,085	Purchase	20,407,328	1.72				

## ANNEXURE II (CONTD.)

Sr. No.	Name	No. of Shares at the beginning (i.e. 01/04/2019)		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				20 Sep 2019	6,102	Purchase	20,413,430	1.72
				27 Sep 2019	-49,109	Sale	20,364,321	1.71
				11 Oct 2019	-42,844	Sale	20,321,477	1.71
				18 Oct 2019	-1,619	Sale	20,319,858	1.71
				25 Oct 2019	153,008	Purchase	20,472,866	1.72
				01 Nov 2019	107,227	Purchase	20,580,093	1.73
				08 Nov 2019	-107,311	Sale	20,472,782	1.72
				15 Nov 2019	2,232	Purchase	20,475,014	1.72
				22 Nov 2019	23,960	Purchase	20,498,974	1.72
				29 Nov 2019	98,769	Purchase	20,597,743	1.73
				06 Dec 2019	50,651	Purchase	20,648,394	1.74
				13 Dec 2019	69,038	Purchase	20,717,432	1.74
				20 Dec 2019	24,339	Purchase	20,741,771	1.74
				27 Dec 2019	34,980	Purchase	20,776,751	1.75
				31 Dec 2019	-20	Sale	20,776,731	1.75
				03 Jan 2020	-15,408	Sale	20,761,323	1.75
				10 Jan 2020	5,327	Purchase	20,766,650	1.75
				17 Jan 2020	514	Purchase	20,767,164	1.75
				24 Jan 2020	19,482	Purchase	20,786,646	1.75
				31 Jan 2020	-1,654	Sale	20,784,992	1.75
				07 Feb 2020	16,389	Purchase	20,801,381	1.75
				14 Feb 2020	800	Purchase	20,802,181	1.75
				21 Feb 2020	600	Purchase	20,802,781	1.75
				28 Feb 2020	900	Purchase	20,803,681	1.75
				06 Mar 2020	76,500	Purchase	20,880,181	1.76
				13 Mar 2020	109,766	Purchase	20,989,947	1.76
				20 Mar 2020	1,302,900	Purchase	22,292,847	1.87
				27 Mar 2020	500,646	Purchase	22,793,493	1.92
				31 Mar 2020	1,600	Purchase	22,795,093	1.92
		22,795,093	1.92				22,795,093	1.92
9	Life Insurance Corporation of India	26,604,719	2.24	05 Apr 2019	-510,881	Sale	26,604,719	2.24
				12 Apr 2019	-478,561	Sale	26,093,838	2.19
				19 Apr 2019	-1,208,971	Sale	25,615,277	2.15
				26 Apr 2019	-1,932,922	Sale	24,406,306	2.05
				03 May 2019	-1,215,330	Sale	22,473,384	1.89
				10 May 2019	-50,000	Sale	21,258,054	1.79
				24 Jan 2020	-17,140	Sale	21,208,054	1.78
		21,190,914	1.78				21,190,914	1.78



## ANNEXURE II (CONTD.)

Sr. No.	Name	No. of Shares at the beginning (i.e. 01/04/2019)		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)				
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company			
10	L And T Mutual Fund Trustee Limited-L And T India Value Fund	12,831,767	1.08	26 Apr 2019	229,000	Purchase	12,831,767	1.08			
				28 Jun 2019	309,538	Purchase	13,060,767	1.10			
				19 Jul 2019	332,500	Purchase	13,370,305	1.12			
				26 Jul 2019	344,800	Purchase	13,702,805	1.15			
				13 Sep 2019	45,000	Purchase	14,047,605	1.18			
				20 Sep 2019	20,000	Purchase	14,092,605	1.18			
				06 Mar 2020	339,571	Purchase	14,112,605	1.19			
										14,452,176	1.22
		14,452,176	1.22					14,452,176	1.22		
11	Franklin Templeton Investment Funds	17,187,776	1.45	05 Apr 2019	-43,191	Sale	17,187,776	1.45			
				12 Apr 2019	-449,277	Sale	17,144,585	1.44			
				17 May 2019	-16,263	Sale	16,695,308	1.40			
				24 May 2019	-1,299,417	Sale	16,679,045	1.40			
				21 Jun 2019	-974,888	Sale	15,379,628	1.29			
				26 Jul 2019	-17,840	Sale	14,404,740	1.21			
				02 Aug 2019	-18,637	Sale	14,386,900	1.21			
				25 Oct 2019	-325,634	Sale	14,368,263	1.21			
				01 Nov 2019	-247,087	Sale	14,042,629	1.18			
				08 Nov 2019	-1,007,279	Sale	13,795,542	1.16			
				13 Dec 2019	139,773	Purchase	12,788,263	1.08			
				28 Feb 2020	167,799	Purchase	12,928,036	1.09			
										13,095,835	1.10
						13,095,835	1.10				

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (i.e 01/04/2019)		Date	Increase/ Decrease in share holding		Cumulative Shareholding during the year (01/04/2019 to 31/03/2020)	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	N. Chandrasekaran	-	-	16/03/2020	1,00,000	0.01	1,00,000	0.01
2	Mehernosh Kapadia (39,300 shares Jointly held with Villu Mehernosh Kapadia)	63,480	0.01	-	0	0.00	63,480	0.01
3	Deepak Parekh* (Jointly held with Harsha Parekh)	3,100	0.00	-	0	0.00	3,100	0.00
4	Nadir Godrej*	2,000	0.00	-	0	0.00	2,000	0.00

\*During the year under review, Mr. Deepak Parekh and Mr. Nadir Godrej ceased to be Independent Directors w.e.f. August 26, 2019 upon completion of their term

## ANNEXURE II (CONTD.)

## V. INDEBTEDNESS

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

	(₹ crores)			
	Secured Loans excluding deposits	Unsecured Loans	Liability on Derivative Contracts	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,044.09	733.58	277.45	2,055.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35.50	16.42	-	51.92
<b>Total (i+ii+iii)</b>	<b>1,079.59</b>	<b>750.00</b>	<b>277.45</b>	<b>2,107.04</b>
Change in Indebtedness during the financial year				
Addition	799.42	51.04	21.76	872.22
Reduction	(101.66)	(581.54)	(121.99)	(805.19)
<b>Net Change</b>	<b>697.76</b>	<b>(530.5)</b>	<b>(100.23)</b>	<b>67.03</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,738.69	204.63	177.22	2,120.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	38.66	14.88	-	53.54
<b>Total (i+ii+iii)</b>	<b>1,777.35</b>	<b>219.51</b>	<b>177.22</b>	<b>2,174.08</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

		(₹ crores)
Sr. no.	Particulars of Remuneration	Puneet Chhatwal MD & CEO
1)	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.22
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2)	Stock Option	-
3)	Sweat Equity	-
4)	Commission paid - as % of profit	3.89
5)	Others	-
	<b>Total</b>	<b>14.57</b>

Mr. Mehernosh Kapadia retired as Executive Director with effect from May 23, 2018, and received proportionate Performance Linked Bonus for Financial Year 2018-19 of ₹ 27 Lakhs which was disbursed in Financial Year 2019-20.

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



## ANNEXURE II (CONTD.)

### B. Remuneration to other directors:

Independent Directors

(₹)

Sr. no.	Particulars of Remuneration	Nasser Munjee*	Hema Ravichandar*	Venkataramanan Anantharaman*	Nadir Godrej#	Gautam Banerjee®	Ireena Vittal#	Deepak Parekh#	Vibha Paul Rishi	Total Amount
1	Fee for attending Board / Committee meetings	1,80,000	2,10,000	1,80,000	2,40,000	90,000	1,50,000	2,10,000	3,30,000	15,90,000
2	Commission for 2018-19	-	-	-	65,00,000	35,00,000	45,00,000	75,00,000	45,00,000	2,65,00,000
3	Commission for 2019-20	40,00,000	40,00,000	35,00,000	20,00,000	15,00,000	15,00,000	25,00,000	40,00,000	2,30,00,000
	<b>Total</b>	<b>41,80,000</b>	<b>42,10,000</b>	<b>36,80,000</b>	<b>87,40,000</b>	<b>50,90,000</b>	<b>61,50,000</b>	<b>102,10,000</b>	<b>88,30,000</b>	<b>5,10,90,000</b>

\* Appointed as Independent Directors w.e.f. August 5, 2019

# Ceased to be Independent Directors w.e.f. August 26, 2019 upon completion of their term

® Ceased to be Independent Director w.e.f. September 9, 2019 upon completion of his term

Non-Executive Directors

(₹)

Sr. no.	Particulars of Remuneration	N. Chandrasekaran	Mehernosh Kapadia	Venu Srinivasan	Total Amount
1	Fee for attending board / committee meetings	2,10,000	1,80,000	30,000	4,20,000
2	Commission for 2018-19	Nil*	20,00,000	15,00,000	35,00,000
3	Commission for 2019-20	Nil*	40,00,000	30,00,000	70,00,000
	<b>Total</b>	<b>2,10,000</b>	<b>61,80,000</b>	<b>45,30,000</b>	<b>109,20,000</b>

\*As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company, hence not shown.

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

(₹ crores)

Sr. no.	Particulars of Remuneration	Mr. Beejal Desai Senior Vice President – Corporate Affairs & Company Secretary (Group)	Mr. Giridhar Sanjeevi Executive Vice President & Chief Financial Officer
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.65	4.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.06	0.01
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission paid	-	-
	- as % of profit	-	-
	- others (specify)	-	-
	<b>Total</b>	<b>1.71</b>	<b>4.22</b>

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

On behalf of the Board of Directors

**N. Chandrasekaran**

Chairman

Mumbai, June 10, 2020

## ANNEXURE III

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2020**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
 The Members  
 The Indian Hotels Company Limited  
 Mandlik House, Mandlik Road, Mumbai — 400001

We have conducted the Secretarial Audit for the compliance of applicable statutory provisions and the adherence to good corporate practices by The Indian Hotels Company Limited (hereinafter called 'the Company') for the year ended on March 31, 2020 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed with Statutory Authorities and other records maintained by the Company as also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and by-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowing;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) 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; and
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws specifically applicable to the Company are:
  - (a) Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011; and
  - (b) Food Safety and Standards (Packing & Labelling) Regulations, 2011.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to Board meetings and General meetings.

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

During the period under review, provisions of the following regulations were not applicable to the Company:

- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;



## ANNEXURE III (CONTD.)

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment.
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

### **We further report that –**

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, prior consent thereof were obtained 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.

Decisions at the meetings of the Board of Directors of the Company and at Committees were carried through on the basis of majority and were properly entered in the respective Minutes book. There were no dissenting views by any member of the Board of Directors during the audit period.

### **We further report that –**

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

### **We further report that –**

Except for what is stated above the Company has not undertaken any specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

For example:

- Public/Right/Preferential issue of shares / debentures/ sweat equity, etc;
- Redemption / buy-back of securities;
- Foreign Technical Collaborations.

For **NEVILLE DAROGA & ASSOCIATES**

**Neville K. Daroga**

ACS No. 8663

C.P. No. 3823

UDIN:-A008663B000318786

Place: Mumbai  
Date: June 5, 2020

## ANNEXURE III (CONTD.)

## ANNEXURE A

To,  
The Members  
The Indian Hotels Company Limited

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

1. The management is responsible for compliance of applicable laws, rules, regulations, standards as applicable to The Indian Hotels Company Limited. Our examination of the records and procedures was based on test check basis for issuing the Secretarial Audit Report.
2. The management of the Company is responsible for the maintenance of secretarial and other records as applicable to the Company under various laws. Our responsibility is to issue Secretarial Audit Report which is based on the relevant records maintained and information/explanations as furnished to us by the Company and its officials. Wherever required the management representation about compliance of laws as applicable to the Company including major events during the audit period have been obtained from the management.

3. We have followed the laid down audit practices for verifying the correctness and the contents of the secretarial and other records. The practices followed by us gave us reasonable basis to form our opinion for issuing the Secretarial Audit Report.
4. We have not verified the authenticity and significance of the books and the financial accounts as maintained by the Company.
5. The Secretarial Audit Report does not give an assurance as to the future viability of the Company nor of the potency and competency with which the management has conducted the affairs of the Company.

For **NEVILLE DAROGA & ASSOCIATES**  
**Neville K. Daroga**  
ACS No. 8663  
C.P. No. 3823

Place: Mumbai  
Date: June 5, 2020



**INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- a. The ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the financial year and percentage increase in Remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year.

Name	% increase of Remuneration in 2020 as compared to 2019 <sup>##</sup>	Ratio to median Remuneration
<b>Non-Executive Directors</b>		
Mr. N. Chandrasekaran <sup>@</sup>	-	-
Mr. Deepak Parekh <sup>*</sup>	^	^
Mr. Nadir Godrej <sup>*</sup>	^	^
Mr. Nasser Munjee <sup>#</sup>	^	^
Mr. Venkataramanan Anantharaman <sup>#</sup>	^	^
Ms. Hema Ravichandar <sup>#</sup>	^	^
Ms. Ireena Vittal <sup>*</sup>	^	^
Mr. Gautam Banerjee <sup>**</sup>	^	^
Ms. Vibha Paul Rishi	(9%)	9.34
Mr. Mehernosh Kapadia	^^	9.01
Mr. Venu Srinivasan	^^	6.53
<b>Executive Director</b>		
Mr. Puneet Chhatwal - MD & CEO	29%	314.11
<b>Chief Financial Officer</b>		
Mr. Giridhar Sanjeevi – EVP & CFO	6%	91.03
<b>Company Secretary</b>		
Mr. Beejal Desai, Senior VP - Corporate Affairs & Company Secretary (Group)	4%	36.92

<sup>@</sup> As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated

<sup>\*</sup> Ceased to be Independent Directors w.e.f. August 26, 2019 upon completion of their term

<sup>#</sup> Appointed as Independent and Non-Executive Directors with effect from August 5, 2019

<sup>\*\*</sup> Ceased to be Independent Director w.e.f. September 9, 2019 upon completion of his term

<sup>^</sup> Since the remuneration is only for part of the year, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence not stated.

<sup>^^</sup> Remuneration in Financial Year 2020 is not comparable with remuneration received in Financial Year 2019 and hence not stated

<sup>##</sup> For the purpose of these computations, remuneration has been considered based on accruals and payments relating to earlier years have been excluded.

- b. The percentage increase in the median Remuneration of employees in the financial year was 8%
- c. The number of permanent employees on the rolls of Company as on March 31, 2020 was 5422
- d. Average Percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 4%
- e. It is affirmed that the Remuneration is as per the Remuneration policy for Directors, Key Managerial Personnel, and other employees adopted by the Company.

# CORPORATE GOVERNANCE REPORT

**‘Always aim at perfection for only then will you achieve excellence’**  
– J.R.D. Tata

## I. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Indian Hotels Company Limited’s (‘IHCL’/‘the Company’) philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the community/society at large.

Strong leadership and effective corporate governance practices have been the Company’s hallmark inherited from the Tata culture and ethos.

An embodiment of the idea of ‘Leadership with Trust’, the Tata brand has, for years, signified the creation of long-term stakeholder value. IHCL is driven by the values of Integrity, Responsibility, Excellence, Pioneering, and Unity in all aspects of its functioning and organisational priorities.

The core of IHCL’s service ethos is TAJ-ness, based on the three broad pillars of:

- Trust - that their guests bestow on them,
- Awareness - of what is happening around them and their responsibility to the Indian hotel industry, and
- Joy - that IHCL takes in providing service

IHCL embodies the Tata group’s philosophy of building strong sustainable businesses that are firmly rooted in the community and demonstrate care for the environment. IHCL’s Corporate Governance framework is extremely well-defined, based on the pillars of transparency, accountability and security. Its processes and transactions are observable to outsiders and the roles and responsibilities of the Board and the Management are publicly known. This has led to creation of a strong environment of trust and confidence in the Company’s leadership and management.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. The same is available on

the Company’s website at [https://www.ihcltata.com/Code\\_of\\_Conduct\\_for\\_NED.pdf](https://www.ihcltata.com/Code_of_Conduct_for_NED.pdf) which includes Code of Conduct for Independent Directors suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013 (‘the Act’). The Company’s corporate governance philosophy has been further strengthened through the Tata Business Excellence Model, the Company’s Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (‘Insider Trading Code’).

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as applicable, with regard to corporate governance.

Details of the Company’s board structure and the various committees that constitute the governance structure of the organisation are covered in detail in this report.

The Company has also adopted Governance Guidelines on Board Effectiveness based on best practices from both within and outside the Tata Companies to help fulfil its corporate responsibility towards its stakeholders. The Governance Guidelines cover aspects related to composition and role of the Board and its Committees, Chairman and Directors, Board diversity, Director’s term and retirement age. It also covers aspects relating to nomination, appointment, induction and development of Directors, Directors’ remuneration, Board effectiveness review and mandates of Board Committees.

## II. BOARD OF DIRECTORS

The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At IHCL, the Board is at the core of our corporate governance practices. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders. It provides strategic direction, leadership and guidance to the Company’s management as also monitors the performance of the Company with the objectives of creating long term value for the Company’s stakeholders.



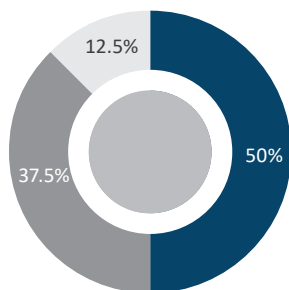
CORPORATE GOVERNANCE REPORT (CONTD.)

**Size and Composition of the Board**

Diversity is a key driver of quality, bringing a richness of experience, talent, competencies, as well as managerial expertise. For the Board, diversity encompasses difference in perspective, experience, education, background, ethnicity, gender and other personal attributes.

IHCL’s Board represents a mix of Executive, Non-Executive and Independent Directors, which is compliant with the Act and the SEBI Listing Regulations.

**SIZE AND COMPOSITION OF THE BOARD**



■ Independent Directors (Including Two Women Directors)	<b>4</b>
■ Non-Executive, Non-Independent Directors	<b>3</b>
■ Executive Directors	<b>1</b>

- i. As on March 31, 2020, the Company has eight Directors out of whom one is an Executive Director and seven are Non-Executive Directors. Of the seven Non-Executive Directors, four (i.e. 50 percent) are Independent Directors of which two are Women Directors. The profiles of Directors can be found on <https://www.ihcltata.com/investors/>. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.
- ii. None of the Directors on the Board holds directorships in more than ten public companies. Further, none of the Independent Directors of the company serve as Independent Directors in more than seven listed companies. None of the Directors serving as a Whole-time Director/Managing Director in any listed entity serves as an Independent Director of more than three listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of the Directors are related to each other.

- iii. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- iv. Four Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on: April 30, 2019, August 5, 2019, November 11, 2019 and January 31, 2020. The necessary quorum was present for all the meetings.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ('AGM'), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director. For determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations.

## CORPORATE GOVERNANCE REPORT (CONTD.)

Name of the Director	Category	Number of Board Meetings attended during Financial Year 2020	Whether attended last AGM held on June 20, 2019	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairperson	Member	Chairperson	Member	
Mr. N. Chandrasekaran (Chairman) DIN: 00121863	Non-Independent, Non-Executive	4	Yes	5	-	-	-	<ol style="list-style-type: none"> <li>1. Tata Steel Limited (Non- Independent, Non-Executive)</li> <li>2. Tata Motors Limited (Non-Independent, Non-Executive)</li> <li>3. Tata Consumer Products Limited (Formerly known as Tata Global Beverages Limited) (Non-Independent, Non-Executive)</li> <li>4. The Tata Power Company Limited (Non-Independent, Non-Executive)</li> <li>5. Tata Consultancy Services Limited (Non-Independent, Non-Executive)</li> </ol>
Mr. Puneet Chhatwal (Managing Director and Chief Executive Officer) DIN: 07624616	Non-Independent, Executive	4	Yes	5	2	-	1	<ol style="list-style-type: none"> <li>1. Taj GVK Hotels and Resorts Limited (Non-Independent, Non-Executive)</li> <li>2. Oriental Hotels Limited (Non-Independent, Non-Executive)</li> <li>3. Benares Hotels Limited (Non-Independent, Non-Executive)</li> </ol>
Mr. Nasser Munjee* DIN: 00010180	Independent, Non-Executive	2	N.A	2	4	2	2	<ol style="list-style-type: none"> <li>1. Ambuja Cements Limited (Independent, Non-Executive)</li> <li>2. Cummins India Limited (Independent, Non-Executive)</li> <li>3. ABB India Limited (Independent, Non-Executive)</li> <li>4. Housing Development Finance Corporation Limited (Independent, Non-Executive)</li> <li>5. DCB Bank Limited (Non-Independent, Non-Executive)</li> </ol>
Ms. Vibha Paul Rishi# DIN: 05180796	Independent, Non-Executive	4	Yes	-	7	1	6	<ol style="list-style-type: none"> <li>1. Escorts Limited (Independent, Non-Executive)</li> <li>2. Tata Chemicals Limited (Independent, Non-Executive)</li> <li>3. ICICI Prudential Life Insurance Company Limited (Independent, Non-Executive)</li> <li>4. Asian Paints Limited (Independent, Non-Executive)</li> </ol>



## CORPORATE GOVERNANCE REPORT (CONTD.)

Name of the Director	Category	Number of Board Meetings attended during Financial Year 2020	Whether attended last AGM held on June 20, 2019	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairperson	Member	Chairperson	Member	
Ms. Hema Ravichandar* DIN: 00032929	Independent, Non-Executive	2	N.A	-	3	1	3	1. Marico Limited (Independent, Non-Executive) 2. Titan Company Limited (Independent, Non-Executive) 3. Bosch Limited (Independent, Non-Executive)
Mr. Venkataramanan Anantharaman* DIN: 01223191	Independent, Non-Executive	2	N.A	-	1	1	-	-
Mr. Nadir Godrej® DIN: 00066195	Independent, Non-Executive	2	No	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Deepak Parekh® DIN: 00009078	Independent, Non-Executive	2	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
Ms. Ireena Vittal® DIN: 05195656	Independent, Non-Executive	1	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Gautam Banerjee^ DIN: 03031655	Independent, Non-Executive	2	No	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Venu Srinivasan DIN: 00051523	Non-Independent, Non-Executive	1	Yes	4	2	-	3	1. TVS Motor Company Limited (Chairman & Managing Director) 2. Sundaram- Clayton Limited (Chairman & Managing Director) 3. Cummins India Limited (Independent, Non-Executive)
Mr. Mehernosh Kapadia DIN: 00050530	Non-Independent, Non-Executive	4	Yes	1	3	-	1	-

\*Appointed as Independent Directors of the Company w.e.f. August 5, 2019

®Re-appointed as Independent Director for a second term of two years w.e.f. September 10, 2019, subject to the approval of the Members at the AGM

©Ceased to be Directors w.e.f. August 26, 2019 upon completion of their term as Independent Directors

^Ceased to be Director w.e.f. September 9, 2019 upon completion of his term as Independent Director

- vi. During Financial Year 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

## CORPORATE GOVERNANCE REPORT (CONTD.)

- vii. During Financial Year 2019-20, two meetings of the Independent Directors were held on April 30, 2019 and March 19, 2020. The Independent Directors, *inter-alia*, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. They also assessed the quality, quantity, timeliness and adequacy of information between the Company's management and the Board.
- viii. The Board periodically reviews the compliance reports of all laws applicable to the Company.
- ix. Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category	Number of Equity shares
Mr. N. Chandrasekaran	Non-Executive Non-Independent Director	1,00,000
Mr. Mehernosh Kapadia	Non-Executive Non-Independent Director	63,480
Mr. Deepak Parekh*	Non-Executive Independent Director	3,100
Mr. Nadir Godrej*	Non-Executive Independent Director	2,000

\* Mr. Deepak Parekh and Mr. Nadir Godrej ceased to be Directors w.e.f. August 26, 2019 upon completion of their term as Independent Directors.

The Company has not issued any convertible instruments.

### x. Key Skills, Expertise and Competencies of the Board

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. These Directors are nominated based on well-defined selection criteria. The Nomination and Remuneration Committee ('NRC') considers, *inter alia*, key skills, qualifications, expertise and competencies, whilst recommending to the Board the candidature for appointment of Director. The Board of Directors have, based on the recommendations of the NRC, identified the following core key skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning which are currently possessed by the Board Members of the Company and mapped against each of the Directors:

Name and Category of the Director	Finance	Strategy/ Business Leadership	Digital and Information Technology	Governance/ Regulatory and Risk	Sales & Marketing	Human Resources	Hospitality
Mr. N. Chandrasekaran (Chairman of the Board)	✓	✓	✓	✓	✓	✓	-
Mr. Puneet Chhatwal	✓	✓	-	-	✓		✓
Mr. Nasser Munjee	✓	✓	-	✓	-	✓	-
Ms. Vibha Paul Rishi	✓	✓	-	✓	✓	✓	-
Ms. Hema Ravichandar	-	✓	-	✓	-	✓	-
Mr. Venkataramanan Anantharaman	✓	✓	-	✓	-	-	-
Mr. Mehernosh Kapadia	-	✓	-	✓	✓	-	✓
Mr. Venu Srinivasan	✓	✓	✓	-	✓	✓	-



## CORPORATE GOVERNANCE REPORT (CONTD.)

### III. COMMITTEES OF THE BOARD

i. The Board Committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters. The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. During the year under review, all recommendations of the Committees were approved by the Board. The minutes of the meetings of all committees of the Board are placed before the Board for noting.

There are five Board Committees as on March 31, 2020, details of which are as follows:

Name of the Committee	Extract of Terms of Reference	Category and Composition	Other Details																
<b>Audit Committee</b>	<p>Committee is constituted in line with the provisions of Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act.</p> <ul style="list-style-type: none"> <li>Oversight of the financial reporting process.</li> <li>Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.</li> <li>Evaluation of the internal financial controls and risk management systems</li> <li>Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.</li> <li>Approve policies in relation to the implementation of the Insider Trading Code and to supervise the implementation of the same.</li> <li>To consider matters with respect to the Tata Code of Conduct, Anti-bribery and Anti-Corruption Policy and Gifts Policy.</li> </ul>	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Mr. Nasser Munjee* (Chairperson)</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Ms. Hema Ravichandar#</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Venkataramanan Anantharaman#</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Ms. Vibha Paul Rishi#</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Deepak Parekh®</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Nadir Godrej®</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Ms. Ireena Vittal®</td> <td>Independent, Non-Executive</td> </tr> </tbody> </table>	Name	Category	Mr. Nasser Munjee* (Chairperson)	Independent, Non-Executive	Ms. Hema Ravichandar#	Independent, Non-Executive	Mr. Venkataramanan Anantharaman#	Independent, Non-Executive	Ms. Vibha Paul Rishi#	Independent, Non-Executive	Mr. Deepak Parekh®	Independent, Non-Executive	Mr. Nadir Godrej®	Independent, Non-Executive	Ms. Ireena Vittal®	Independent, Non-Executive	<ul style="list-style-type: none"> <li>Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.</li> <li>Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.</li> <li>The Company Secretary acts as the Secretary to the Audit Committee.</li> <li>Mr. Giridhar Sanjeevi, Executive Vice President and Chief Financial Officer (CFO), is the Compliance Officer, to ensure compliance and effective implementation of the Insider Trading Code.</li> <li>Quarterly Reports are placed before the Committee Meetings relating to the Insider Trading Code.</li> <li>The previous AGM of the Company was held on June 20, 2019 and was attended by Mr. Deepak Parekh, the erstwhile Chairperson of the Audit Committee.</li> </ul>
		Name	Category																
		Mr. Nasser Munjee* (Chairperson)	Independent, Non-Executive																
		Ms. Hema Ravichandar#	Independent, Non-Executive																
		Mr. Venkataramanan Anantharaman#	Independent, Non-Executive																
		Ms. Vibha Paul Rishi#	Independent, Non-Executive																
		Mr. Deepak Parekh®	Independent, Non-Executive																
		Mr. Nadir Godrej®	Independent, Non-Executive																
Ms. Ireena Vittal®	Independent, Non-Executive																		
* Appointed as a Member and Chairperson of the Committee w.e.f. September 3, 2019																			
# Appointed as a Member of the Committee w.e.f. September 3, 2019																			
® Ceased to be Director upon completion of term as Independent Director and consequently ceased to be a Member of this Committee w.e.f. August 26, 2019																			

## CORPORATE GOVERNANCE REPORT (CONTD.)

Name of the Committee	Extract of Terms of Reference	Category and Composition	Other Details														
<b>Nomination &amp; Remuneration Committee</b>	<p>Committee is constituted in line with the provisions of Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act.</p> <ul style="list-style-type: none"> <li>Recommend to the Board the setup and composition of the Board and its committees.</li> <li>Recommend to the Board the appointment /re-appointment of Directors and Key Managerial Personnel.</li> <li>Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.</li> <li>Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.</li> <li>Oversee familiarization programmes for Directors.</li> </ul>	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Hema Ravichandar* (Chairperson)</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Venkataramanan Anantharaman#</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. N. Chandrasekaran</td> <td>Non-Independent, Non-Executive</td> </tr> <tr> <td>Mr. Deepak Parekh®</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Nadir Godrej®</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Ms. Vibha Paul Rishi^</td> <td>Independent, Non-Executive</td> </tr> </tbody> </table> <p>* Appointed as a Member and Chairperson of the Committee w.e.f. September 3, 2019</p> <p># Appointed as a Member of the Committee w.e.f. September 3, 2019</p> <p>® Ceased to be Director upon completion of term as Independent Director and consequently ceased to be a Member of this Committee w.e.f. August 26, 2019</p> <p>^ Ceased to be a Member of the Committee w.e.f. September 3, 2019</p>	Name	Category	Hema Ravichandar* (Chairperson)	Independent, Non-Executive	Mr. Venkataramanan Anantharaman#	Independent, Non-Executive	Mr. N. Chandrasekaran	Non-Independent, Non-Executive	Mr. Deepak Parekh®	Independent, Non-Executive	Mr. Nadir Godrej®	Independent, Non-Executive	Ms. Vibha Paul Rishi^	Independent, Non-Executive	<ul style="list-style-type: none"> <li>Three Nomination and Remuneration Committee Meetings were held during the year under review.</li> <li>The Company does not have any Employee Stock Option Scheme.</li> <li>Details of Performance Evaluation Criteria and Remuneration Policy are provided below.</li> <li>The previous AGM of the Company was held on June 20, 2019 and was attended by Mr. Deepak Parekh, the erstwhile Chairperson of the Nomination and Remuneration Committee</li> </ul>
Name	Category																
Hema Ravichandar* (Chairperson)	Independent, Non-Executive																
Mr. Venkataramanan Anantharaman#	Independent, Non-Executive																
Mr. N. Chandrasekaran	Non-Independent, Non-Executive																
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Mr. Nadir Godrej®	Independent, Non-Executive																
Ms. Vibha Paul Rishi^	Independent, Non-Executive																
<b>Stakeholders' Relationship Committee</b>	<p>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.</p> <p>The broad terms of reference are as under:</p> <ul style="list-style-type: none"> <li>Consider and resolve the grievances of security holders.</li> <li>Consider and approve issue of share certificates, transfer and transmission of securities, etc.</li> </ul>	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Ms. Vibha Paul Rishi* (Chairperson)</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Puneet Chhatwal</td> <td>Managing Director &amp; CEO</td> </tr> <tr> <td>Mr. Mehernosh Kapadia</td> <td>Non-Independent, Non-Executive</td> </tr> <tr> <td>Mr. Nadir Godrej#</td> <td>Independent, Non-Executive</td> </tr> </tbody> </table> <p>* Appointed as a Member and Chairperson of the Committee w.e.f. September 3, 2019</p> <p># Ceased to be Director upon completion of term as Independent Director and consequently ceased to be a Member of this Committee w.e.f. August 26, 2019</p>	Name	Category	Ms. Vibha Paul Rishi* (Chairperson)	Independent, Non-Executive	Mr. Puneet Chhatwal	Managing Director & CEO	Mr. Mehernosh Kapadia	Non-Independent, Non-Executive	Mr. Nadir Godrej#	Independent, Non-Executive	<ul style="list-style-type: none"> <li>Two meetings of the Stakeholders' Relationship Committee were held during the year under review</li> <li>Details of Investor complaints and Compliance Officer are provided below in the Report.</li> <li>The previous AGM of the Company was held on June 20, 2019 and was not attended by Mr. Nadir Godrej, the erstwhile Chairperson of the Stakeholders' Relationship Committee due to conflicting commitments.</li> </ul>				
Name	Category																
Ms. Vibha Paul Rishi* (Chairperson)	Independent, Non-Executive																
Mr. Puneet Chhatwal	Managing Director & CEO																
Mr. Mehernosh Kapadia	Non-Independent, Non-Executive																
Mr. Nadir Godrej#	Independent, Non-Executive																



## CORPORATE GOVERNANCE REPORT (CONTD.)

Name of the Committee	Extract of Terms of Reference	Category and Composition	Other Details														
<b>Corporate Social Responsibility (CSR) and Sustainability Committee</b>	<p>Committee is constituted in line with the provisions of Section 135 of the Act.</p> <ul style="list-style-type: none"> <li>Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.</li> <li>Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.</li> <li>Monitor the CSR and Sustainability Policy.</li> <li>Review activities with regard to the Health Safety and Sustainability initiatives of the Company.</li> </ul>	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Mr. Puneet Chhatwal – (Chairperson)</td> <td>Managing Director &amp; CEO</td> </tr> <tr> <td>Mr. Nasser Munjee*</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Ms. Hema Ravichandar*</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Nadir Godrej<sup>#</sup></td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Ms. Ireena Vittal<sup>#</sup></td> <td>Independent, Non-Executive</td> </tr> </tbody> </table> <p>* Appointed as a Member of the Committee w.e.f. September 3, 2019</p> <p><sup>#</sup> Ceased to be Director upon completion of term as Independent Director and consequently ceased to be a Member of this Committee w.e.f. August 26, 2019</p>	Name	Category	Mr. Puneet Chhatwal – (Chairperson)	Managing Director & CEO	Mr. Nasser Munjee*	Independent, Non-Executive	Ms. Hema Ravichandar*	Independent, Non-Executive	Mr. Nadir Godrej <sup>#</sup>	Independent, Non-Executive	Ms. Ireena Vittal <sup>#</sup>	Independent, Non-Executive	<ul style="list-style-type: none"> <li>Two meetings of the CSR and Sustainability Committee were held during the year under review.</li> <li>The CSR Policy and the Sustainability Policy are available on the Company's website at <a href="https://www.ihcltata.com/CSR_Policy.pdf">https://www.ihcltata.com/CSR_Policy.pdf</a> and <a href="https://www.ihcltata.com/Sustainability_Policy.pdf">https://www.ihcltata.com/Sustainability_Policy.pdf</a> respectively.</li> </ul>		
		Name	Category														
Mr. Puneet Chhatwal – (Chairperson)	Managing Director & CEO																
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Ms. Ireena Vittal <sup>@</sup>	Independent, Non-Executive																
<b>Risk Management Committee</b>	<p>Committee is constituted in line with the provisions of Regulation 21 of the SEBI Listing Regulations.</p> <ul style="list-style-type: none"> <li>Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management</li> <li>Review and approve the Enterprise Risk Management (ERM) framework</li> <li>Review the Company's risk appetite and strategy relating to key risks, including market risk, cyber security risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks</li> </ul>	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Mr. Nasser Munjee* (Chairperson)</td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Venkataramanan Anantharaman<sup>#</sup></td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Ms. Vibha Paul Rishi<sup>#</sup></td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Deepak Parekh<sup>@</sup></td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Mr. Nadir Godrej<sup>@</sup></td> <td>Independent, Non-Executive</td> </tr> <tr> <td>Ms. Ireena Vittal<sup>@</sup></td> <td>Independent, Non-Executive</td> </tr> </tbody> </table> <p>*Appointed as a Member and Chairperson of the Committee w.e.f. September 3, 2019</p> <p><sup>#</sup>Appointed as a Member of the Committee w.e.f. September 3, 2019</p> <p><sup>@</sup>Ceased to be Director upon completion of term as Independent Director and consequently ceased to be a Member of this Committee w.e.f. August 26, 2019</p>	Name	Category	Mr. Nasser Munjee* (Chairperson)	Independent, Non-Executive	Mr. Venkataramanan Anantharaman <sup>#</sup>	Independent, Non-Executive	Ms. Vibha Paul Rishi <sup>#</sup>	Independent, Non-Executive	Mr. Deepak Parekh <sup>@</sup>	Independent, Non-Executive	Mr. Nadir Godrej <sup>@</sup>	Independent, Non-Executive	Ms. Ireena Vittal <sup>@</sup>	Independent, Non-Executive	<ul style="list-style-type: none"> <li>In view of the outbreak of Covid-19 pandemic, the Risk Management Committee Meeting scheduled on March 19, 2020 was re-scheduled to May 26, 2020.</li> <li>The previous AGM of the Company was held on June 20, 2019 and was attended by Mr. Deepak Parekh, the erstwhile Chairperson of the Risk Management Committee.</li> </ul>
Name	Category																
Mr. Nasser Munjee* (Chairperson)	Independent, Non-Executive																
Mr. Venkataramanan Anantharaman <sup>#</sup>	Independent, Non-Executive																
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Mr. Nadir Godrej <sup>@</sup>	Independent, Non-Executive																
Ms. Ireena Vittal <sup>@</sup>	Independent, Non-Executive																
<p>The terms of reference of these committees are available on the website <a href="https://www.ihcltata.com/investors">https://www.ihcltata.com/investors</a>.</p>																	

## CORPORATE GOVERNANCE REPORT (CONTD.)

### (ii) Stakeholders' Relationship Committee – other details

#### a. Name, designation and address of Compliance Officer:

Mr. Beejal Desai  
Senior Vice President - Corporate Affairs &  
Company Secretary (Group)  
The Indian Hotels Company Limited  
6<sup>th</sup> Floor, Express Towers,  
Barrister Rajni Patel Marg,  
Nariman Point, Mumbai 400 021  
Telephone: +91 22 6137 1602

#### b. Details of Investor Complaints received and redressed during Financial Year 2019-20 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	7	7	0

### (iii) Nomination and Remuneration Committee - other details

#### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgement.

#### Remuneration Policy:

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the Hospitality industry.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and the Executive Directors. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members and are effective April 1, each year.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act and after seeking relevant approvals, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Managing Director and each Executive Director.

The Company pays sitting fees of ₹ 30,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Company also pays commission to the Non-Executive Directors within the ceiling of one percent of the net profits of the Company as computed under the applicable provisions of the Act and after seeking relevant approvals, with the approval of the members. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the 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 Remuneration policy is available on [https://www.ihcltata.com/Remuneration Policy KMP Directors Employees.pdf](https://www.ihcltata.com/Remuneration%20Policy%20KMP%20Directors%20Employees.pdf)

### (iv) Details of the Remuneration paid the year ended March 31, 2020:

#### a. Non-Executive Directors:

Name	(₹ lakhs)		
	Commission for 2018-19 <sup>s</sup>	Commission for 2019-20	Sitting Fees
Mr. N. Chandrasekaran* (Chairman)	-	-	2.10
Mr. Nasser Munjee <sup>#</sup>	-	40	1.80
Ms. Hema Ravichandar <sup>#</sup>	-	40	2.10
Mr. Venkataramanan Anantharaman <sup>#</sup>	-	35	1.80
Mr. Deepak Parekh <sup>@</sup>	75	25	2.10
Mr. Nadir Godrej <sup>@</sup>	65	20	2.40
Ms. Ireena Vittal <sup>@</sup>	45	15	1.50
Mr. Gautam Banerjee <sup>^</sup>	35	15	0.90
Ms. Vibha Paul Rishi	45	40	3.30
Mr. Mehernosh Kapadia	20	40	1.80
Mr. Venu Srinivasan	15	30	0.30
<b>Total</b>	<b>300</b>	<b>300</b>	<b>20.10</b>



## CORPORATE GOVERNANCE REPORT (CONTD.)

<sup>5</sup>Figures pertain to the Commission paid to the Non-Executive Directors relating to Financial Year 2018-19 which was paid in Financial Year 2019-20

\*As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company

<sup>#</sup>Appointed as Independent Directors of the Company w.e.f. August 5, 2019

<sup>@</sup>Ceased to be Directors w.e.f. August 26, 2019 upon completion of their term as Independent Directors

<sup>^</sup>Ceased to be Director w.e.f. September 9, 2019 upon completion of his term as Independent Director

## b. Managing Director and Executive Director

(₹ lakhs)

Name of Director	Salary	Benefits, Perquisites and Allowances	Performance Linked Incentive	Commission	ESPS	Total
Mr. Puneet Chhatwal Managing Director and Chief Executive Officer (w.e.f. November 6, 2017 for a period of five years)	162	386.65	519.41	388.80	-	1456.86

\* Mr. Mehernosh Kapadia retired as Executive Director of the Company w.e.f. May 23, 2018. Accordingly, proportionate performance linked Incentive for Financial Year 2018-19 of ₹ 27 Lakhs has been disbursed in the Financial Year 2019-20.

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Services of the Managing Director and Executive Director may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance pay.

## IV. Number of Committee Meetings Held and Attendance Records

Name of the Committee	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility and Sustainability Committee
No. of meetings held	4	3	2	2
Date of meetings	April 30, 2019, August 5, 2019, November 11, 2019, January 31, 2020	April 30, 2019, August 5, 2019, March 19, 2020	August 5, 2019, January 31, 2020	April 30, 2019, November 11, 2019
No. of Meetings Attended				
Mr. N. Chandrasekaran	-	3	-	-
Mr. Puneet Chhatwal	-	-	2	2
Mr. Nasser Munjee <sup>#</sup>	2	-	-	1
Ms. Vibha Paul Rishi <sup>@</sup>	2	2	1	-
Ms. Hema Ravichandar <sup>^</sup>	2	1	-	1
Mr. Venkataramanan Anantharaman <sup>5</sup>	2	1	-	-
Mr. Nadir Godrej <sup>**</sup>	2	2	1	0
Mr. Deepak Parekh <sup>@</sup>	2	2	-	-
Ms. Ireena Vittal <sup>^^</sup>	2	-	-	1
Mr. Mehernosh Kapadia	-	-	2	-
Whether quorum was present for all the meetings	The necessary quorum was present for all the above Committee Meetings			

## CORPORATE GOVERNANCE REPORT (CONTD.)

Note: In view of the outbreak of Covid-19 pandemic, the Risk Management Committee Meeting scheduled on March 19, 2020 was re-scheduled to May 26, 2020.

# Mr. Nasser Munjee was appointed as Member and Chairperson of the Audit Committee, Risk Management Committee and Member of the Corporate Social Responsibility and Sustainability Committee w.e.f. September 3, 2019

@ Ms. Vibha Paul Rishi was appointed as Member and Chairperson of Stakeholders' Relationship Committee and Member of the Audit Committee and Risk Management Committee w.e.f. September 3, 2019. She ceased to be a Member of the Nomination and Remuneration Committee w.e.f. September 3, 2019

^ Ms. Hema Ravichandar was appointed as Member and Chairperson of the Nomination and Remuneration Committee and Member of the Audit Committee and Corporate Social Responsibility and Sustainability Committee w.e.f. September 3, 2019

§ Mr. Venkataramanan Anantharaman was appointed as Member of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee w.e.f. September 3, 2019

\*\* Mr. Nadir Godrej ceased to be Member and Chairperson of the Stakeholders' Relationship Committee and a Member of the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Corporate Social Responsibility and Sustainability Committee and w.e.f. August 26, 2019

@@ Mr. Deepak Parekh ceased to be Member and Chairperson of the Audit Committee, Risk Management Committee and Nomination and Remuneration Committee w.e.f. August 26, 2019

^^ Ms. Ireena Vittal ceased to be Member of the Audit Committee, Risk Management Committee and Corporate Social Responsibility and Sustainability Committee w.e.f. August 26, 2019

### V. Policies, Affirmations and Disclosures

Particulars	Regulations	Details	Website link for details/policy
Related party transactions	Regulation 23 of the SEBI Listing Regulations and as defined under the Act	The Company has revised the Policy on Related Party Transactions to include changes based on Companies (Meetings of Board and its Powers) Second Amendment Rules, 2019 and SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2019 and the revised policy was approved by the Audit Committee and the Board at its respective meetings held on March 27, 2019 and April 30, 2019. There are no material related party transactions during the year under review that have conflict with the interest of the Company. All transactions entered into with related parties during Financial Year 2019-20 were in the ordinary course of business, except for two transactions which were not in the Ordinary Course of Business. However, all the transactions entered into were at Arm's Length Basis. During the year under review, all transactions entered into with related parties were approved by the Audit Committee. The Board has received disclosures from senior management relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The Board's approved policy for related party transactions is uploaded on the website of the Company.	<a href="https://www.ihcltata.com/RPT.pdf">https://www.ihcltata.com/RPT.pdf</a>
Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or SEBI or any statutory authority on any matter related to capital markets during the last three financial years	Schedule V (C) 10(b) to the SEBI Listing Regulations	NIL	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of the SEBI Listing Regulations	The Company has revised the Whistle-Blower policy to insert 'reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)' in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and the revised policy was approved by the Audit Committee and the Board at its respective meetings held on March 27, 2019 and April 30, 2019. The Company has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.	<a href="https://www.ihcltata.com/Whistle_Blower_Policy.pdf">https://www.ihcltata.com/Whistle_Blower_Policy.pdf</a>



## CORPORATE GOVERNANCE REPORT (CONTD.)

Particulars	Regulations	Details	Website link for details/policy
Subsidiary Companies	Regulation 24 of the SEBI Listing Regulations	The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company has six material unlisted subsidiary companies: Domestic: 1. Piem Hotels Limited 2. Skydeck Properties and Developers Private Limited 3. ELEL Hotels and Investments Limited Foreign: 4. United Overseas Holdings Inc. 5. St. James Court Hotel Limited 6. IHOCO BV As required under Regulation 24(1) of the SEBI Listing Regulations, Mr. Venkataramanan Anantharaman, Independent Director of IHCL has been appointed on the Board of IHOCO BV. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website.	<a href="https://www.ihcltata.com/Policy_for_Determining_Material_Subsidiaries.pdf">https://www.ihcltata.com/Policy_for_Determining_Material_Subsidiaries.pdf</a>
Policy on Determination of Materiality for Disclosures	Regulation 30 of the SEBI Listing Regulations	The Company has adopted this Policy.	<a href="https://www.ihcltata.com/Materiality-Policy.pdf">https://www.ihcltata.com/Materiality-Policy.pdf</a>
Policy on Archival and Preservation of Documents	Regulation 9 of the SEBI Listing Regulations	The Company has adopted this Policy.	<a href="https://www.ihcltata.com/preservation_of_documents.pdf">https://www.ihcltata.com/preservation_of_documents.pdf</a> <a href="https://www.ihcltata.com/Archival-Policy.pdf">https://www.ihcltata.com/Archival-Policy.pdf</a>
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC / FITTC/ Cir- 16/2002 dated December 31, 2002.	A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.	<a href="https://www.ihcltata.com/Reconciliation_Sharecapital_AuditReport.pdf">https://www.ihcltata.com/Reconciliation_Sharecapital_AuditReport.pdf</a>
Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2020. The Annual Report of the Company contains a certificate by the Managing Director and Chief Executive Officer, on the compliance declarations received from the Members of the Board and Senior Management.	<a href="https://www.ihcltata.com/Code_of_Corporate_Disclosure_Practices.pdf">https://www.ihcltata.com/Code_of_Corporate_Disclosure_Practices.pdf</a>
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	The Company has adopted this Policy.	<a href="https://www.ihcltata.com/Dividend_Distribution_Policy.pdf">https://www.ihcltata.com/Dividend_Distribution_Policy.pdf</a>
Terms of Appointment of Independent Directors	Regulation 46 of the SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors are available on the Company's website.	<a href="https://www.ihcltata.com/T&amp;C_of_Appointment_of_ID.pdf">https://www.ihcltata.com/T&amp;C_of_Appointment_of_ID.pdf</a>
Familiarization Programme	Regulations 25(7) and 46 of the SEBI Listing Regulations	Details of familiarization programme imparted to the Directors are available on the Company's website.	<a href="https://www.ihcltata.com/Familiarization_Programme_for_ID.pdf">https://www.ihcltata.com/Familiarization_Programme_for_ID.pdf</a>
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013		The details have been disclosed in the Business Responsibility Report as well as Board's Report forming part of the Annual Report	<a href="https://www.ihcltata.com/POSH_Policy.pdf">https://www.ihcltata.com/POSH_Policy.pdf</a>

## CORPORATE GOVERNANCE REPORT (CONTD.)

### VI. OTHER DISCLOSURES

#### i. Remuneration to Statutory Auditors

BSR & Co LLP, Chartered Accountants (Firm Registration No. 101248W/ W-100022) have been appointed as the Statutory Auditors of the Company. As required under Regulation 34 read with Part C of the Schedule V of the SEBI Listing Regulations, the Total Fees paid by the Company and its Subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/entity of which the statutory auditor is a part are as under:

(₹ lakhs)

Particulars	By the Company	By the Subsidiaries	Total Amount
Services as statutory auditors (including quarterly audits)	282.00	155.37	437.37
Tax audit	48.00	6.00	54.00
Services for tax matters	24.00	29.57	53.57
SSAE16 and Other matters	11.97	87.59	99.56
Re-imburement of out-of-pocket expenses	30.00	4.61	34.61
<b>Total</b>	<b>395.97</b>	<b>283.14</b>	<b>679.11</b>

#### ii. Discretionary requirements under Schedule II Part E of the SEBI Listing Regulations:

- 1. Maintenance of Chairman's office:** The Non-Executive Chairman has a separate office which is not maintained by the Company.
- 2. Reporting of Internal Auditor:** The Internal Auditors of the Company report to the Audit Committee of the Company, to ensure independence of the Internal Audit function.
- 3. Audit Report:** For the Financial Year 2019-20, the Auditors have expressed an unmodified opinion on the Financial Statements of the Company. The Company continues to adopt best practices to ensure a regime of unmodified Financial Statements.
- 4. Separate posts of Chairperson and Chief Executive Officer:** The Listed entity has appointed separate persons to the post of Chairperson and Managing Director or Chief Executive Officer.

#### iii. Disclosure of accounting treatment in preparation of financial statements

The Company follows Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its Financial Statements.

#### iv. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

#### v. Directors and Officers Liability Insurance (D&O) as specified under Regulation 25(10) of the SEBI Listing Regulations:

The Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

#### vi. Disclosures of commodity price risks or foreign exchange risks and commodity hedging activities specified under Schedule V (C) 10(g) of the SEBI Listing Regulations:

The Company does not deal in commodities and hence the disclosure pursuant to the same is not required to be given. The Company has a portfolio of foreign currency debt and derivatives in respect of which it faces exposure to fluctuations in currency. Net derivatives exposures are kept within overall limits approved by the Board.

The details of foreign exchange exposures as on March 31, 2020 are disclosed in Notes to the Financial Statements.

### VII. CERTIFICATIONS

In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director & CEO and CFO have issued a certificate to the Board with regard to the propriety of the Financial Statements and other matters stated in the said regulation, for the Financial Year 2019-20.



## CORPORATE GOVERNANCE REPORT (CONTD.)

A certificate has been received from Practising Company Secretary Neville Daroga & Associates, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this Report.

A compliance certificate on the requirements of Corporate Governance has been received from the Practising Company Secretary, which is annexed to this Report.

### VIII. GENERAL BODY MEETINGS

#### i. General Meeting

##### a. Annual General Meeting (AGM)

Financial Year	Date	Time	Venue
2017	August 21, 2017	3.00 p.m.	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai - 400 020
2018	July 19, 2018		
2019	June 20, 2019		

##### b. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during Financial Year 2019-20.

##### c. Special Resolution:

- Special Resolution for Private Placement of Non-Convertible Debentures and payment of minimum remuneration to Mr. Rakesh Sarna, Managing Director and Chief Executive Officer was passed at the AGM held on August 21, 2017.
- Special Resolution for Private Placement of Non-Convertible Debentures was passed at the AGM held on July 19, 2018
- No special resolution was passed at the previous AGM held on June 20, 2019.

All the above Special Resolutions were passed with the requisite majority.

#### ii. Details of special resolution passed through postal ballot, the persons who conducted the postal ballot exercise, details of the voting pattern and procedure of postal ballot:

No postal ballot was conducted during the Financial Year 2019-20.

#### iii. Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

### IX. INVESTOR RELATIONS

Investor Relations at IHCL serves as a bridge for two way communication of information and insights between the Company and the investment community. On one hand, this seamless channel of communication enables the investment community to be aware of the Company's business activities, strategy and prospects and allows them to make an informed judgement about the Company. On the other hand, the Company receives invaluable inputs and feedback from the investor community which are given due consideration and factored into future plans and strategies.

#### Means of Communication:

IHCL recognises communication as a key element to the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

**Financial Results:** Quarterly, Half-yearly and Annual results of the Company are 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 <https://www.ihcltata.com/investors>.

**Investors / Analyst Meets:** The Company hosts calls or meetings with institutional investors on request. Post the quarterly results, an analyst meet is organized which provides a platform for the Management to answer questions and provide clarifications to investors and analysts. The Company continues to interact with all types of funds and investors in order to have a diversified shareholder base both in terms of geographical location and investment horizon. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website on a regular basis. The Company also issues press releases from time to time.

## CORPORATE GOVERNANCE REPORT (CONTD.)

**Website:** The Company's website is a comprehensive reference on its leadership, management, vision, policies, corporate governance, sustainability and investor relations. There is a separate section on 'Investor Relations' where Members can access the details of the Board, the Committees, Policies, Board committee Charters, financial information, statutory filings, shareholding information, details of unclaimed dividend and shares transferred / liable to be transferred to IEPF, frequently asked questions, etc. In addition, various downloadable forms required to be executed by the shareholders have also been provided on the website of the Company.

**Annual Report:** The Annual Reports for Financial Year 2019-20 were sent to all members who had registered their email ids for the purpose of receiving documents / communication in electronic mode with the Company and / or Depository Participants. The Annual Reports are also available in the Investor Relations section on the Company's website <https://www.ihcltata.com/investors>.

**Electronic Communication:** The Company had during Financial Year 2019-20 sent various communications including Annual Reports, ECS intimation of dividend by e-mail to those shareholders whose email addresses were registered with the Company / Depositories. In support of the 'Green Initiative' the Company encourages Members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company, on a real-time basis without any delay.

**eXtensible Business Reporting Language (XBRL):** (eXtensible Business Reporting Language) is a standardized and structured way of communicating business and financial data in an electronic form. XBRL provides a language containing various definitions (tags) which uniquely represent the contents of each piece of financial statements or other kinds of compliance and business reports. In order to facilitate ease in compliance filings for listed companies across multiple Stock Exchanges, NSE provides XBRL based compliance reporting featuring identical and homogeneous compliance data structures between Stock Exchanges and Ministry of Corporate Affairs. BSE has an online Filing Portal called 'BSE Corporate Compliance & Listing Centre' and provided a separate Tab for making submissions in XBRL form.

**Scores:** A centralized web based complaints redress system 'Scores' which serves as a centralized 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 complaint and its current status.

**Web-based Query Redressal System:** Members may utilise the facility extended by Link Intime India Private Limited, the Registrar and Transfer Agent of the Company for redressal of queries, by visiting their website [www.linkintime.co.in](http://www.linkintime.co.in).

### General shareholder information

#### i. Annual General Meeting for Financial Year 2020

Date : July 27, 2020

Time : 3.00 p.m.

Venue : The Company is conducting meeting through Video Conferencing and Other Audio Visual Means pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

#### ii. Tentative Financial Calendar for Financial Year 2020-21

Quarter ending 30 <sup>th</sup> June, 2020	August 2020
Quarter ending 30 <sup>th</sup> September, 2020	November 2020
Quarter ending 31 <sup>st</sup> December, 2020	January 2021
Quarter ending 31 <sup>st</sup> March, 2021	April 2021

#### iii. Financial Calendar

Year ending : March 31

AGM : July 27, 2020

Dividend Payment : The dividend, if approved, shall be paid/credited on or after August 3, 2020

#### iv. Date of Book Closure : July 21, 2020 to July 27, 2020 (both days inclusive)

#### v. Record Date: July 20, 2020



## CORPORATE GOVERNANCE REPORT (CONTD.)

### vi. Listing on Stock Exchanges :

National Stock Exchange of India Limited  
Exchange Plaza,  
C-1, Block G,  
Bandra Kurla Complex  
Bandra (East),  
Mumbai 400 051

BSE Limited  
P. J. Towers, Dalal Street,  
Mumbai 400 001

ISIN : INE053A01029

### vii. Stock Codes/Symbol

NSE : INDHOTEL EQ  
BSE : 500850

Listing Fees as applicable have been paid.

### viii. Corporate Identity Number (CIN) of the Company: L74999MH1902PLC000183

### ix. Market Price Data:

High Low (based on daily closing price) and number of equity shares traded during each month in the year 2020 on NSE and BSE:

Month	NSE			BSE		
	High (₹)	Low (₹)	Total number of equity shares traded	High (₹)	Low (₹)	Total number of equity shares traded
Apr-2019	160.90	150.25	2,11,29,951	161	150.40	26,37,013
May-2019	161	140.1	2,16,36,164	161	140.15	14,61,770
Jun-2019	164.3	144.4	1,83,19,310	164.10	144.50	11,91,539
Jul-2019	159.55	138.85	1,53,54,472	159.60	137.00	7,63,194
Aug-2019	144.50	121.30	2,29,21,197	143.70	121.15	6,20,101
Sep-2019	163.00	128.10	2,94,85,785	162.95	128.00	16,49,934
Oct-2019	160.1	146.3	2,42,48,345	161.50	143.00	14,99,805
Nov-2019	158	144.6	2,22,18,373	158.00	144.80	9,81,545
Dec-2019	151.3	138.15	2,35,03,552	151.30	138.20	10,09,698
Jan-2020	151	136.5	2,23,60,019	150.55	136.50	9,53,526
Feb-2020	143	126.7	2,41,09,865	143.75	126.85	23,82,247
Mar-2020	138.65	72.1	7,92,45,169	138.00	71.90	27,84,585

### x. Performance of the share price of the Company in comparison to broad-based indices like Nifty and BSE Sensex:

Month	IHCL share price - NSE	NSE Nifty	IHCL share price - BSE	BSE Sensex
April 2019	154.35	11748.15	153.95	39031.55
May 2019	157.15	11922.80	158.40	39714.20
June 2019	157.55	11788.85	157.45	39394.64
July 2019	143.30	11118.00	143.15	37481.12
August 2019	139.00	11023.25	138.80	37332.79
September 2019	159.80	11474.45	159.70	38667.33
October 2019	152.00	11877.45	152.20	40129.05
November 2019	149.40	12056.05	149.60	40793.81
December 2019	145.00	12168.45	145.00	41253.74
January 2020	142.30	11962.10	142.05	40723.49
February 2020	135.00	11201.75	134.95	38297.29
March 2020	75.00	8597.75	74.90	29468.49

## CORPORATE GOVERNANCE REPORT (CONTD.)

**xi. Registrars and Transfer Agents**

Name and Address: Link Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli West Maharashtra  
Mumbai - 400 083

Telephone: 022 4918 6270

Fax: 022 4918 6060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**xii. Place for acceptance of Documents:** Documents will be accepted at the above address between 10.00 a.m. and 3.30 p.m. (Monday to Friday except bank holidays).

**xiii. Share Transfer System:**

The Company had an in-house Registrar and Share Transfer Agent, responsible for handling shares and matters related to shareholders. In order to simplify the operating structure and set high standards of service delivery by offering the best services to Company's shareholders / investors, the Company outsourced its in-house STA to 'Link Intime India Private Limited' with effect from October 15, 2019.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

**xiv. Shareholding as on March 31, 2020:****a. Distribution of equity shareholding as on March 31, 2020:**

Number of shares	Holding	Percentage to capital	Number of accounts	Percentage to total accounts
1 - 100	2787621	0.23	72224	49.13
101 - 500	9944847	0.84	38755	26.36
501 - 1000	10191781	0.86	13417	9.13
1001 - 5000	37663124	3.17	16893	11.49
5001 - 10000	22401844	1.88	3146	2.14
10001 - 20000	20868168	1.75	1504	1.02
20001 - 30000	10024755	0.84	410	0.28
30001 - 40000	4931128	0.41	143	0.10
40001 - 50000	3666198	0.31	81	0.06
50001 - 100000	8926306	0.75	132	0.09
100001 - above	1057852673	88.95	290	0.20
<b>GRAND TOTAL</b>	<b>1189258445</b>	<b>100.00</b>	<b>146995</b>	<b>100.00</b>

**b. Categories of equity shareholding as on March 31, 2020**

Category	Number of equity shares held	Percentage of holding
Promoters	453005131	38.09
Other Entities of the Promoter Group	31637119	2.66
Mutual Funds & UTI	295491549	24.85
Banks, Financial Institutions, States and Central Government	40568426	3.41
Insurance Companies	68536602	5.76
Foreign Institutional Investors and Foreign Portfolio Investors – Corporate	138088580	11.64
NRI's / OCB's / Foreign Nationals	6008932	0.50
Corporate Bodies / Trust	8687453	0.91
Indian Public & Others	142620675	11.79
Alternate Investment Fund	2766171	0.23
IEPF account	1847807	0.16
<b>GRAND TOTAL</b>	<b>1189258445</b>	<b>100</b>



## CORPORATE GOVERNANCE REPORT (CONTD.)

## c. Top ten equity shareholders of the Company as on March 31, 2020:

Sr. No.	Name of the Shareholder	Total Number of Equity Shares	Total Shareholding as % of total number of equity shares
1	Tata Sons Private Limited	453005131	38.09
2	Reliance Capital Trustee Company Limited-A/C Nippon India Multi Cap Fund	84168733	7.08
3	HDFC Trustee Company Limited - A/C HDFC Mid – Cap Opportunities Fund	79796753	6.71
4	ICICI Prudential Life Insurance Company Limited	34877986	2.93
5	ICICI Prudential Balanced Advantage Fund	33514850	2.82
6	Franklin India Prima Fund	29974264	2.52
7	SBI Magnum Multicap Fund	25877668	2.18
8	Government Pension Fund Global	23105275	1.94
9	HDFC Life Insurance Company Limited	22795093	1.92
10	Life Insurance Corporation of India	21190914	1.78

## xv. Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.10 percent of the Company's equity share capital are dematerialized as on March 31, 2020. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE053A01029.

## xvi. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

The following Non-Convertible Debentures (NCD) are listed on NSE and BSE under the Wholesale Debt Market segment\*:

Description of Instruments	Date of Allotment	Date of Redemption	Outstanding Debentures & Amount in (₹)	ISIN No.	Listed on	Credit Rating <sup>#</sup>	
						CARE	ICRA
9.95% (250 Crores) Secured Non-convertible Redeemable Debentures	27 <sup>th</sup> July, 2011	27 <sup>th</sup> July, 2021	2,500 ₹ 250,00,00,000	INE053A07166	NSE	AA+	AA
10.10% (300 Crores) Secured Non-convertible Redeemable Debentures	18 <sup>th</sup> Nov, 2011	18 <sup>th</sup> Nov, 2021	3,000 ₹ 300,00,00,000	INE053A07174	NSE	AA+	AA
7.85% (495 Crores) Secured Non-convertible Redeemable Debentures	20 <sup>th</sup> Jan, 2017	15 <sup>th</sup> Apr, 2022	4,950 ₹ 495,00,00,000	INE053A07182	NSE	AA+	-
7.85% (200 Crores) Unsecured Non-convertible Redeemable Debentures	20 <sup>th</sup> Apr, 2017	20 <sup>th</sup> Apr, 2020	2,000 ₹ 200,00,00,000	INE053A08099	NSE	AA+	-

\*Detailed information on the above debentures is included in the 'Notes to Accounts'

<sup>#</sup>The Credit ratings obtained by the Company as per Regulation 34 read with Part C of the Schedule V of the SEBI Listing Regulations

## CORPORATE GOVERNANCE REPORT (CONTD.)

**Particulars of Debenture Trustee**

Centbank Financial Services Limited  
 Regd. Office: Central Bank of India  
 MMO Building, 3<sup>rd</sup> floor (East Wing)  
 55 Mahatma Gandhi Road,  
 Fort Mumbai - 400001.  
 Tel: 022 22616217 Fax: 022 22616208  
 Email: [info@cfsl.in](mailto:info@cfsl.in) Website: [www.cfsl.in](http://www.cfsl.in)  
 CIN: U67110MH1929G01001484

**xvii. Equity Shares in the Suspense Account:**

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2019	26	3198*
Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Shareholders to whom shares were transferred from the suspense account during the year	-	-
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	NIL	NIL

\*3198 Shares transferred on 18/12/2019 (during the year) to IEPF Authority. Balance as on 31<sup>st</sup> March 2020 is NIL

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

**xviii. Transfer of Unclaimed / Unpaid Amounts to the Investor Education and Protection Fund:**

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividend, if not claimed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <https://www.ihcltata.com/investors>

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during Financial Year 2019-20 are as follows:

Financial year	Amount of unclaimed dividend transferred (₹ lakh)	Number of shares transferred
2011-12	3982915	331549



## CORPORATE GOVERNANCE REPORT (CONTD.)

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Transfer Agent:

**For shareholders of The Indian Hotels Company Limited:**

Financial Year	Date of declaration	Last date for claiming unpaid dividend
2012-13	August 3, 2013	September 1, 2020
2015-16	August 26, 2016	September 22, 2023
2016-17	August 21, 2017	September 18, 2024
2017-18	July 19, 2018	August 18, 2025
2018-19	June 20, 2019	July 27, 2026

**Address for Correspondence****The Indian Hotels Company Limited**

Mandlik House,

Mandlik Road

Mumbai 400 001

Tel : 022-66395515

Designated e-mail address for Investor Services:

[investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com)

For queries on IEPF related matters:

[iepf.assist@ihcltata.com](mailto:iepf.assist@ihcltata.com)

## CORPORATE GOVERNANCE REPORT (CONTD.)

### **DECLARATION BY THE MANAGING DIRECTOR & CEO ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Puneet Chhatwal, Managing Director & CEO of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the Financial Year ended March 31, 2020.

For The Indian Hotels Company Limited

**Puneet Chhatwal**

Managing Director and CEO  
DIN: 07624616

Mumbai, June 10, 2020

### **PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members of**  
**The Indian Hotels Company Limited**

We have examined the compliance of the conditions of Corporate Governance by The Indian Hotels Company Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

For **NEVILLE DAROGA & ASSOCIATES**

ACS No. 8663

C.P. No. 3823

Mumbai, June 5, 2020



## CORPORATE GOVERNANCE REPORT (CONTD.)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
**The Indian Hotels Company Limited**  
Mandlik House,  
Mandlik Road,  
Mumbai-400 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **The Indian Hotels Company Limited** having **CIN L74999MH1902PLC000183** and having registered office at Mandlik House, Mandlik Road, Mumbai-400 001 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. N. Chandrasekaran	00121863	27/01/2017
2.	Mr. Nasser Munjee	00010180	05/08/2019
3.	Ms. Vibha Paul Rishi	05180796	10/09/2014
4.	Ms. Hema Ravichandar	00032929	05/08/2019
5.	Mr. Venkataramanan Anantharaman	01223191	05/08/2019
6.	Mr. Venu Srinivasan	00051523	10/08/2018
7.	Mr. Mehernosh Kapadia	00050530	10/08/2018
8.	Mr. Puneet Chhatwal	07624616	06/11/2017

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **NEVILLE DAROGA & ASSOCIATES**

ACS No. 8663

C.P. No. 3823

Mumbai, June 5, 2020

## COMPANY-WISE LIST OF HOTELS/UNITS

as at June 16, 2020

Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms
<b>The Indian Hotels Company Limited</b>		<b>Subsidiary Companies</b>		<b>Joint Venture Companies</b>	
The Taj Mahal Palace & Tower, Mumbai	543	<b>Roots Corporation Limited</b>		<b>Taj GVK Hotels &amp; Resorts Limited</b>	
Taj Lands End, Mumbai	493	Ginger Hotel – Agartala	94	Taj Krishna, Hyderabad	260
Taj Wellington Mews, Mumbai	78	Ginger Hotel – Ahmedabad (Drive-in Road)	93	Vivanta Hyderabad, Begumpet	181
Taj Mahal Hotel, New Delhi	292	Ginger Hotel – Bangalore (Whitefield)	101	Taj Banjara, Hyderabad	122
Taj Palace, New Delhi	403	Ginger Hotel – Bangalore (Inner Ring Road)	87	Taj Deccan, Hyderabad	151
Taj Bengal, Kolkata	229	Ginger Hotel – Bhubaneswar	160	Taj Club House, Chennai	220
Taj West End, Bengaluru	117	Ginger Hotel – Chennai (Vadapalani)	79	Taj Chandigarh, Chandigarh	149
Taj Lake Palace, Udaipur	83	Ginger Hotel – Chennai (IITM)	81	<b>Taj Kerala Hotels &amp; Resorts Limited</b>	
Taj Falaknuma Palace, Hyderabad	60	Ginger Hotel – Faridabad	91	Taj Kumarakom Resort & Spa, Kerala	28
Taj Exotica Resort & Spa, Goa	140	Ginger Hotel – Goa, Panaji	135	The Gateway Hotel Marine Drive Ernakulam	108
Vivanta Aurangabad, Maharashtra	63	Ginger Hotel – Guwahati	70	Gateway Varkala - IHCL SeleQtions	30
Taj Connemara, Chennai	147	Ginger Hotel – Indore	95	<b>Kaveri Retreats and Resorts Limited</b>	
Vivanta New Delhi, Dwarka	250	Ginger Hotel – Jaipur	103	Taj Madikeri Resort & Spa, Coorg	63
Taj Fort Aguada Resort & Spa, Goa	143	Ginger Hotel – Jamshedpur	94	<b>Taj Karnataka Hotels &amp; Resorts</b>	
Taj Holiday Village Resort & Spa, Goa	142	Ginger Hotel – Mangalore	79	Gateway Chikmagalur - IHCL SeleQtions	29
Taj Hari Mahal, Jodhpur	93	Ginger Hotel – Mumbai, Andheri MIDC	116	<b>Taj Safaris Limited</b>	
Vivanta Bengaluru, Whitefield	199	Ginger Hotel – Mysore	98	Mahua Kothi, A Taj Safari, Bandhavgarh National Park	12
Taj Yeshwantpur, Bengaluru	327	Ginger Hotel – Nashik	92	Banjaar Tola, A Taj Safari, Kanha National Park	18
Jai Mahal Palace, Jaipur	100	Ginger Hotel – Delhi (Rail Yatri Niwas)	115	Pashan Garh, A Taj Safari, Panna National Park	12
Taj Usha Kiran Palace, Gwalior	40	Ginger Hotel – East Delhi (Vivek Vihar)	81	Baghvan, A Taj Safari, Pench National Park	12
Vivanta Guwahati	150	Ginger Hotel – Noida Sector 63	83	<b>Managed Properties - Safaris</b>	
Vivanta Bengaluru, Residency Road	98	Ginger Hotel – Pantnagar	98	Meghauli Serai, A Taj Safari, Chitwan National Park	29
The Gateway Hotel Beach Road Calicut	74	Ginger Hotel – Puducherry	94	<b>Taj Madras Flight Kitchen</b>	
Savoy, Ooty - IHCL SeleQtions	40	Ginger Hotel – Pune (Wakad)	128	Chennai	-
Taj Exotica Resort & Spa, Andamans	54	Ginger Hotel – Pune (Pimpri)	97	<b>IHMS (SA) Pty Limited</b>	
Taj Fateh Prakash Palace	65	Ginger Hotel – Surat	98	Taj Cape Town, South Africa	159
<b>Managed Properties</b>		Ginger Hotel – Thane	46	<b>TAL Maldives Resorts Private Limited</b>	
Taj Santacruz, Mumbai	279	Ginger Hotel – Thiruvananthapuram	101	Taj Exotica Resort & Spa, Maldives	64
Umaid Bhawan Palace, Jodhpur	70	Ginger Hotel – Vadodara	99	Taj Coral Resort & Spa, Maldives	62
Rambagh Palace, Jaipur	78	Ginger TCS Cochin	38	<b>Associate Companies</b>	
Taj Bangalore, Bengaluru	154	Ginger TCS Nivant (Pune)	92	<b>Oriental Hotels Limited</b>	
Taj Bekal Resort & Spa, Kerala	66	Ginger TCS Siruseri	94	Taj Coromandel, Chennai	212
Vivanta Dal View, Srinagar	84	Ginger Hotel – Noida Sector 63 (New)	96	Taj Fisherman's Cove Resort & Spa, Chennai	149
Taj City Centre, Gurugram	208	Ginger Hotel – Vapi	90	Taj Malabar Resort & Spa, Kochi	95
Taj Green Cove Resort & Spa, Kovalam	59	Ginger Hotel – Mumbai, Andheri East	142	Vivanta Coimbatore	178
Vivanta Goa, Panaji	172	Ginger Hotel – Lucknow	72		
Vivanta Sawai Madhopur Lodge	36	Ginger Hotel – Aurangabad	63		
Vivanta Surajkund, NCR	286	Ginger Hotel – Sanand	104		
Vivanta Vadodara	88	Ginger Hotel – Madgaon, Goa	47		
The Gateway Resort Damdama Lake Gurgaon	78	Ginger Hotel – Patna	70		
Vivanta Kolkata EM Bypass	197	Ginger Hotel – Kalinganagar	43		
The Gateway Hotel Gir Forest Junagadh	28	<b>Managed Properties – Ginger</b>			
Vivanta Pune, Hinjawadi	150	Ginger Hotel – Manesar	92		
Vivanta Chennai, IT Expressway	200	Ginger Hotel – Katra, Jammu	80		
The Gateway Hotel M G Road Vijayawada	108	Ginger Hotel – Tirupur	91		
		Ginger Hotel – Vizag	68		
		Ginger Hotel – Ahmedabad, Satellite	36		



## COMPANY-WISE LIST OF HOTELS/UNITS (CONTD.)

Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms	Company/ Hotel/ Unit	Rooms
The Gateway Hotel Ramgarh Lodge Jaipur	14	Ginger Hotel – Ahmedabad, S.G. Road	44	Gateway, Coonoor - IHCL SeleQtions	32
Pratap Mahal, Ajmer - IHCL SeleQtions	88	Ginger Hotel – Gurugram	77	The Gateway Hotel Old Port Road Mangalore	96
Taj Corbett Resort & Spa, Uttarakhand	61	Ginger Hotel – Goa, Dona Paula	24	The Gateway Hotel Pasumalai Madurai	63
The Gateway Hotel Beach Road Visakhapatnam	95	Ginger Hotel – Vadodara (RCR)	72		
Vivanta Katra	77	Ginger Hotel – Dwarka	98	<b>TAL Lanka Hotels PLC</b>	
Taj Aravali Resort & Spa, Udaipur	176	Ginger Hotel – Surat City Centre	108	Taj Samudra, Colombo	300
Taj Theog Resort & Spa, Shimla	83	<b>Piem Hotels Limited</b>		<b>Lanka Island Resorts Limited</b>	
Taj Rishikesh Resort & Spa, Uttarakhand	78	President, Mumbai – IHCL SeleQtions	287	Taj Bentota Resort & Spa, Sri Lanka	160
Cidade De Goa - IHCL SeleQtions	207	Blue Diamond, Pune – IHCL SeleQtions	110		
Devi Ratn, Jaipur – IHCL SeleQtions	56	Taj Mahal, Lucknow	110		
Sawai Man Mahal, Jaipur	0	Taj M G Road, Bengaluru	165		
Taj Hotel & Convention Centre, Agra.	239	The Gateway Hotel Ambad Nashik	148		
Taj Tirupati	62	Tajview, Agra – IHCL SeleQtions	95		
Taj Hotel & Convention Centre, Goa	299	Taj Swarna, Amritsar	157		
		<b>United Hotels Limited</b>			
Taj Dubai	296	Ambassador, New Delhi – IHCL SeleQtions	88		
Taj Pamodzi, Lusaka	192				
Taj Tashi, Bhutan	66	<b>Benaras Hotels Limited</b>			
Vivanta Langkawi, Rebek Island	94	Taj Nadesar Palace, Varanasi	14		
Vivanta Colombo, Airport Garden	208	Taj Ganges, Varanasi	130		
Vivanta Kathmandu	110	The Gateway Hotel Balaghat Road Gondia	34		
Taj Jumeirah Lakes Towers	200				
		<b>Taj SATS Air Catering Limited</b>			
		Amritsar	-		
		Bangalore	-		
		Delhi	-		
		Goa	-		
		Kolkata	-		
		Mumbai	-		
		<b>United Overseas Holding Inc</b>			
		The Pierre, A Taj Hotel, New York	189		
		Taj Campton Place, San Francisco	110		
		<b>St James Court Hotels Limited</b>			
		Taj 51 Buckingham Gate Suites and Residences, London	86		
		St. James' Court, A Taj Hotel, London	329		
		<b>Taj International Hotels Limited</b>			
		Bombay Brasserie	-		
		Quilon	-		

## BUSINESS RESPONSIBILITY REPORT 2019-20

(Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### Section A : General Information about the Company

**1. Corporate Identity Number (CIN) of the Company:**  
L74999MH1902PLC000183

**2. Name of the Company:** The Indian Hotels Company Limited (IHCL)

**3. Registered address:** Mandlik House, Mandlik Road, Mumbai- 400001

**4. Website:** <https://www.ihcltata.com/>

**5. E-mail id:** [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com)

**6. Financial Year reported:** April 1, 2019 – March 31, 2020

**7. Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Description
551	Short Term Accommodation activities
561	Restaurants and mobile food service activities

**8. List three key products / services that the company manufactures / provides (as in balance sheet):**

1. Rooms
2. Food and beverage services

**9. Total number of locations where business activity is undertaken by the Company:**

**Including Ginger**

Number of International Locations: 13

Number of National Locations: 73

**Excluding Ginger**

Number of International Locations: 13

Number of National Locations: 54

**10. Markets served by the Company - Local / State / National / International:**

**International:**

US: New York, San Francisco

UK: London

United Arab Emirates (UAE): Dubai

South Africa: Cape Town

Zambia: Lusaka

Sri Lanka: Colombo and Bentota

Bhutan: Thimpu

Nepal: Chitwan, Kathmandu

Maldives

Malaysia: Langkawi

**National:**

Agartala, Agra, Ahmedabad, Ajmer, Allepey, Amritsar, Andamans, Aurangabad, Bandhavgarh, Bengaluru, Bekal, Bhubaneshwar, Calicut, Chandigarh, Chennai, Chikmagalur, Cochin, Coimbatore, Coonoor, Coorg, Corbett, Dwarka, Ernakulam, Faridabad, Goa, Gondia, Gurgaon, Guwahati, Gwalior, Hyderabad, Indore, Jaipur, Jamshedpur, Jodhpur, Junagadh, Kanha, Katra, Kolkata, Kovalam, Kumarakom, Lucknow, Madurai, Mangalore, Mumbai, Mysore, Nashik, New Delhi, Noida, Ooty, Panna, Pantnagar, Patna, Pench, Pondicherry, Pune, Ranthambore, Rishikesh, Sanand, Shimla, Srinagar, Surajkund, Surat, Thane, Tirupati, Tirupur, Trivandrum, Udaipur, Vadodara, Vapi, Varanasi, Varkala, Vijayawada, Vizag

### Section B : Financial Details of the Company as on March 31, 2020

		(₹ crores)
Sr. No	Particulars	Financial Year 2019-20
1.	Paid up capital (INR)	118.93
2.	Total turnover (INR)	2877.88
3.	Total profit after taxes	401.41
4.	Total spending on Corporate Social Responsibility (CSR)	7.56

**5. List of activities in which expenditure in 4 above has been incurred:**

- (1) Employment enhancing vocational skills training
- (2) Livelihood enhancement projects
- (3) Promotion and development of traditional arts and handicrafts
- (4) Preservation and promotion of heritage sites
- (5) Donations to other local welfare institutions and for periphery cleaning & maintenance

### Section C : Other Details

**1. Does the Company have any Subsidiary company / companies?**

Yes. The Company has 22 Subsidiaries, 8 Joint Ventures and 6 Associates as at March 31, 2020.



## BUSINESS RESPONSIBILITY REPORT (CONTD.)

### 2. Do the Subsidiary company / companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Yes. Major subsidiaries such as PIEM Hotels Limited, Benares Hotels Limited and joint ventures like Oriental Hotels Limited, United Hotels Limited and Taj SATS Air Catering Limited participate in Company's Corporate Responsibility and Sustainability initiatives.

### 3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

No.

## Section D : BR Information

### 1. Details of Director / Directors responsible for BR:

#### a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

The Corporate Social Responsibility and Sustainability Committee of the Board of Directors is responsible for implementation of BR policies. The Members of the CSR Committee are as follows:

DIN Number	Name	Designation
07624616	Mr. Puneet Chhatwal	Managing Director and CEO
00010180	Mr. Nasser Munjee	Independent Director
00032929	Ms. Hema Ravichandar	Independent Director

### b) Details of the BR head:

Sr. No	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name:	Dr. P V Ramana Murthy
3.	Designation:	Executive Vice President – Global Head Human Resources
4.	Telephone Number	022-61371637
5.	E-mail	PV.Murthy@ihcltata.com

### 2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs are based on nine principles in the realm of Business Responsibility. These are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

### Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

Sr. No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for.....	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Does the policy conform to any national / international standards? If Yes, Specify (50 words)*	Y Industry Benchmarks	Y	Y	Y UNGC & Industry Benchmarks	Y	Y UNGC	N	Y UNGC & ITP	Y

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

Sr. No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	Y
5.	Does the company have a specified committee of the Board/Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6.	Indicate the link for the policy to be viewed online?	The above policies can be located on this link - <a href="https://www.ihctata.com/investors/">https://www.ihctata.com/investors/</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
8.	Does the company have inhouse structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
9.	Does the company have a grievance Redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10.	Has the company carried out independent audit /evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N	Y	Y

### 2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next six months									
5.	It is planned to be done within next one year									
6.	Any other reason (please specify)							The Company will plan to incorporate formal policy in coming years		

### 3. Governance related to BR –

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Company has a Board level CSR and Sustainability Committee chaired by the MD / CEO and two Independent Directors. This Committee meets bi-annually to review the CSR and Sustainability initiatives and on a need basis.

**Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes. The Company reports Annually to the United National Global Compact (UNGC), the Carbon Disclosure Project (CDP) and will publish a sustainability report according to the GRI Standards for 2019-20.



BUSINESS RESPONSIBILITY REPORT (CONTD.)

The UNGC report can be accessed at <https://www.unglobalcompact.org/what-is-gc/participants/9250-The-Indian-Hotels-Company-Ltd->

IHCL sustainability report is available on <https://www.ihcltata.com/content/dam/tajhotels/ihcl/sustainabilities/IHCL-Sustainability-Report-19.pdf>

<b>Section E :</b>	<b>Principle-wise Performance</b>
<b>Principle 1</b>	<b>Businesses should conduct and govern themselves with Ethics, Transparency and Accountability</b>

**QUESTIONS 1/2/3 DERIVED FROM PRINCIPLE 1**

**1. Does the policy relating to ethics, bribery and corruption cover only the Company?**

No, the policy relating to ethics, bribery and corruption is extended to all stakeholders.

**2. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Yes.

**3. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so –**

22 cases were received and none of them remain pending for resolution.

<b>Principle 2</b>	<b>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle</b>
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**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

As a hospitality company, the rooms and F&B experience provided to guests is our product and service. We endeavour to integrate measures entailing energy and water conservation, waste management, culturally and regionally sensitive designs and interiors of our hotels, responsible purchases from local and marginalized entrepreneurs, artisans and craftsmen, and local hiring. These are implemented right from the development stage to operations of key hotels, particularly in ecological and socially sensitive regions.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

The consumption of energy, water and other resources in our hotels is measured per guest night, in terms of usage per consumer. The Company focuses on optimizing resource consumption to avoid wastages and minimize our environmental impact.

In 2019-20, IHCL hotels together used a total of 356.94 Million MJ from renewable energy sources both through Green Power Agreements with their electricity providers as well as onsite and offsite renewable energy including wind farms and solar panels. Thereby, the Company avoided 451.20 KT of CO<sub>2</sub>, comparable to taking 1,51,410 cars off the road.

IHCL Hotels recycled and reused a total of 8.79 Million KL of water through rain water harvesting and recycling of grey water through onsite waste water treatment plants. The amount of recycled and reused water is equivalent to 3519 Olympic sized Swimming Pools.

**i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

The steps implemented to improve resource efficiency and strengthen sustainability in the development and operation of our hotels includes usage of advance laundry chemical, chiller plant optimization which increases energy efficiency, installing flameless burners and opting glass water bottles. Further, we encourage the use of building materials that are recycled and locally extracted or manufactured wherever possible. During the construction process, we ensure that waste and debris is diverted from the landfills and send to certified recycling agencies.

The company has also addressed to single use plastic waste. In March 2018, IHCL decided to phase out single use plastic items and replacing them with biodegradable options. All plastic wrappers for in-room dry amenities in Taj hotels across the country have replaced with oxo-biodegradable wrapping. In addition, we have replaced 14,00,000 pcs of plastic straws with paper straw and approx. 12,40,000 pcs of plastic disposable cutlery with wooden cutlery.

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

### ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

In 2019-20, IHCL hotels together used a total of 356.94 Million MJ from renewable energy sources both through Green Power Agreements with their electricity providers as well as onsite and offsite renewable energy including wind farms and solar panels. Thereby, the Company avoided 451.20 KT of CO<sup>2</sup>, comparable to taking 1,51,410 cars off the road.

IHCL Hotels recycled and reused a total of 8.79 Million KL of water through rain water harvesting and recycling of grey water through onsite waste water treatment plants. The amount of recycled and reused water is equivalent to 3519 Olympic sized Swimming Pools.

### 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company constantly endeavors to integrate sustainable practices into its supply chain. Given the widespread network of hotels, the Company understands the importance of efficiently managing its supply chain. In this regard, the Company has revamped its sourcing and distribution model. The traditional model of procurement by individual hotels has been replaced by a unified warehousing and distribution management system. In the new system, orders from hotels are consolidated, leading to full truck load shipments from vendors to warehouse and from warehouse to hotels. This has reduced transportation due to consolidation of shipments.

This initiative has helped the Company improve its supply chain efficiency and lower its carbon footprint, reduce stock inventories and optimize logistics by serving the hotel needs through regional hubs. The Central Warehousing programme covers 38 vendors and 300 stock keeping units with the business turnover of ₹ 58 crores.

### 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

IHCL encourages its hotels to source local produce from small scale farmers, marginalized vendors, women self-help groups, micro enterprises supporting differently abled and owned by socially backward communities. Some of the products sourced by our hotels include fresh fish, fruits, vegetables, Paper chef cap, laundry bags, honey, candles, and gift items for guests, table napkins, dusters, dry snacks and pickles. Additionally, local art and culture troupes, artists and craftsmen are provided a platform in hotels to perform to guests and sell their products. This generates the dual impact of supporting the livelihood of these artisans and encouraging the preservation of traditional art forms. Out of 30 such vendors partner some of the Company's key not for profit partners include Cancer Patients Aid Association, SRISHTI, Women's India Trust, Swayamsiddh, etc. In 2019-20, hotels sourced INR 1823 lakhs amount of products by way of which we are supporting over 1309 no. of underprivileged beneficiaries in earning a regular livelihood.

This initiative is facilitated by the Corporate Materials Group and hotel materials team along with the CSR team. In the initial stages, the company volunteers help build the capacities of small scale vendors by handholding them. IHCL's teams help the vendors refine their product and quality control measures to meet Taj standards. They also provide the vendors with market linkages both within the Taj network and externally. Additionally, training is given in the areas of hygiene, sanitation and food safety management practices for budding entrepreneurs dealing in food products. Ethics, anti-corruption and human rights are also areas that are emphasized on during the training. IHCL's Corporate Materials Team also assist in facilitating financial support to less privileged vendor's and support in building capacity.

### 5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Waste management is an integral part of our environment management endeavors. In the year 2019-20, 53 hotels have achieved 100% recycling of organic waste. This has prevented 4245 tonnes of organic waste from going into landfills, the equivalent of 128 shipping containers.



BUSINESS RESPONSIBILITY REPORT (CONTD.)

Some of the other notable waste management projects implemented by the Company include the conversion of waste kitchen oil to Biodiesel & Glycerin, and the conversion of organic waste to compost and biogas. Hotels safely dispose hazardous waste like burnt oil and waste lubricant oil by giving it to authorized vendors. All e-waste generated in our properties is given to recyclers certified by the Pollution Control Board. Hotels ensure sewage treatment before disposing water into municipal sewers and also reuse treated water, as appropriate.

In response to the global concerns about plastic pollution and marine micro-plastics, the Company has committed to phasing out single-use plastics & has already eliminated plastic straws from all its properties. It has also phased out PET bottles from seven properties by installing water bottling plant i.e. Taj Exotica Resort & Spa, Andaman, Taj Samudra, Colombo, Taj Exotica Resort & Spa, Maldives, Taj Palace, Delhi, Taj Yeshwantpur, Bangalore, Taj Bentota Resort & Spa and Taj Coral Reef Resort & Spa therefore setting a benchmark for the hospitality industry in India. Single-use plastics such as the plastic packaging of in-room amenities has already been eliminated in most of the luxury properties across India.

**Principle 3** Businesses should promote the well-being of all employees

**1. Please indicate the Total number of employees:**

Permanent	Contractual	Total
7272	2884	10156

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:**

Total hiring done in 2019-20: 1329

Details	Executive	Staff	FTC	Expat	Trainee	Total
IHCL	160	61	1051	2	55	1329

**3. Please indicate the Number of permanent women employees: 801**

**4. Please indicate the Number of permanent employees with disabilities:**

The declaration of disability is voluntary on the part of the employee. There are currently 10 employees who have declared having disabilities.

**5. Do you have an employee association that is recognized by management?**

In 18 hotels we have registered trade union which the management recognises as the staff representative council.

**6. What percentage of your permanent employees is members of this recognized employee association?**

Out of the total number of permanent employees, 44.19% are part of these recognized employee association.

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.**

Category	No. of complaints filed during the Financial Year	No. of complaints pending as on end of the Financial Year
Child labour/forced labour/involuntary labour	NIL	NIL
Sexual harassment	18	1 (pending due to lockdown)
Discriminatory employment	NIL	NIL

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Safety training is conducted at all hotels and includes training of both permanent as well as contractual workforce. Additionally, the Company strives to continuously 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 & external management systems.

Sr. No	Category	Safety Training Received
1.	Permanent Employees	100%
2.	Permanent Women Employees	100%
3.	Casual/Temporary/Contractual Employees	100%
4.	Employees with Disabilities	100%

**Principle 4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

**1. Has the Company mapped its internal and external stakeholders? Yes / No**

Yes, the Company has mapped its internal and external stakeholders.

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

### 2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

As one of the most widely recognized Indian hospitality brands, the Company is conscious of its responsibility as a custodian of Indian heritage and culture and towards the welfare and development of communities around its operations. The Company has identified disadvantaged, vulnerable and marginalized stakeholders, these include rural, less-privileged, school dropout, differently abled, marginalized youth and women; indigenous artisans, cancer-affected families, disaster victims and other such groups – from target geographies identified from time to time. Based on this identification, the Company has mapped its target beneficiary groups for its CSR programs. IHCL & its partners have historically been contributing towards the betterment of underprivileged & socially disadvantaged communities by supporting their livelihoods, art & culture as an integral part of the culture seeded by our founder J N Tata. Additionally, as part of the Tata Group Affirmative Action Program, the Company also supports communities from less-privileged sections of Scheduled Castes and Scheduled Tribes.

### 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

All our endeavours to make difference in the world around us are guided by our commitment & investment in continuing to be a respected business house with a social purpose. Our CSR & Affirmative Action efforts have been focused on addressing this gap. With greater emphasis on standardization and quality in skilling youth in hospitality, the partnership brings the best of domain expertise from IHCL coupled with superior approach to holistic youth development driven by Tata STRIVE. Apart from playing the role of knowledge and quality assurance partner in training centres run directly by Tata Strive, your Company has also invested in creating high quality infrastructure to support hospitality training across trades of F&B service, food production & bakery, and housekeeping. The 13 IHCL Tata STRIVE Hospitality Skill Centers are located in Bengaluru, Jaipur, Varanasi, Trivandrum, Chhindwara, Mumbai, Hyderabad, Pithoragarh, Chamoli, Pune, Mohali, Agartala, and Goa. In the current year, 800 youth have been trained at these centers. Your Company in partnership with Tata STRIVE conducts Recognition of Prior Learning (“RPL”) training program,

which helps fill the gap and obtain a certification from NSDC-National Skill Development Corporation. Over 1000 individuals were trained through RPL program in current year. This included people from diverse backgrounds, including employees of MIAL-Mumbai International Airport Limited, Indian Navy

Further in this skilling space, focus has been on vocational training & certification of aspiring youth to enable them to be work-ready & engage in productive livelihoods in hospitality industry. This is taken forward by collaborating with TISS- Tata Institute of Social Science, and the youth from underprivileged socio-economic backgrounds & remote hinterlands.

We recognize that heritage and authentic cultural experiences create value for our industry. We aim to preserve and promote these sites for future generations through neighbourhood development programmes.

Here is a broad summary of all our key initiatives enabling such vulnerable community groups:

Sr. No	CSR Programme	No. of Beneficiaries
1.	13 IHCL Tata STRIVE Hospitality Skill Centres	869
2.	Golden Threshold Programme	216
3.	Bee Keeping Training	5
4.	Livelihoods through Pardhi Programme	10
5.	Pardhi Culinary Training	6
Total		1106

This year in the Tata Affirmative Action Program (TAAP), IHCL was recognized for below two categories-

- Recognition for Significant Adoption under the category of Employability
- Recognition for Good Practice was for IHCL’s “Shared value proposition”

Apart from this IHCL also won the most Prestigious “Golden Peacock Award 2019” National Award for its CSR efforts.

#### Principle 5

**Businesses should respect and promote human rights**

1. Does the policy of the Company on human rights cover only the company or extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs /



BUSINESS RESPONSIBILITY REPORT (CONTD.)

**others?**

The Policy is applicable to the Company its Subsidiaries and other stakeholders.

**2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?**

Sum of No of Complaints filed during Financial Year 2019-20	Sum of No of complaints pending as on end of the Financial Year 2019-20
0	-

**Principle 6** Businesses should respect, protect, and make efforts to restore the environment

**1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Company’s environmental vision is extended to its partners and subsidiary companies. All hotels within the Company’s portfolio prescribe and are encouraged to adhere to the Company’s environmental vision.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. The company has identified opportunities to reduce its environment footprint and therefore reduce the impact of operations on the environment. A key initiative in this regard is switching to renewable energy sources. At present, 24% of the Company’s energy consumption is from renewable sources.

The UNGC report can be accessed at <https://www.unglobalcompact.org/participation/report/cop/create-and-submit/advanced/420965>

The 2018-19 sustainability report is uploaded on the website & available on the following link.

<https://www.ihcltata.com/content/dam/tajhotels/ihcl/sustainabilities/IHCL-Sustainability-Report-19.pdf>

2019-20 report shall be published soon & available on the website.

**3. Does the company identify and assess potential environmental risks? Y/N**

Yes.

**4. Does the company have any project related to Clean Development Mechanism?**

If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes. The company is sourcing 24.57% of total energy from renewable sources of energy.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?**

Yes.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

None are pending.

**Principle 7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

**1. Is your company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

Yes, IHCL is part of a number of associations. Key associations are noted below:

- Hotel Association of India
- CII - Confederation of Indian Industry
- FICCI - The Federation of Indian Chambers of Commerce and Industry
- WTTC - World Travel and Tourism Council
- Indo-German Chamber of Commerce
- The Council of EU Chambers of Commerce In India
- Ethical Board Group
- Hospitality Financial and Technology Professional Business in the Community

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

Bersin Membership  
Matthaes Verlag Gmbh  
The Chamber of Tax Consultants  
The Institute of Company Secretaries of India  
Pacific Asia Travel Association India Chapter  
British Business Promotion Association  
Federation of Indian Export Organisation  
Hospitality Technology Next Generation  
Services Export Promotion Council  
Indo-Australian Chamber Of Commerce  
Institute of Directors  
Indian Inst of Corporate Affairs

### 2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes specify the broad areas

Our MD & CEO is the President of HAI and under his leadership, HAI has taken several steps to tackle the Covid crisis:

- Working with all HAI member organizations to provide suggestions to the Government on the health and safety norms to be part of the new normal at all hotels in India.
- Representation to Central and State Governments as well as the Reserve Bank of India to help hotels survive the Covid-19 related financial challenges.

IHCL has always been on the forefront of leading change and has been proactively working with all associations to support industry and the community.

### Principle 8

Businesses should support inclusive growth and equitable development

#### 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details there of?

As articulated earlier

#### 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company's CSR programs are implemented by in-house CSR and HR teams, volunteers, and in partnership with NGOs, other Tata Companies and Government bodies in various locations.

#### 3. Have you done any impact assessment of your initiative?

Following the launch of certain new CSR programmes last year and modified processes for others, a next round of impact assessment shall be planned in due course.



## BUSINESS RESPONSIBILITY REPORT (CONTD.)

### 4. What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.

The manner in which the amount was spent during the Financial Year 2019-20 is detailed in table below-

(₹ crores)

Sr. No.	CRS Project or Activity identified	Sector in which project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount spent on the projects or program Subhead: (1) Direct Expenditure (2) Overheads	Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Building Livelihoods	Vocational skilling & promotion of livelihoods	Pan India	2.74	2.81	2.81	Direct + with partners
2	Community Welfare	Promoting Education	Pan India	1.80	1.45	1.45	Direct + with partners
3	Being a Responsible Neighbour	Environmental sustainability	Pan India	2.89	3.30	3.30	Direct + with partners
	<b>Sub- total</b>			<b>7.43</b>	<b>7.56</b>	<b>7.56</b>	
	Overhead for various CSR initiatives			-	-	-	
	<b>Total CSR Spend</b>			<b>7.43</b>	<b>7.56</b>	<b>7.56</b>	

#### Implementing Agencies

IHCL's CSR programs are implemented by in-house CSR and HR teams, volunteers, and in partnership with NGOs, other Tata Companies and Government bodies in various locations. The Company engages with many like-minded not for profit partners & institutions like the Tata Institute of Social Sciences, Tata Community Initiatives Trust HWA-Human Welfare Association, Ganga Seva Nidhi, Tata Memorial Hospital, The Last Wilderness Foundation, Head Held High Foundation, UTMT- Under the Mango Tree etc.

### 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The company representatives & volunteers undertake direct community engagements and support with counselling, exposure visits & regular hand-holding, as and where required for sustainable & effective programme management.

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

**Principle 9**

Businesses should engage with and provide value to their customers and consumers in a responsible manner

**1. What percentage of customer complaints/consumer cases are pending as on the end of Financial Year.**

The Company receives guest complaints that are dealt with from time to time and handled to closure but none of them have converted to a consumer complaint in the Financial Year 2019-20. As such there are no consumer cases filed for the Financial Year ended March 31, 2020.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Not Applicable.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so.**

No.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company carried out Consumer engagement survey to measure the emotional connect between the brand and the customer's purchasing decisions. Customers form strong emotions about the brand based on their experiences and these emotions strongly influence their buying decisions.



## INDEPENDENT AUDITORS' REPORT

To the Members of The Indian Hotels Company Limited

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the standalone financial statements of The Indian Hotels Company Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ('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 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Emphasis of matter

We draw attention to Note 2(d) to the standalone financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the Management.

Our opinion is not modified in respect of the above matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### i. Impact of COVID-19 pandemic on Going Concern

Refer Note 44 – "Going Concern" and Note 2(d) "Estimation related to COVID-19" of the standalone financial statements

On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.

The Indian Government has imposed lock-downs across the country from 22 March 2020 up to 30 June 2020. These lockdowns and restrictions due to COVID-19 pandemic have posed significant challenges to the businesses of the Company. This required the Company to assess impact of COVID-19 on its operations.

The Company has assessed the impact of COVID-19 on the future cash flow projections. The Company has also prepared a range of scenarios to estimate financing requirements.

In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.

##### How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding of the key controls relating to the Company's forecasting process
- Compared the forecasted statement of profit and loss and cash flows with the Company's business plan approved by the board of directors
- Obtained an understanding of key assumptions adopted by the Company in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Company's business
- Assessed the forecasted statement of profit and loss and cash flow by considering plausible changes to the key assumptions adopted by the Company

- Performed the following procedures as mitigating factors:
  - Obtained understanding of new borrowing facilities availed subsequent to the year-end;
  - Assessed impact of Government's announcement to lift the lockdown restrictions and Company's plan to re-open hotels in a phased manner;
- Assessed disclosures made in the standalone financial statements with regard to the above. Refer to note 44 and note 2(d).

## ii. Valuation of Investments

The Company has investments in subsidiaries, joint ventures and associates. These investments are accounted for at cost less any provision for impairment. The Company evaluates the indicators of impairment of the said investments regularly by reference to the requirements under Ind AS 36 Impairment of Assets.

The Company carries out impairment assessment for each investment by:

- Comparing the carrying value of each investment with the net worth of each company based on latest financial statements
- Comparing the performance of the investee companies with projections used for valuations and approved business plans

The recoverable amounts of the above investments are estimated in order to determine the extent of the impairment loss. As impairment assessment involves significant assumptions and judgment, we regard this as a key audit matter.

Refer to note 6(a) – "Investments" of the standalone financial statements.

### How our audit addressed the key audit matter

Our audit procedures included the following:

- Assessed the indications of impairment of investments in subsidiaries, joint ventures and associates. We have also examined the basis of estimates of the recoverable amounts of these investments, the assumptions used in making such estimates, and the allowance for impairment.

- Compared the carrying values of the Company's investment in subsidiaries, associates and joint ventures with their respective net asset values and assessed the performance and their outlook.
- Evaluated key assumptions in the Company's valuation models used to determine recoverable amount including assumptions of projected EBITDA, growth rate, room occupancy, room rate, projected capital expenditure, discount rates. We involved our internal valuation experts to help us in evaluation of key assumptions and valuation methods. We also evaluated the forecasts based on historical performance

We assessed the related disclosures in Note 6(a) of the standalone financial statements.

## iii. Adoption of Ind AS 116-Leases

As described in Note 33 to the standalone financial statements, the Company adopted Ind AS 116 Leases ('Ind AS 116') on 1 April 2019. The Company has recognised right-of-use operating lease assets aggregating ₹ 835.27 Crores and lease liabilities aggregating ₹ 907.55 Crores as of 1 April 2019. The lease liabilities are initially measured by discounting future lease payments during the lease term as per contractual arrangement.

Auditing the Company's adoption of Ind AS 116 involved judgment because the Company has significant number of lease contracts. Certain aspects of Ind AS 116 required the Company to exercise judgments including determination of Incremental Borrowing Rate ('IBR') and lease term.

### How our audit addressed the key audit matter

Our audit procedures included the following:

- We obtained an understanding and evaluated the design of controls over the Company's accounting of Ind AS 116. We tested the operating effectiveness of those controls over the application of accounting policies, evaluation of the completeness of the lease portfolio and the determination of IBR and lease term.
- To test the Company's implementation of the new leasing standard, we performed the following procedures:



## INDEPENDENT AUDITORS' REPORT (CONTD.)

- o an evaluation of the completeness of the population of contracts meeting the definition of a lease under Ind AS 116,
- o testing the accuracy of the Company's computation of initial right-of-use assets and lease liabilities.
- Additionally, we involved valuation specialists to evaluate the key assumptions and methodologies to develop the IBR.

Examined the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition in the standalone financial statements.

### Other information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and

other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act;
  - (e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

## INDEPENDENT AUDITORS' REPORT (CONTD.)

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

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements – Refer Note 29 and Note 37 to the standalone 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, including derivative contracts – Refer Note 17 to the standalone 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 during the year ended 31 March 2020; and
- iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from

8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Tarun Kinger**

Partner

Membership No: 105003

ICAI UDIN: 20105003AAAABN2897

Mumbai  
10 June 2020



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

**With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant and equipment).
- (b) The Company has a regular programme of physical verification of its fixed assets (Property, plant and equipment) by which all the fixed assets (Property, plant and equipment) are verified in a phased manner over a period of three years. In accordance with this program, a portion of the fixed assets (Property, plant and equipment) has been physical verified by the Management during the year. No material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date except in respect of one commercial / residential building aggregating to ₹ 0.77 crores (Gross block ₹ 1.30 crores) constructed on the leased land, which is in the possession of the Company, acquired pursuant to a scheme of amalgamation of TIFCO Holding Limited (a wholly owned subsidiary). The lease of the said land has expired in the year 2000. Erstwhile TIFCO Holdings Limited has filed a writ Petition in High Court of Mumbai on 15 January 2013 for renewal of lease.
- (ii) Inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.
- (iii) According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of the loans given, investments and guarantees made. The Company has not provided any security to the parties covered under section 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, duty of customs, value added tax, goods and service tax and other material statutory dues have been generally regularly deposited during the year with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, value added tax, goods and service tax, and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT (CONTD.)

(b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of customs and value added tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

(₹ crores)

Name of Act	Nature of Dues	Amount Demanded	Amount not Deposited Under Disputes	Period to which amount relates	Forum where dispute is pending
Sales Tax and Value Added Tax	Tax, Penalty and Interest	20.73	19.27	2005 - 2006 to 2010 - 2011	Joint Commissioner
		1.54	0.88	2011 - 2012 to 2015 - 2016	Additional Commissioner
		0.04	0.04	1992 - 1993 to 1995 - 1996	Commissioner
		1.71	1.61	2005 - 2006 to 2011 - 2012	Commissioner
		2.97	2.48	2011 - 2012 to 2017 - 2018	Assistant / Deputy Commissioner
		2.44	2.19	2012 - 2013 to 2013-2014	Commissioner
		0.23	0.22	2004-2005 to 2012-13	Commissioner
		0.74	0.67	2014-15	Deputy Commissioner
The Income Tax Act, 1961	Tax and Interest	0.05	0.05	2007 - 2008	Commissioner (Appeals)
		2.20	2.20	2010 - 2011, 2012-2013 to 2014 - 2015	Assessing Officer
		184.94	180.37	2010 - 2011, 2012-13 to 2014-2015	Appellate Tribunal
The Finance Act, 1994	Service Tax, Penalty and Interest	1.20	1.02	2006 - 2007 to 2018 - 2019	Commissioner
		0.16	0.15	2012-2015	Assistant/Deputy Commissioner of Service Tax

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to banks and dues to debenture holders. The Company did not have any outstanding dues to financial institutions and government during the year.

(ix) According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank

of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Tarun Kinger**  
Partner  
Membership No: 105003  
ICAI UDIN: 20105003AAAABN2897

Mumbai  
10 June 2020



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2020

(Referred to in our report of even date)

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013**

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

### Opinion

We have audited the internal financial controls with reference to financial statements of The Indian Hotels Company Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

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

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Tarun Kinger**  
Partner

Mumbai  
10 June 2020

Membership No: 105003  
ICAI UDIN: 20105003AAAABN2897

## BALANCE SHEET

as at March 31, 2020

	Note	March 31, 2020	March 31, 2019
(₹ crores)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,421.66	2,454.64
Capital work-in-progress		136.87	33.69
Right-of-Use assets	4	860.51	-
Intangible assets	5 (a)	29.19	31.70
Intangible assets under development		0.93	0.25
Financial assets			
Investments	6 (a)	3,742.78	3,919.27
Loans	7 (a)	5.35	5.35
Other financial assets	8 (a)	94.85	47.61
Advance income tax (net)		189.85	161.18
Other non-current assets	9 (a)	313.40	354.11
		<b>7,795.39</b>	<b>7,007.80</b>
<b>Current assets</b>			
Inventories	10	59.10	51.21
Financial assets			
Investments	6 (b)	408.72	193.43
Trade receivables	11	250.94	249.99
Cash and cash equivalents	12	131.47	88.93
Other Balances with Banks	13	16.73	7.07
Loans	7 (b)	4.22	12.88
Other financial assets	8 (b)	145.79	167.34
Other current assets	9 (b)	90.48	93.46
		<b>1,107.45</b>	<b>864.31</b>
Assets classified as held for sale (Refer Note 3, Footnote (iv))		3.74	8.43
		<b>1,111.19</b>	<b>872.74</b>
		<b>8,906.58</b>	<b>7,880.54</b>
<b>Total EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	118.93	118.93
Other equity	15	4,464.63	4,364.81
<b>Total Equity</b>		<b>4,583.56</b>	<b>4,483.74</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	16 (a)	1,708.61	1,248.22
Lease liabilities	33	956.22	-
Other financial liabilities	17 (a)	197.18	175.59
Provisions	18 (a)	86.70	70.80
Deferred tax liabilities (net)	19	179.69	368.12
		<b>3,128.40</b>	<b>1,862.73</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	16 (b)	-	6.38
Lease liabilities	33	38.65	-
Trade payables	20		
- Micro and Small Enterprises		3.10	1.71
- Others		252.07	188.40
Other financial liabilities	17 (b)	581.06	1,010.80
Provisions	18 (b)	122.20	117.99
Other current liabilities	21	197.54	208.79
		<b>1,194.62</b>	<b>1,534.07</b>
		<b>8,906.58</b>	<b>7,880.54</b>
<b>Total</b>			
The accompanying notes form an integral part of the standalone financial statements	1 - 45		

As per our report of even date as attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

**Tarun Kinger**

Partner

Membership No. 105003

Mumbai, June 10, 2020

For and on behalf of the Board

**N. Chandrasekaran**

Chairman

DIN: 00121863

**Nasser Munjee**

Director

DIN: 00010180

**Giridhar Sanjeevi**

Executive Vice President &

Chief Financial Officer

**Puneet Chhatwal**

Managing Director & CEO

DIN: 07624616

**Beejal Desai**

Senior Vice President - Corporate Affairs &

Company Secretary (Group)



**STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2020

	Note	March 31, 2020	March 31, 2019
(₹ crores)			
<b>INCOME</b>			
Revenue from operations	22	2,743.47	2,780.41
Other income	23	134.41	90.50
<b>Total income</b>		<b>2,877.88</b>	<b>2,870.91</b>
<b>EXPENSES</b>			
Food and beverages consumed	24	235.74	246.76
Employee benefit expenses and payment to contractors	25	725.07	703.85
Finance costs	26	237.55	158.64
Depreciation and amortisation expenses	5 (b)	203.78	169.10
Other operating and general expenses	27	1,021.60	1,100.36
<b>Total expenses</b>		<b>2,423.74</b>	<b>2,378.71</b>
<b>Profit before exceptional items and tax</b>		<b>454.14</b>	<b>492.20</b>
<b>Exceptional items</b>	28	<b>(16.40)</b>	<b>(74.66)</b>
<b>Profit before tax</b>		<b>437.74</b>	<b>417.54</b>
<b>Tax expense</b>	39		
Current tax		162.38	164.66
Deferred tax credit		(126.05)	(10.82)
<b>Total tax expense</b>		<b>36.33</b>	<b>153.84</b>
<b>Profit after tax</b>		<b>401.41</b>	<b>263.70</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit obligation		(21.25)	(9.96)
Change in fair value of equity instruments designated irrevocably as Fair Value Through Other Comprehensive Income		(107.94)	(114.06)
Add/ (Less):- income tax credit/ (expense)		5.21	3.43
<b>Other comprehensive income for the year, net of tax</b>		<b>(123.98)</b>	<b>(120.59)</b>
<b>Total comprehensive income for the year</b>		<b>277.43</b>	<b>143.11</b>
<b>Earnings per share:</b>	42		
Basic and Diluted - (₹)		3.38	2.22
Face value per equity share - (₹)		1.00	1.00
The accompanying notes form an integral part of the standalone financial statements	1 - 45		

As per our report of even date as attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101248W/W-100022**Tarun Kinger**  
Partner  
Membership No. 105003

Mumbai, June 10, 2020

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
DIN: 00121863**Nasser Munjee**  
Director  
DIN: 00010180**Giridhar Sanjeevi**  
Executive Vice President &  
Chief Financial Officer**Puneet Chhatwal**  
Managing Director & CEO  
DIN: 07624616**Beejal Desai**  
Senior Vice President - Corporate Affairs &  
Company Secretary (Group)

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

Particulars	(₹ crores)								
	a) Equity Share Capital	b) Other Equity						Other Equity	Total Equity
	Equity Share Capital Subscribed	Reserves and Surplus				Retained Earnings	Items of other comprehensive income		
		Capital Reserve	Securities Premium	General Reserve	Other Reserves		Equity Instruments through Other Comprehensive Income		
<b>Balance as at April 1, 2018</b>	<b>118.93</b>	<b>43.91</b>	<b>2,702.08</b>	<b>459.99</b>	<b>386.47</b>	<b>411.84</b>	<b>270.74</b>	<b>4,275.03</b>	<b>4,393.96</b>
Profit for the year ended March 31, 2019	-	-	-	-	-	263.70	-	263.70	263.70
Other Comprehensive Income for the year ended March 31, 2019, net of taxes	-	-	-	-	-	(6.53)	(114.06)	(120.59)	(120.59)
<b>Total Comprehensive Income for the year ended March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257.17</b>	<b>(114.06)</b>	<b>143.11</b>	<b>143.11</b>
Issue expenses written off against Securities Premium	-	-	(0.02)	-	-	-	-	(0.02)	(0.02)
Transfer from Retained Earnings to Debenture Redemption Reserve	-	-	-	-	11.93	(11.93)	-	-	-
Dividends	-	-	-	-	-	(47.57)	-	(47.57)	(47.57)
Tax on Dividend	-	-	-	-	-	(5.74)	-	(5.74)	(5.74)
<b>Balance as at March 31, 2019</b>	<b>118.93</b>	<b>43.91</b>	<b>2,702.06</b>	<b>459.99</b>	<b>398.40</b>	<b>603.77</b>	<b>156.68</b>	<b>4,364.81</b>	<b>4,483.74</b>
Adjustment on account of transition to the new lease standard, net of taxes (Refer Note 33)	-	-	-	-	-	(106.43)	-	(106.43)	(106.43)
<b>Restated balance at the beginning of the reporting period (April 1, 2019)</b>	<b>118.93</b>	<b>43.91</b>	<b>2,702.06</b>	<b>459.99</b>	<b>398.40</b>	<b>497.34</b>	<b>156.68</b>	<b>4,258.38</b>	<b>4,377.31</b>
Profit for the year ended March 31, 2020	-	-	-	-	-	401.41	-	401.41	401.41
Other Comprehensive Income for the year ended March 31, 2020, net of taxes	-	-	-	-	-	(16.04)	(107.94)	(123.98)	(123.98)
<b>Total Comprehensive Income for the period ended March 31, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>385.37</b>	<b>(107.94)</b>	<b>277.43</b>	<b>277.43</b>
Realised loss on sale of investment transferred from Other Comprehensive Income to Retained Earnings	-	-	-	-	-	(3.01)	3.01	-	-
Transfer from Debenture Redemption Reserve to General Reserve	-	-	-	130.50	(130.50)	-	-	-	-
Dividends (Refer Note 45)	-	-	-	-	-	(59.46)	-	(59.46)	(59.46)
Tax on Dividend	-	-	-	-	-	(11.72)	-	(11.72)	(11.72)
<b>Balance as at March 31, 2020</b>	<b>118.93</b>	<b>43.91</b>	<b>2,702.06</b>	<b>590.49</b>	<b>267.90</b>	<b>808.52</b>	<b>51.75</b>	<b>4,464.63</b>	<b>4,583.56</b>

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 45).

As per our report of even date as attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101248W/W-100022

**Tarun Kinger**  
Partner  
Membership No. 105003

Mumbai, June 10, 2020

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
DIN: 00121863

**Nasser Munjee**  
Director  
DIN: 00010180

**Giridhar Sanjeevi**  
Executive Vice President &  
Chief Financial Officer

**Puneet Chhatwal**  
Managing Director & CEO  
DIN: 07624616

**Beejal Desai**  
Senior Vice President - Corporate Affairs &  
Company Secretary (Group)

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Cash Flow From Operating Activities</b>		
Profit before tax	437.74	417.54
<b>Adjustments to reconcile net profit to net cash provided by operating activities:</b>		
Gain on investments carried at fair value through statement of profit and loss	(0.28)	(1.73)
Profit on sale of Current Investments	(9.00)	(14.92)
Provision for impairment of investment in a subsidiary/ joint venture	70.37	33.63
Exchange (Gain)/ Loss on Long term borrowing/Assets (net)	0.38	0.25
Fair valuation (Gain)/ Loss on derivative contracts	21.76	41.03
Depreciation and amortisation expenses on Property, plant and equipment	173.29	169.10
Depreciation and amortisation expenses on Right-of-Use assets	30.49	-
Net (Gain)/ Loss on disposal of Property, plant and equipment	(141.18)	(13.70)
Net (Gain)/ Loss on Sale of Long Term Investments	(21.23)	-
Assets written off	6.91	0.71
Allowance for doubtful debts and advances	3.64	1.48
Dividend income	(13.90)	(28.01)
Interest income	(12.92)	(15.14)
Finance costs	237.55	158.64
Provision for disputed claims	1.83	8.90
Provision for Employee Benefits	(2.97)	4.80
	<b>344.74</b>	<b>345.04</b>
Cash Operating Profit before working capital changes	<b>782.48</b>	<b>762.58</b>
<b>Adjustments for (increase)/ decrease in operating assets:</b>		
Inventories	(7.89)	0.26
Trade receivables	(3.92)	2.95
Other financial assets	21.35	3.86
Other assets	(49.39)	(68.68)
	<b>(39.85)</b>	<b>(61.61)</b>
<b>Adjustments for increase/ (decrease) in operating liabilities:</b>		
Trade payables	64.40	(17.91)
Other financial liabilities	(10.48)	15.70
Other liabilities	5.34	27.67
	<b>59.26</b>	<b>25.46</b>
Cash Generated from Operating Activities	801.89	726.43
Income taxes paid	(191.04)	(179.62)
<b>Net Cash Generated From Operating Activities (A)</b>	<b>610.85</b>	<b>546.81</b>
<b>Cash Flow From Investing Activities</b>		
Payments for purchase of property, plant and equipment	(327.83)	(246.88)
Proceeds from disposal of property, plant and equipment	164.92	15.70
Capital subsidy received from Government	40.69	-
Purchase of current investments	(1,861.60)	(1,460.40)
Sale of current investments	1,655.60	1,585.07
Purchase of non-current investments	(9.71)	(206.10)
Sale of Investment in Joint Venture	29.79	-
Interest received	8.71	8.41
Dividend received	13.90	28.01
<b>Carried over</b>	<b>(285.53)</b>	<b>(276.19)</b>



## STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2020

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Brought over</b>	<b>(285.53)</b>	<b>(276.19)</b>
Long-term deposits placed for Hotel properties	(47.38)	(60.00)
Short-term deposits placed for Hotel properties	-	(45.00)
Short-term deposits placed with related parties	(3.55)	(18.00)
Short-term deposits repaid by related parties	13.00	25.78
Short-term deposits placed with others	(0.20)	-
Short-term deposits repaid by others	0.36	-
Bank Balances not considered as Cash and cash equivalents	(9.66)	0.97
<b>Net Cash Generated/(Used) In Investing Activities (B)</b>	<b>(332.96)</b>	<b>(372.44)</b>
<b>Cash Flow From Financing Activities</b>		
Dividend and Tax on dividend (including Unclaimed dividend)	(70.99)	(52.99)
Payment of lease Liability	(45.23)	-
Share issue expenses	-	(0.02)
Interest and other borrowing costs paid	(124.03)	(115.01)
Settlement of cross currency Interest rate swap (net)	(121.99)	5.86
Proceeds from long-term borrowings	695.00	-
Repayment of long-term borrowings	(560.87)	(50.02)
Proceeds from short-term borrowings	98.64	6.38
Repayment of short-term borrowings	(105.02)	-
Unclaimed dividend/ deposits/ interest transferred to Investors Education and Protection Fund	(0.86)	(0.92)
<b>Net Cash Generated/ (Used) In Financing Activities (C)</b>	<b>(235.35)</b>	<b>(206.72)</b>
<b>Net Increase/ (Decrease) In Cash and cash equivalents (A + B + C)</b>	<b>42.54</b>	<b>(32.35)</b>
<b>Cash and Cash Equivalents - Opening</b>	<b>88.93</b>	<b>121.28</b>
<b>Cash and Cash Equivalents - Closing</b>	<b>131.47</b>	<b>88.93</b>

The accompanying notes form an integral part of the standalone financial statements (Refer Notes 1 - 45).

As per our report of even date as attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101248W/W-100022

**Tarun Kinger**  
Partner  
Membership No. 105003

Mumbai, June 10, 2020

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
DIN: 00121863

**Nasser Munjee**  
Director  
DIN: 00010180

**Giridhar Sanjeevi**  
Executive Vice President &  
Chief Financial Officer

**Puneet Chhatwal**  
Managing Director & CEO  
DIN: 07624616

**Beejal Desai**  
Senior Vice President - Corporate Affairs &  
Company Secretary (Group)

## NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2020

### NOTE 1 : CORPORATE INFORMATION

The Indian Hotels Company Limited (“IHCL” or the “Company”), is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

The Company is domiciled and incorporated in India in 1902 and has its registered office at Mandlik House, Mandlik Road, Mumbai – 400 001, India. It is promoted by Tata Sons Private Limited (formerly Tata Sons Limited), which holds a significant stake in the Company.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 10, 2020.

### NOTE 2 : BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The financial statements have been prepared on the following basis:

#### (a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

#### (b) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities are classified as current and non-current as per company’s normal operating cycle of 12 months which is based on the nature of business of the Company. 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.

#### (c) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions, that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Company has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and Intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment, Right-of-Use assets and intangible assets that are subject to depreciation/ amortisation are tested for impairment periodically including when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Impairment of investments:** The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit and Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case laws and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit and Loss.

- **Loyalty programme:** The Company estimates the fair value of points awarded under the Loyalty programme by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.

The Company assesses whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation. The Company determines that the loyalty points provide a material right that the customer would not exercise without entering into the contract.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet date and in identifying the most appropriate

estimate of fair value when a wide range of fair value measurements are possible.

- **Litigation:** From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.
- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.
- **Leases:**

**Critical judgements in determining the lease term:** Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

**Critical judgements in determining the discount rate:** The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### (d) Estimation uncertainty relating to the global health pandemic on COVID-19:

On March 11, 2020, the World Health Organisation declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to all the businesses of The Indian Hotels Company Limited (the "Company"/ "IHCL") and its Subsidiaries, joint ventures & associates.

Lockdown guidelines issued by Central/State governments mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies / shutdowns of our hotels pan India.

Business operations in the various international markets where the Company operates have also been impacted to varying extent based on the spread of the pandemic and the restrictions on business activities placed by the respective foreign Governments.

Most of the hotels of the Company were shut down entirely during the lockdown phase as the Company was not part of Government denominated essential services. With the lifting of the partial lockdown restrictions, the Company has started re-opening a few hotels in the non-containment zones, after establishing thorough and well-rehearsed safety protocols. The Company expects all the hotels to become operational in a phased manner after the lockdown is lifted and the confidence of travelers is restored. The Company expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel.

The Company has assessed the potential impact of COVID-19 on its capital and financial resources,

profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand for its services. Various steps have been initiated to raise finances from banks and institutions for working capital needs and long term fund requirements and the Company is in a comfortable liquidity position to meet its commitments. The Company has judiciously invoked the Force Majeure clauses for reliefs during the lock down period and does not foresee any disruption in raw material supplies.

The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, right-of-use assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Company as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

## SIGNIFICANT ACCOUNTING POLICIES

### (e) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

#### Income from operations

**Rooms, Food and Beverage & Banquets:** Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

**Space and shop rentals:** Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognised in the period in which services are being rendered.

**Other Allied services:** In relation to laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.

**Management and Operating fees:** Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

**Membership Fees:** Membership fee income majorly consists of membership fees received from the loyalty program and Chamber membership fees. Income is earned when the customer enrolls for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

**Loyalty program:** The Company operates loyalty programme, which provides a material right to customers that they would not exercise without entering into a contract and the eligible customers earns points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates.

### Contract balances

#### a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the

customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

#### Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

#### Dividend

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

### (f) Employee Benefits

#### i. Short term-Employment Benefits:

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Company has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

#### ii. Post-Employment Benefits:

##### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### a) Provident and Family pension fund

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12% of employee's eligible salary). The contributions are made to the provident fund managed by the trust set up by the Company, or to the Regional Provident Fund Commissioner (RPF) which are charged to the Statement of Profit and Loss as incurred.

In respect of contribution to RPF, the Company has no further obligations beyond making the contribution, and hence, such employee benefit plan is classified as Defined Contribution Plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss.

### b) Superannuation

The Company has a defined contribution plan for eligible employees, wherein it annually contributes a sum equivalent to a defined percentage of 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.

### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

### a) Gratuity Fund

The Company makes annual contributions to gratuity funds 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. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or asset as of the reporting date. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

### b) Post-Retirement Pension Scheme and Medical Benefits

The net present value of the Company'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 Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

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 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 Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

### c) Provident Fund Trust

In respect of contribution to the trust set up by the Company, since the Company is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

**Other Long-term Employee Benefits** – The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

### (g) Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(p)). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. 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.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to the Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values

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

<u>Class of Assets</u>	<u>Estimated Useful Life</u>
Buildings	30 to 80 years
Plant and Equipment	5 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
Other Miscellaneous Hotel Assets	4 years

In respect of buildings on leasehold land, depreciation is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to leasehold buildings are depreciated on the basis of their estimated useful lives or the expected lease period.

Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effect of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Proportionate depreciation is charged for the addition and disposal made during the year.

## NOTES TO FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

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

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

### (h) Intangible Assets

Intangible 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.

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

Intangible assets with finite lives are amortised over their estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising intangible assets is as under:

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

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of all of its intangible assets recognised as of

April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### (i) Leases

Effective April 1, 2019 the Company has applied Ind AS 116 which replaces Ind AS 17 Leases. Refer note 2(j) – Significant accounting policies – Assets taken on lease in the Annual report of the group for the year ended March 31, 2019, for policy for lease accounting as per Ind AS 17.

On inception of a contract, the Company (as a lessee) assesses whether it contains a lease. A contract is, or contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease contracts may contain both lease and non-lease components. The Company allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs incurred, lease payments made at or before the commencement date, any asset restoration obligation, and less any lease incentives received. They are subsequently measured

## NOTES TO FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

at cost less accumulated depreciation and impairment losses. Right-of-use assets are also adjusted for any re-measurement of lease liabilities. Unless the Company is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Company is reasonably certain to exercise and excludes the effect of early termination options where the Company is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option and any lease modification.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments are presented as follows in the Company's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from operating activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities

### (j) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment periodically including whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

### (k) Foreign Currency Translation

The functional currency of the Company is Indian Rupee (₹).

#### *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 denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

### (l) 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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts

and rebates are deducted in determining the cost of purchase.

### (m) Government Grants

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the balance sheet by deducting the grant in calculating the carrying amount of the asset.

### (n) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

#### *(i) Current tax:*

Current 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.

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.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (ii) *Deferred tax :*

Deferred income tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax assets 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 reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

### (o) **Provisions**

Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Company created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

### (p) **Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes 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 or sale. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

### (q) **Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit/ (loss) before 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 flow for the year are classified by operating, investing and financing activities.

## NOTES TO FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

### (r) Earnings per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax 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.

### (s) Exceptional items

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Company and provides consistency with the Company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments, impairment charges, exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

### (t) Financial Instruments

#### (i) Financial assets

##### Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value,

plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### Classification

- **Cash and Cash Equivalents** - 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.
- **Debt Instruments** - The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.
  - (i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.
  - (ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- **Equity Instruments** - The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments

are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

The Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(II) Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

## NOTES TO FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

### De-recognition

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

### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The fair value changes of derivatives which are not designated as a hedging instrument are accounted through Statement of Profit and Loss. During the years reported, no hedge relationship was designated.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### **(III) Impairment of financial assets**

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

### **(u) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the Statement of Profit and Loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

### **(v) Business combinations**

Business combinations of entities under common control are accounted using the

## NOTES TO FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

“pooling of interests” method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination.

### (w) Recent accounting pronouncements

#### *New and amended standards adopted by the Company:*

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- i) Ind AS 116 - Leases
- ii) Income tax consequences in case of dividends (Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend));
- iii) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));
- iv) Accounting treatment for specific borrowings post capitalisation of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);

- v) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);
- vi) Accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

The Company has changed its accounting policies as a result of adopting Ind AS 116. The company elected to adopt the new standard retrospectively with the cumulative effect of initially applying the standard recognised in retained earnings, on April 1, 2019. This is disclosed in note 33. The other amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### **New Standards or other amendments issued but not yet effective:**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

## NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

							(₹ crores)
	Freehold Land	Buildings (Refer Footnote (i), (iii) & (iv))	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
<b>Cost</b>							
<b>At April 1, 2018</b>	<b>134.25</b>	<b>1,484.18</b>	<b>809.81</b>	<b>271.47</b>	<b>48.21</b>	<b>6.47</b>	<b>2,754.39</b>
Additions	-	97.60	106.51	46.32	4.57	0.66	255.66
Disposals	-	10.15	3.66	1.22	0.90	0.31	16.24
<b>At March 31, 2019</b>	<b>134.25</b>	<b>1,571.63</b>	<b>912.66</b>	<b>316.57</b>	<b>51.88</b>	<b>6.82</b>	<b>2,993.81</b>
Additions	-	88.13	70.46	23.23	9.51	3.68	195.01
Adjustments (Refer Footnote (v))	-	(24.29)	(15.58)	-	-	-	(39.87)
Disposals	5.62	20.76	5.87	1.43	0.61	0.32	34.61
<b>At March 31, 2020</b>	<b>128.63</b>	<b>1,614.71</b>	<b>961.67</b>	<b>338.37</b>	<b>60.78</b>	<b>10.18</b>	<b>3,114.34</b>
<b>Depreciation</b>							
<b>At April 1, 2018</b>	-	<b>121.91</b>	<b>177.50</b>	<b>63.47</b>	<b>21.68</b>	<b>2.01</b>	<b>386.57</b>
Charge for the year	-	52.48	69.86	26.95	7.85	0.55	157.69
Disposals	-	1.54	2.01	0.55	0.73	0.26	5.09
<b>At March 31, 2019</b>	-	<b>172.85</b>	<b>245.35</b>	<b>89.87</b>	<b>28.80</b>	<b>2.30</b>	<b>539.17</b>
Charge for the year	-	54.81	71.12	27.27	8.27	0.72	162.19
Disposals	-	4.31	2.83	0.70	0.56	0.28	8.68
<b>At March 31, 2020</b>	-	<b>223.35</b>	<b>313.64</b>	<b>116.44</b>	<b>36.51</b>	<b>2.74</b>	<b>692.68</b>
<b>Net Block</b>							
<b>At March 31, 2019</b>	<b>134.25</b>	<b>1,398.78</b>	<b>667.31</b>	<b>226.70</b>	<b>23.08</b>	<b>4.52</b>	<b>2,454.64</b>
<b>At March 31, 2020</b>	<b>128.63</b>	<b>1,391.36</b>	<b>648.03</b>	<b>221.93</b>	<b>24.27</b>	<b>7.44</b>	<b>2,421.66</b>

## Footnotes :

- (i) Cost includes improvements to buildings constructed on leasehold land - ₹ 1,165.97 crores (Previous year - ₹ 1,124.22 crores).
- (ii) For details of pledged assets refer Note 16, footnote (ii).
- (iii) Includes Building amounting to ₹ 0.77 crores acquired on amalgamation of TIFCO Holdings Ltd. is pending to be transferred in the name of the Company.
- (iv) Disposals include adjustment of ₹ 3.74 crores (Previous year - ₹ 8.43 crores) comprising of residential flats, re-classified as held for sale.
- (v) The Company had filed a claim for Government subsidy in 2016 with the Department of Industrial Policy and Promotion for a new greenfield hotel project in Guwahati, which had since commenced operations. Company's application was under various stages of review and verification finally with various government authorities. During the year, the Company's claim application was approved and on March 30, 2020, the Company received the amount of capital subsidy of ₹ 40.69 crores. Claims received directly attributable to specific assets amounting to ₹ 39.87 crores has been reduced/adjusted against the respective assets and accordingly depreciation in future years would be lower. Claims received in respect of assets which were fully depreciated in the books or exceeding the carrying value has been recognised as Other Income.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 4 : RIGHT-OF-USE ASSETS

				(₹ crores)
	Buildings	Leasehold Land	Office Premises	Total
<b>Cost</b>				
<b>At April 1, 2019 (Refer Note 33)</b>	716.96	82.71	35.60	835.27
Additions	28.44	-	-	28.44
Reassessment of leases	29.23	-	-	29.23
<b>At March 31, 2020</b>	<b>774.63</b>	<b>82.71</b>	<b>35.60</b>	<b>892.94</b>
<b>Amortisation</b>				
<b>At April 1, 2019 (Refer Note 33)</b>	-	-	-	-
Charge for the year (Refer Footnote (i))	24.33	1.10	7.00	32.43
<b>At March 31, 2020</b>	<b>24.33</b>	<b>1.10</b>	<b>7.00</b>	<b>32.43</b>
<b>Net Block</b>				
<b>At March 31, 2020</b>	<b>750.30</b>	<b>81.61</b>	<b>28.60</b>	<b>860.51</b>

**Footnote :**

- (i) Amortisation includes ₹ 1.94 crores which is capitalised during the year.
- (ii) The Company's leased assets mainly comprise land and hotel properties and offices. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1 to 198 years. Many of the Company's property leases contain extension or early termination options, which are used for operational flexibility.
- One of the land lease agreement with the Government has expired and is in an advanced stage of renewal. In the absence of a definitive agreement and uncertainty about the timing of the cash flows, this lease is not included in the calculation of Right-of-Use Assets and corresponding Lease liabilities. The rental for this land continues to be provided as lease expense on a best estimate.

**(iii) Amounts recognised in profit or loss:**

The following amounts were recognised as expense in the year:

	(₹ crores)
Depreciation of Right-of-use Assets	30.49
Expense relating to variable lease payments	120.76
Interest on lease liabilities	77.36
<b>Total recognised in the Company's statement of profit and loss</b>	<b>228.61</b>

Variable lease payments are payable under certain of the Company's hotel leases and arise where the Company is committed to making additional lease payments that are contingent on the performance of the hotels (Refer Note 33(c)).

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

## NOTE 5 (a) : INTANGIBLE ASSETS (ACQUIRED)

	(₹ crores)			
	Website Development Cost	Software (Refer Footnote (i))	Service and Operating Rights	Total
<b>Cost</b>				
<b>At April 1, 2018</b>	19.50	37.59	3.13	60.22
Additions	1.70	1.78	8.94	12.42
Disposals	-	0.06	-	0.06
<b>At March 31, 2019</b>	<b>21.20</b>	<b>39.31</b>	<b>12.07</b>	<b>72.58</b>
Additions	1.17	0.96	6.47	8.60
Disposals	-	-	0.04	0.04
<b>At March 31, 2020</b>	<b>22.37</b>	<b>40.27</b>	<b>18.50</b>	<b>81.14</b>
<b>Amortisation</b>				
<b>At April 1, 2018</b>	8.98	17.84	2.72	29.54
Charge for the year	4.03	6.95	0.43	11.41
Disposals	-	0.07	-	0.07
<b>At March 31, 2019</b>	<b>13.01</b>	<b>24.72</b>	<b>3.15</b>	<b>40.88</b>
Charge for the year	4.30	5.59	1.21	11.10
Disposals	-	0.01	0.02	0.03
<b>At March 31, 2020</b>	<b>17.31</b>	<b>30.30</b>	<b>4.34</b>	<b>51.95</b>
<b>Net Block</b>				
<b>At March 31, 2019</b>	<b>8.19</b>	<b>14.59</b>	<b>8.92</b>	<b>31.70</b>
<b>At March 31, 2020</b>	<b>5.06</b>	<b>9.97</b>	<b>14.16</b>	<b>29.19</b>

Footnote :

(i) Software includes Customer Reservation System and other licensed software.

## NOTE 5 (b) : DEPRECIATION AND AMORTISATION EXPENSES

	(₹ crores)	
	March 31, 2020	March 31, 2019
Depreciation on Property, Plant and Equipment	162.19	157.69
Depreciation of Right-of-use Assets	30.49	-
Amortisation on Intangible Assets	11.10	11.41
<b>Total</b>	<b>203.78</b>	<b>169.10</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 6 : INVESTMENTS

	Face Value	March 31, 2020		March 31, 2019	
		Holdings As at	(₹ crores)	Holdings As at	(₹ crores)
<b>(a) Non Current Investments</b>					
<b>Fully Paid Unquoted Equity Investments</b>					
<b>Investments in Subsidiary Companies (at cost)</b>					
KTC Hotels Ltd.	₹ 10	6,04,000	0.70	6,04,000	0.70
Roots Corporation Ltd.	₹ 10	5,65,67,994	101.11	5,65,67,994	101.11
Taj International Hotels (H.K.) Ltd.	US \$ 1	23,00,00,000	1,111.98	23,00,00,000	1,111.98
IHOCO BV	US \$ 1	2,31,93,201	2,116.00	2,31,93,201	2,115.32
United Hotels Ltd.	₹ 10	46,20,000	1.50	46,20,000	1.50
Piem Hotels Ltd.	₹ 10	19,64,770	89.87	19,64,770	89.87
Inditravel Ltd.	₹ 10	3,39,009	0.34	3,39,009	0.34
Taj Enterprises Ltd. (24,298 shares purchased during the year)	₹ 100	46,596	7.02	22,298	0.30
Taj Trade & Transport Co. Ltd.	₹ 10	16,16,999	3.20	16,16,999	3.20
Skydeck Properties and Developers Private Ltd	₹ 10	89,30,32,160	1,168.88	89,30,32,160	1,168.88
			<b>4,600.60</b>		<b>4,593.20</b>
<b>Investments in Joint Ventures (at cost)</b>					
Taj Karnataka Hotels & Resorts Ltd.	₹ 10	10,98,740	1.10	10,98,740	1.10
Taj Kerala Hotels & Resorts Ltd.	₹ 10	1,41,51,663	15.67	1,41,51,663	15.67
Taj SATS Air Catering Ltd.	₹ 10	88,74,000	61.82	88,74,000	61.82
Taj Madras Flight Kitchen Private Ltd. (79,44,112 shares sold during the year) (Refer Note viii)	₹ 10	-	-	79,44,112	8.56
Taj Safaris Ltd. (29,94,417 shares purchased during the year)	₹ 10	1,85,50,122	17.76	1,55,55,705	14.77
Kaveri Retreats and Resorts Ltd.	₹ 10	1,31,76,467	44.80	1,31,76,467	44.80
Zarrenstar Hospitality Private Ltd (Refer Note 31(ii))	₹ 1	1	-	-	-
			<b>141.15</b>		<b>146.72</b>
<b>Investments in Associate Companies (at cost)</b>					
BJETS Pte Ltd.	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
			<b>103.81</b>		<b>103.81</b>
<b>Fully Paid Quoted Equity Investments :</b>					
<b>Investments in Subsidiary Company (at cost)</b>					
Benares Hotels Ltd.	₹ 10	6,43,825	2.66	6,43,825	2.66
			<b>2.66</b>		<b>2.66</b>
<b>Investments in Joint Ventures (at cost)</b>					
Taj GVK Hotels & Resorts Ltd.	₹ 2	1,60,00,400	40.34	1,60,00,400	40.34
			<b>40.34</b>		<b>40.34</b>
<b>Investments in Associate Companies (at cost)</b>					
Oriental Hotels Ltd.	₹ 1	5,09,72,910	50.37	5,09,72,910	50.37
			<b>50.37</b>		<b>50.37</b>
<b>Gross Investment in Subsidiaries, Joint Ventures and Associates</b>					
			<b>4,938.93</b>		<b>4,937.10</b>
Less : Provision for Impairment in value of Investments (Refer Footnote (v))					
			1,465.79		1,395.42
<b>Net Investment in Subsidiaries, Joint Ventures and Associates</b>					
			<b>3,473.14</b>		<b>3,541.68</b>
<b>Carried over</b>					
			<b>3,473.14</b>		<b>3,541.68</b>

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 6 : INVESTMENTS (CONTD.)

Face Value	March 31, 2020			March 31, 2019	
	Holdings As at	(₹ crores)		Holdings As at	(₹ crores)
<b>Brought over</b>			3,473.14		3,541.68
<b>Fully Paid Unquoted Equity Investments</b>					
<b>Investments in Other Companies (Refer Footnote (vi) )</b>					
<b>Carried at fair value through Other Comprehensive Income:</b>					
Hotels and Restaurant Co-op. Service Society Ltd. (₹ 1,000/-)	₹ 50	20	-	20	-
Tata Services Ltd. (Refer Footnote (vii) )	₹ 1,000	421	0.03	421	0.03
Tata Sons Private Ltd. (Refer Footnote (vii) )	₹ 1,000	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote (iv) and (vii) )	₹ 10	7,11,00,000	71.10	7,11,00,000	71.10
Kumarakruppa Frontier Hotels Private Ltd.	₹ 10	96,432	7.48	96,432	7.18
Taj Air Ltd.	₹ 10	1,59,90,200	4.01	1,59,90,200	3.97
MPower Information Systems Pvt. Ltd.	₹ 10	4,98,000	-	4,98,000	-
Tata Ceramics Ltd. (sold during the year)	₹ 2	-	-	1,54,29,480	-
Tata Industries Ltd (Refer Footnote (vii) )	₹ 100	42,74,590	55.73	42,74,590	55.73
Tata International Ltd.	₹ 1,000	8,000	18.11	8,000	24.96
			<b>181.46</b>		<b>187.97</b>
<b>Fully Paid Quoted Equity Investments :</b>					
<b>Investments in Other Companies (Refer Footnote (vi) )</b>					
<b>Carried at fair value through Other Comprehensive Income:</b>					
HDFC Bank Ltd.	₹ 1	5,000	0.43	2,500	0.58
India Tourism Development Corporation Ltd.	₹ 10	67,50,275	87.75	67,50,275	189.04
Asian Hotels (North) Ltd.	₹ 10	2	-	2	-
Asian Hotels (East) Ltd.	₹ 10	2	-	2	-
Asian Hotels (West) Ltd.	₹ 10	2	-	2	-
EIH Ltd.	₹ 2	37	-	37	-
Hotel Leela Venture Ltd.	₹ 2	25	-	25	-
			<b>88.18</b>		<b>189.62</b>
<b>Total Investment in Equity instruments</b>			<b>3,742.78</b>		<b>3,919.27</b>
<b>Investment in Preference Shares (carried at amortised costs)</b>					
Central India Spinning Weaving & Manufacturing Co. Ltd. (10% unquoted Cumulative Preference Shares) (₹ 27,888/-)	₹ 500	50	-	50	-
<b>Investment in Others (carried at amortised costs)</b>					
National Savings Certificate (₹ 45,000)			-		-
Hindusthan Engineering & Industries Ltd (₹ 70/-)	₹ 10	7	-	7	-
			<b>-</b>		<b>-</b>
<b>Total Non-current Investments - Net</b>			<b>3,742.78</b>		<b>3,919.27</b>

#### Footnotes :

(i) Aggregate carrying amount of Quoted Investments	181.55	282.99
Market value of Quoted Investments	428.55	906.62
(ii) Aggregate carrying amount of Unquoted Investments	5,027.02	5,031.70
(iii) Aggregate amount of impairment in value of investments	1,465.79	1,395.42
(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 (Refer Note 17(b) ), which shall be adjusted upon exercise of the option or refunded.		

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

- (v) The continuing losses in one of its properties in the United States of America, has led the Company to reassess the recoverable amount of its investment in IHOCO BV, a wholly owned subsidiary. During the year, the Company recognised an impairment loss of ₹ 68.98 crores (Previous year ₹ 31.71 crores) in the Statement of Profit and Loss which has been classified under "Exceptional items" (Refer Note 28).
- (vi) For these investments, the Company has elected the fair value through Other Comprehensive Income irrevocable option since these investments are not held for trading.
- (vii) For these investments, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- (viii) In order to consolidate the business and operations of Air Catering, the Company has during the year sold its entire stake representing 50% of the paid up capital in Taj Madras Flight Kitchen Private Limited, to Taj SATS Air Catering Limited at fair value based on independent valuation resulting in a profit of ₹ 21.23 crores, which has been booked under exceptional item in Note 28.
- (ix) The fair value hierarchy and classification are disclosed in Note 34.

	March 31, 2020		March 31, 2019	
	Units As at	(₹ crores)	Units As at	(₹ crores)
<b>(b) Current Investments</b>				
<b>Carried at fair value through profit and loss:</b>				
<b>Investments in Mutual Fund Units (Unquoted )</b>				
TATA Overnight Fund Direct Plan Growth	9,01,949	95.04	-	-
Aditya Birla Sun Life Overnight Fund Direct Plan Growth	5,72,604	61.85	-	-
Aditya Birla Sun Life Liquid Overnight Regular Plan Growth	2,15,127	23.20	-	-
HDFC Overnight Fund Direct Growth	1,76,783	52.49	-	-
HDFC Overnight Fund Regular Growth	84,699	25.03	-	-
ICICI Prudential Overnight Direct Growth	75,25,540	81.09	-	-
SBI Overnight Fund Direct Growth	2,15,211	70.02	-	-
Tata Liquid Fund Direct Plan - Growth	-	-	6,14,946	181.07
Tata Liquid Fund Regular Plan - Growth	-	-	42,201	12.36
		<b>408.72</b>		<b>193.43</b>

### Footnote

- (i) Aggregate amount of Unquoted Investments: **408.72** (₹ crores) **193.43** (₹ crores)

## NOTE 7 : LOANS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non Current Loans at amortised costs</b>		
(Unsecured, considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 40)		
Considered good	5.35	5.35
Balances having significant increase in credit risk	-	-
Credit impaired	3.17	3.17
	<b>8.52</b>	<b>8.52</b>
Less: Allowance for credit impaired	3.17	3.17
	<b>5.35</b>	<b>5.35</b>
<b>(b) Current Loans at amortised costs</b>		
(Unsecured, considered good unless stated otherwise)		
Loans to Related Parties (Refer Note 40)	3.42	12.87
Others	0.80	0.01
	<b>4.22</b>	<b>12.88</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 8 : OTHER FINANCIAL ASSETS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non Current Financial Assets</b>		
<b>Long-term security deposits placed for Hotel Properties at amortised costs</b>		
Related Parties (Refer Note 40)	0.11	0.10
External Parties	68.19	29.17
	<b>68.30</b>	<b>29.27</b>
Less: Allowance for doubtful deposits	2.00	2.00
	<b>66.30</b>	<b>27.27</b>
<b>Deposits with Public Bodies and Others at amortised costs</b>		
Related parties (Refer Note 40)	0.56	0.48
Public Bodies and Others	26.10	18.10
	<b>26.66</b>	<b>18.58</b>
Less: Allowance for doubtful deposits	0.02	0.10
	<b>26.64</b>	<b>18.48</b>
Deposits with Banks (Refer Note 13)	0.39	0.39
Others	1.52	1.47
	<b>94.85</b>	<b>47.61</b>
<b>(b) Current Financial Assets</b>		
<b>Deposit with public bodies and others</b>		
Related Parties (Refer Note 40)	-	1.23
Others	27.95	58.44
	<b>27.95</b>	<b>59.67</b>
<b>Other advances</b>		
Considered good	7.72	8.63
Considered doubtful	2.28	1.53
	<b>10.00</b>	<b>10.16</b>
Less: Allowance for doubtful advances	2.28	1.53
	<b>7.72</b>	<b>8.63</b>
<b>Interest receivable</b>		
Related Parties (Refer Note 40)	0.49	1.12
Others	0.50	0.62
	<b>0.99</b>	<b>1.74</b>
<b>Other receivables</b>		
Related Parties (Refer Note 40)	92.36	84.62
Others	16.77	12.68
	<b>109.13</b>	<b>97.30</b>
	<b>145.79</b>	<b>167.34</b>

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 9 : OTHER ASSETS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Other Non Current Assets</b>		
Capital Advances	29.12	6.91
Prepaid Expenses	116.29	165.99
Deposits adjustable against future rent payments	4.25	5.90
Incentive receivable	67.80	75.77
Deposits with Government Authorities	95.94	99.54
	<b>313.40</b>	<b>354.11</b>
<b>(b) Other Current Assets</b>		
Prepaid Expenses	38.34	76.92
Indirect tax recoverable	29.57	5.11
Advance to Suppliers	21.00	9.76
Advance to Employees	1.32	1.42
Deposits adjustable against future rent payments	0.25	0.25
	<b>90.48</b>	<b>93.46</b>

### NOTE 10 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

	(₹ crores)	
	March 31, 2020	March 31, 2019
Food and Beverages	32.15	25.86
Stores and Operating Supplies	26.95	25.35
	<b>59.10</b>	<b>51.21</b>

**Footnote:**

- i) The cost of inventories recognised as an expense amounted to ₹ 313.78 crores (Previous year ₹ 333.32 crores).
- ii) The cost of inventories recognised as an expense includes ₹ 0.43 crore (Previous year ₹ 0.26 crore) in respect of write down of inventories to net realisable value.

### NOTE 11 : TRADE RECEIVABLES

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Unsecured</b>		
Considered good	250.94	249.99
Credit impaired	17.79	15.46
	<b>268.73</b>	<b>265.45</b>
Less : Allowance for credit impaired	17.79	15.46
	<b>250.94</b>	<b>249.99</b>
<b>Footnote:</b>		
i) Allowance for credit impaired		
Opening Balance	15.46	21.73
Add: Allowance during the year	3.56	3.22
	<b>19.02</b>	<b>24.95</b>
Less: Bad Debts written off against past allowances	0.90	8.22
Less: Reversal of allowances no longer required	0.33	1.27
Closing Balance	<b>17.79</b>	<b>15.46</b>

- (ii) Trade Receivables include debts due from Directors - ₹ Nil (Previous year - ₹ 10,770) in the ordinary course of business.
- (iii) For related party balances refer Note 40.

### NOTE 12 : CASH AND CASH EQUIVALENTS

	(₹ crores)	
	March 31, 2020	March 31, 2019
Cash on hand	2.06	2.48
Cheques, Drafts on hands, Funds in transit	0.51	5.94
Balances with bank in current account	28.88	11.42
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	100.02	69.09
	<b>131.47</b>	<b>88.93</b>

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 13 : OTHER BALANCES WITH BANKS

	(₹ crores)	
	March 31, 2020	March 31, 2019
Call and Short-term deposit accounts	15.15	5.10
Deposits pledged with others	0.73	0.70
Margin money deposits	0.09	0.09
Earmarked balances	1.15	1.57
	<b>17.12</b>	<b>7.46</b>
Less: Term Deposit with Bank maturing after 12 months from the balance sheet date and other Earmarked/Margin Money/Pledged deposits classified as Non-Current Financial Asset (Refer Note 8 (a))	0.39	0.39
	<b>16.73</b>	<b>7.07</b>

### NOTE 14 : EQUITY SHARE CAPITAL

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Authorised Share Capital</b>		
200,00,00,000 (Previous year - 200,00,00,000) Equity Shares of ₹ 1 each	200.00	200.00
	<b>200.00</b>	<b>200.00</b>
<b>Issued Share Capital</b>		
118,93,07,472 (Previous year - 118,93,07,472) Equity Shares of ₹ 1 each	118.93	118.93
	<b>118.93</b>	<b>118.93</b>
<b>Subscribed and Paid Up</b>		
118,92,58,445 (Previous Year - 118,92,58,445) Equity Shares of ₹ 1 each, Fully Paid (Refer Footnote (iv))	118.93	118.93
	<b>118.93</b>	<b>118.93</b>

#### 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.
- (ii) Shareholders holding more than 5% shares in the Company :

	March 31, 2020		March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity shares of ₹ 1 each fully paid</b>				
Tata Sons Private Limited	45,30,05,131	38.09	43,32,19,860	36.43
Reliance Capital Trustee Company Limited	8,41,68,733	7.08	9,26,91,722	7.79
HDFC Trustee Company Limited	7,97,96,753	6.71	6,73,02,453	5.66

- (iii) 49,027 (Previous year - 49,027 ) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.
- (iv) 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)
- (v) Equity Shares held by associates

	March 31, 2020		March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity shares of ₹ 1 each fully paid</b>				
Oriental Hotels Limited	7,52,398	0.06	7,52,398	0.06
Taida Trading and Industries Limited	1,87,818	0.02	1,87,818	0.02
Taj Madurai Limited	11,25,393	0.09	11,25,393	0.09



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 15 : OTHER EQUITY

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
Opening and Closing Balance	43.91	43.91
<b>Reserve on Transfer of Equity to Entities under Common Control</b>		
Opening and Closing Balance	79.38	79.38
<b>Capital Redemption Reserve</b>		
Opening and Closing Balance	1.12	1.12
<b>Securities Premium</b>		
Opening Balance	2,702.06	2,702.08
Less : Issue expenses written off	-	(0.02)
Closing Balance	<u>2,702.06</u>	<u>2,702.06</u>
<b>Debenture Redemption Reserve</b>		
Opening Balance	317.90	305.97
Less : Transfer to General Reserve	(130.50)	-
Add : Transfer from Retained Earnings	-	11.93
Closing Balance	<u>187.40</u>	<u>317.90</u>
<b>General Reserve</b>		
Opening Balance	459.99	459.99
Add : Transfer from Debenture Redemption Reserve	130.50	-
Closing Balance	<u>590.49</u>	<u>459.99</u>
<b>Retained Earnings</b>		
Opening Balance	603.77	411.84
Less: Adjustment on account of transition to the new lease standard, net of taxes (Refer Note 33)	(106.43)	-
Add: Current year profits	401.41	263.70
Less: Transfer to Debenture Redemption Reserve	-	(11.93)
Add: Realised loss on sale of investment transferred from Other Comprehensive Income	(3.01)	-
Add: Remeasurements of post employment benefit obligation, net of tax (item of other comprehensive income recognised directly in retained earnings)	(16.04)	(6.53)
Less : Final Dividend	(59.46)	(47.57)
Less : Tax on Dividend (net)	(11.72)	(5.74)
Closing Balance	<u>808.52</u>	<u>603.77</u>
<b>Total</b>	<b>4,412.88</b>	<b>4,208.13</b>
<b>(b) Other Comprehensive Income</b>		
<b>Equity Instruments fair valued through Other Comprehensive Income</b>		
Opening Balance	156.68	270.74
Add: Change in fair value of equity instruments designated irrevocably as fair value through Other Comprehensive Income	(107.94)	(114.06)
Less: Realised loss on sale of investment transferred from Other Comprehensive Income	3.01	-
Closing Balance	<u>51.75</u>	<u>156.68</u>
	<u><b>4,464.63</b></u>	<u><b>4,364.81</b></u>

#### Footnote:

##### Description of nature and purpose of each reserve

- Capital Reserve:** Capital reserve mainly consists of reserves transferred on amalgamation of subsidiaries in earlier years.
- Capital Redemption Reserve:** Capital Redemption Reserve was created on redemption of Preference shares in earlier years.
- Reserve on Transfer of Equity to Entities under Common Control:** It consists of gain on transfer of equity shares between entities under common control.
- Securities Premium:** Securities premium represents the premium charged to the shareholders at the time of issuance of equity shares. The securities premium can be utilised based on the relevant requirements of the Companies Act, 2013.
- Debenture Redemption Reserve:** The Company created Debenture Redemption Reserve out of the profits which is available for the purpose of redemption of debentures. On redemption of debentures, the same will be transferred to General Reserve.
- General Reserve:** General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes based on the provisions of the Companies Act prior to its amendment.
- Equity Instruments through Other Comprehensive Income:** This represents the cumulative gains and losses arising on the revaluation of investments in equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such investments are disposed off.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 16 : BORROWINGS

	Effective Rate of Interest (%)	Maturity	March 31, 2020		March 31, 2019			
			₹ crores)		₹ crores)			
			Face Value	Amortised cost	Face Value	Amortised cost		
<b>(a) Long term borrowings</b>								
<b>Non Convertible Debentures (NCDs)</b>								
<b>Secured</b>								
a)	7.85%	Non-Convertible Debentures	7.85	April 15, 2022	495.00	494.35	495.00	494.09
b)	10.10%	Non-Convertible Debentures	10.10	November 18, 2021	300.00	300.00	300.00	300.00
c)	9.95%	Non-Convertible Debentures	9.95	July 27, 2021	250.00	250.00	250.00	250.00
					<b>1,045.00</b>	<b>1,044.35</b>	<b>1,045.00</b>	<b>1,044.09</b>
<b>Unsecured</b>								
a)	7.85%	Non-Convertible Debentures	7.85	April 20, 2020	200.00	199.96	200.00	199.84
b)	2%	Non-Convertible Debentures	9.86	December 9, 2019	-	-	250.00	529.45
					<b>200.00</b>	<b>199.96</b>	<b>450.00</b>	<b>729.29</b>
					<b>1,245.00</b>	<b>1,244.31</b>	<b>1,495.00</b>	<b>1,773.38</b>
<b>Term Loan from Banks</b>								
Secured (Refer Footnote (iv))							694.34	-
							<b>694.34</b>	-
<b>Loans (Unsecured)</b>								
From Related Party (Refer Note 40)							4.67	4.29
							<b>4.67</b>	<b>4.29</b>
							<b>1,943.32</b>	<b>1,777.67</b>
Less: Current maturities of Long term borrowings (shown under Other Current financial liabilities) (Refer Note 17(b))							234.71	529.45
							<b>1,708.61</b>	<b>1,248.22</b>
<b>(b) Short term borrowings</b>								
<b>Loans repayable on demand from Bank</b>								
Unsecured							-	6.38
							-	<b>6.38</b>
							-	<b>6.38</b>
<b>Total Borrowings</b>							<b>1,943.32</b>	<b>1,784.05</b>

#### Footnotes:

##### (i) Non Convertible Debentures - Secured include:

- 4,950, 7.85% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 495 crores, allotted on January 20, 2017 are repayable at par after the end of 5<sup>th</sup> year from the date of allotment i.e on April 15, 2022.
- 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 10<sup>th</sup> 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 10<sup>th</sup> year from the date of allotment.

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

##### (iii) Non Convertible Debentures - Unsecured include:

- 2,000, 7.85% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 20, 2017 are repayable on April 20, 2020, i.e at the end of the 3<sup>rd</sup> year from the date of allotment.

## NOTES TO FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

- b) 2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on December 9, 2009 have been fully redeemed on due date i.e., December 9, 2019 alongwith redemption premium of ₹ 12.43 lakhs per debenture. In the previous year, this was classified under current maturities of long term borrowings.

(iv) **Term Loan from Banks (Secured) include:**

- a) Secured term loan from a bank amounting to ₹ 365 crores (₹ 180 crores on December 6, 2019 and ₹ 185 crores on March 23, 2020) is repayable over a period of 6 years from the date of first draw down with the final maturity date of December 6, 2025. The Company is in the process of creating charge on certain immovable properties against this loan.
- b) Secured term loan from a bank amounting to ₹ 330 crores (₹ 180 crores on December 9, 2019 and ₹ 150 crores on March 23, 2020) is repayable over a period of 6 years from the date of first draw down with the final maturity date of December 8, 2025. The Company is in the process of creating charge on certain immovable properties against this loan.

v) **Disclosure of changes in liabilities arising from financing activities (read with cash flow statement)**

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented below.

Financial liability statement	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>a) Net debt</b>		
Cash and cash equivalents	131.47	88.93
Current investments	408.72	193.43
<b>Total Liquid investment (a)</b>	<b>540.19</b>	<b>282.36</b>
Long term borrowings (including current maturities shown under Other Current financial liabilities)	1,943.32	1,777.67
Short term borrowings	-	6.38
<b>Gross Debt (b)</b>	<b>1,943.32</b>	<b>1,784.05</b>
<b>Net Debt ((b) - (a))</b>	<b>1,403.13</b>	<b>1,501.69</b>
<b>b) Other financial liabilities</b>		
Liability on derivative contracts	177.22	277.45
Interest accrued but not due / Unclaimed interest	53.57	52.44
<b>Total Other financial liabilities</b>	<b>230.79</b>	<b>329.89</b>
<b>Grand Total</b>	<b>1,633.92</b>	<b>1,831.58</b>

	Liquid Assets		Liabilities from Financing activities				Total
	Cash and cash equivalents	Current Investments	Gross Debt	Net Debt	Derivatives	Interest accrued but not due / Unclaimed interest	
						(a)	
<b>Net Debt as at March 31, 2018</b>	121.28	301.45	1,783.88	1,361.15	230.56	52.69	1,644.40
Cash flows	(32.35)	(124.67)	(43.62)	113.40	5.86	(0.02)	119.24
Foreign exchange adjustments	-	-	0.25	0.25	-	-	0.25
Interest expense	-	-	43.54	43.54	-	115.10	158.64
Interest paid	-	-	-	-	-	(115.01)	(115.01)
Transferred to IEPF	-	-	-	-	-	(0.32)	(0.32)
Other non- cash movements:							
Fair value adjustments realised/ unrealised	-	16.65	-	(16.65)	41.03	-	24.38
<b>Net Debt as at March 31, 2019</b>	<b>88.93</b>	<b>193.43</b>	<b>1,784.05</b>	<b>1,501.69</b>	<b>277.45</b>	<b>52.44</b>	<b>1,831.58</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

	Liquid Assets		Liabilities from Financing activities				Total	(₹ crores)
	Cash and cash equivalents	Current Investments	Gross Debt	Net Debt	Derivatives	Interest accrued but not due / Unclaimed interest		
	(a)	(b)	(c)	(d) = (c)-(a)-(b)	(e)	(f)		(g) = (d)+(e)+(f)
<b>Net Debt as at March 31, 2019</b>	<b>88.93</b>	<b>193.43</b>	<b>1,784.05</b>	<b>1,501.69</b>	<b>277.45</b>	<b>52.44</b>	<b>1,831.58</b>	
Cash flows	42.54	206.00	127.78	(120.76)	(121.99)	(0.03)	(242.78)	
Foreign exchange adjustments	-	-	0.38	0.38	-	-	0.38	
Interest expense	-	-	31.83	31.83	-	124.93	156.76	
Interest paid	-	-	(0.72)	(0.72)	-	(123.31)	(124.03)	
Transferred to IEPF	-	-	-	-	-	(0.46)	(0.46)	
Other non- cash movements:								
Fair value adjustments realised/ unrealised	-	9.29	-	(9.29)	21.76	-	12.47	
<b>Net Debt as at March 31, 2020</b>	<b>131.47</b>	<b>408.72</b>	<b>1,943.32</b>	<b>1,403.13</b>	<b>177.22</b>	<b>53.57</b>	<b>1,633.92</b>	

### NOTE 17: OTHER FINANCIAL LIABILITIES

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Other Non Current financial liabilities</b>		
<b>Liability on derivative contracts</b>		
Deposits from others	177.22	147.88
Unsecured	14.84	15.02
Employee related liabilities	5.12	12.69
	<b>197.18</b>	<b>175.59</b>
<b>(b) Other Current financial liabilities</b>		
<b>Current maturities of long term borrowings (Refer Note 16 (a))</b>		
Debentures	199.96	529.45
Term Loan From Banks	34.75	-
	<b>234.71</b>	<b>529.45</b>
<b>Liability on derivative contracts</b>		
Contract Liability towards Loyalty Programmes (Refer Note 32 (iii) (b))	49.18	43.43
<b>Other Payables</b>		
Related Parties (Refer Note 40)	2.61	1.79
Others	6.12	5.20
	<b>8.73</b>	<b>6.99</b>
<b>Deposits from others</b>		
Option Deposit received against purchase of shares (Secured)(Refer Note 6, Footnote (iv))	71.10	71.10
Unsecured	15.10	14.91
	<b>86.20</b>	<b>86.01</b>
Interest accrued but not due on borrowings	53.54	51.92
Creditors for capital expenditure	20.09	23.71
Unclaimed dividend (Refer Footnote (ii) )	1.12	1.33
Unclaimed matured deposits and interest accrued thereon (Refer Footnote (ii) )	0.03	0.52
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous year - ₹ 25,153) (Refer Footnote (ii) )	-	-
Employee related liabilities	85.53	92.10
Others	41.93	45.77
	<b>581.06</b>	<b>1,010.80</b>

#### Footnotes:

- (i) The fair value hierarchy and classification are disclosed in Note 34.
- (ii) A sum of ₹ 0.86 crore (Previous year - ₹ 0.92 crore) due for transfer to the Investor Education and Protection Fund during the year has been transferred and there are no dues in this respect which have remained unpaid as at the Balance Sheet date.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 18 : PROVISIONS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non Current provisions</b>		
Employee Benefit Obligation		
Compensated absences	31.04	28.19
Gratuity (Refer Note 36)	27.75	18.60
Post-employment medical benefits (Refer Note 36)	6.92	6.20
Post-retirement pension (Refer Note 36)	20.99	17.81
	<b>86.70</b>	<b>70.80</b>
<b>(b) Current provisions</b>		
Employee Benefit Obligation		
Compensated absences	23.14	20.52
Post-employment medical benefits (Refer Note 36)	0.43	0.41
Post-retirement pension (Refer Note 36)	1.21	1.47
	<b>24.78</b>	<b>22.40</b>
Provision for disputed claims (Refer Footnote (i) )	97.42	95.59
	<b>122.20</b>	<b>117.99</b>

**Footnote:**

(i) Provision for disputed claims includes the following:

	(₹ crores)		
	Opening Balance	Addition/ (Deletion)	Closing Balance
For taxes, levies and duties	95.18	1.83	97.01
	<i>86.28</i>	<i>8.90</i>	<i>95.18</i>
For contractual matters	0.41	-	0.41
	<i>0.41</i>	-	<i>0.41</i>
<b>As at March 31, 2020</b>	<b>95.59</b>	<b>1.83</b>	<b>97.42</b>
As at March 31, 2019	<i>86.69</i>	<i>8.90</i>	<i>95.59</i>

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

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

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 19 : DEFERRED TAX LIABILITIES (NET)

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Deferred Tax Liabilities:</b>		
Property, plant and equipment & Intangible assets	299.27	445.78
Unamortised borrowing costs	0.34	0.37
Fair valuation changes of derivative contracts	-	2.26
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income (Refer Footnote (i))	3.85	5.53
Gain/Loss on Fair Value of Non-equity Instruments - FVTPL	0.07	-
	<b>303.53</b>	<b>453.94</b>
<b>Deferred Tax Assets:</b>		
Provision for Employee Benefits	33.73	35.90
Allowance for doubtful debts/ advances	4.67	5.31
Fair valuation changes of derivative contracts	5.93	-
Right-of-Use assets (net of Lease Liabilities)	46.67	-
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income (Refer Footnote (i))	3.85	5.53
Reward Points	12.31	14.83
Provision for disputed claims	3.34	11.67
Others	13.34	12.58
	<b>123.84</b>	<b>85.82</b>
	<b>179.69</b>	<b>368.12</b>

**Footnote:**

- (i) Deferred tax assets on account of changes in fair value of investments routed through OCI has been restricted to the extent of deferred tax liability on this account.
- (ii) Refer Note 39 for detailed disclosures

### NOTE 20: TRADE PAYABLES

	(₹ crores)	
	March 31, 2020	March 31, 2019
Micro and Small Enterprises (Refer Footnote (i) and (ii))	3.10	1.71
Others:		
Vendor Payables	103.27	76.78
Accrued expenses and others	148.80	111.62
	<b>252.07</b>	<b>188.40</b>
	<b>255.17</b>	<b>190.11</b>

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

	(₹ crores)	
	March 31, 2020	March 31, 2019
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	3.10	1.71
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(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	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(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"	-	-

- (iii) For related party balances refer Note 40.



## NOTES TO FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

### NOTE 21 : OTHER CURRENT LIABILITIES

	(₹ crores)	
	March 31, 2020	March 31, 2019
Income received in advance (Refer Footnote (i))	25.41	24.96
Deferred Revenue (Refer Footnote (i))	66.76	76.85
Advances collected from customers (Refer Footnote (i))	62.57	51.73
Statutory dues (Refer Footnote (ii))	42.80	55.25
	<b>197.54</b>	<b>208.79</b>

**Footnote:**

- (i) For detailed disclosure relating to Ind AS 115 - Revenue from Contracts with Customers refer Note 32 (iii).  
(ii) Statutory dues includes amount payable towards indirect taxes, tax deducted at source and employee related dues.

### NOTE 22 : REVENUE FROM OPERATIONS

	(₹ crores)	
	March 31, 2020	March 31, 2019
Room Income, Food, Restaurants and Banquet Income	2,227.22	2,291.66
Shop rentals	35.23	34.46
Membership fees	114.77	91.12
Management and operating fees	218.77	222.52
Other Operating Income	147.48	140.65
	<b>2,743.47</b>	<b>2,780.41</b>

**Footnote:**

For detailed disclosure relating to Ind AS 115 - Revenue from Contracts with Customers refer Note 32.

### NOTE 23 : OTHER INCOME

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Interest Income from financial assets at amortised cost</b>		
Deposits with banks	6.03	2.63
Deposits with Related Parties (Refer Note 40)	1.35	3.18
Amortisation of Interest on security deposits	2.72	6.72
Others	0.58	0.52
	<b>10.68</b>	<b>13.05</b>
<b>Interest on Income Tax Refunds</b>	2.24	2.09
	<b>12.92</b>	<b>15.14</b>
<b>Dividend Income from Investments</b>		
- from Investments in Subsidiaries, Joint Ventures and Associates which are measured at cost	7.04	21.96
- from Investments that are fair valued through Other Comprehensive Income	6.86	5.68
- from Investments that are fair valued through Profit and Loss	-	0.37
	<b>13.90</b>	<b>28.01</b>
<b>Profit on disposal of Property, plant and equipment (Net)</b>	86.68	13.70
<b>Gain on investments carried at fair value through statement of profit and loss</b>	0.28	1.73
<b>Profit on sale of Investments (Net)</b>	9.00	14.92
<b>Exchange Gain (Net)</b>	1.11	2.38
<b>Others</b>	10.52	14.62
	<b>134.41</b>	<b>90.50</b>

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 24 : FOOD AND BEVERAGES CONSUMED

	(₹ crores)	
	March 31, 2020	March 31, 2019
Opening Stock	25.86	25.28
Add : Purchases	242.03	247.34
	<b>267.89</b>	<b>272.62</b>
Less : Closing Stock	32.15	25.86
	<b>235.74</b>	<b>246.76</b>

### NOTE 25 : EMPLOYEE BENEFIT EXPENSES AND PAYMENT TO CONTRACTORS

	(₹ crores)	
	March 31, 2020	March 31, 2019
Salaries, Wages, Bonus etc.	529.89	519.47
Company's Contribution to Provident and Other Funds (Refer Note 36)	47.68	32.27
Reimbursement of Expenses on Personnel Deputed to the Company	25.41	20.72
Payment to Contractors	47.84	49.99
Staff Welfare Expenses	74.25	81.40
	<b>725.07</b>	<b>703.85</b>

**Footnote:**

Employee benefit expenses of ₹ 2.02 crores (Previous year ₹ 6.44 crores) for the year and to the extent attributable to construction or renovation of hotel buildings has been capitalised.

### NOTE 26 : FINANCE COSTS

	(₹ crores)	
	March 31, 2020	March 31, 2019
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	156.67	158.60
Add : Other borrowing costs	0.09	-
	<b>156.76</b>	<b>158.60</b>
Interest cost on Lease liability	77.36	-
On Tax Demands	2.77	0.04
Other interest costs	0.66	-
	<b>237.55</b>	<b>158.64</b>

### NOTE 27 : OTHER OPERATING AND GENERAL EXPENSES

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(i) Operating expenses consist of the following :</b>		
Linen and Room Supplies	32.37	37.94
Catering Supplies	19.35	21.10
Other Supplies	5.04	4.94
Fuel, Power and Light (net)	174.63	176.06
Repairs to Buildings	39.31	38.13
Repairs to Machinery	46.50	46.41
Repairs to Others	8.69	12.25
Linen and Uniform Washing and Laundry Expenses	14.64	13.79
Security charges and Others	32.65	33.16
Guest Transportation	35.84	37.60
Travel Agents' Commission	43.66	42.04
Discount to Collecting Agents	19.72	21.83
Other Operating Expenses	60.16	58.24
	<b>532.56</b>	<b>543.49</b>
Carried Over	532.56	543.49

## NOTES TO FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

	(₹ crores)	
	March 31, 2020	March 31, 2019
Brought Over	532.56	543.49
<b>(ii) General expenses consist of the following :</b>		
Rent (Refer Note 33)	12.45	40.72
Lease cost (Refer Note 33)	120.76	171.20
Rates and Taxes	70.85	55.03
Insurance	7.26	6.71
Advertising and Publicity	73.16	77.25
Printing and Stationery	7.03	8.06
Passage and Travelling	8.99	10.16
Provision for Doubtful Debts/ Bad debts written off	2.97	3.87
Expenditure on Corporate Social Responsibility (Refer Footnote (v))	7.56	6.35
Professional Fees	37.49	36.32
Outsourced Support Services	62.70	66.58
Payment made to Statutory Auditors (Refer Footnote (iii))	3.71	3.17
Directors' Fees and Commission	3.20	2.22
Other Expenses (Refer Footnote (ii))	70.91	69.23
	<b>489.04</b>	<b>556.87</b>
	<b>1,021.60</b>	<b>1,100.36</b>

### Footnotes:

- (i) The following direct expenses incurred during the year and to the extent attributable to construction or renovation of hotel buildings have been capitalised:

	(₹ crores)	
	March 31, 2020	March 31, 2019
Fuel, power and light	0.32	1.82
Other expenses (Net)	2.90	10.95
	<b>3.22</b>	<b>12.77</b>

- (ii) Other expenses include Assets written off - ₹ 6.91 crores (Previous year - ₹ 0.71 crores).

### (iii) Payment made to Statutory Auditors:

	(₹ crores)	
	March 31, 2020	March 31, 2019
As auditors	2.82	2.35
As tax auditors	0.48	0.40
For other services	0.12	0.13
For out-of pocket expenses	0.29	0.29
Service tax/ GST on above [Net of credit availed - ₹ 0.61 crore (Previous year - ₹ 0.50 crore)]	-	-
	<b>3.71</b>	<b>3.17</b>

- (iv) Lease cost include ₹ 4.96 crores (Previous year ₹ 6.19 crores) towards amortisation of Lease premium on account of measurement of interest free refundable security deposits at amortised cost.
- (v) The gross amount required to be spent by the Company during the year is ₹ 7.43 crores (Previous year ₹ 6.32 crores). The Company has spent ₹ 7.56 crores (Previous year ₹ 6.35 crores) on projects other than construction/ acquisition of assets. The entire amount has been disbursed/ committed prior to the end of the financial year.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 28 : EXCEPTIONAL ITEMS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Exceptional Items comprises the following:</b>		
Profit on sale of investment in a Joint Venture company (Refer Note 6(a), Footnote (viii))	21.23	-
Profit on sale of land and building	54.50	-
Change in fair value of derivative contracts	(21.76)	(41.03)
Provision for impairment of investment in a subsidiary that incurred losses (Refer Note 6(a), Footnote (v))	(68.98)	(31.71)
Provision for impairment in the value of investment in a Joint Venture	(1.39)	(1.92)
	<b>(16.40)</b>	<b>(74.66)</b>

### NOTE 29 : CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) AND CONTINGENT ASSETS:

The Company is involved in a number of appellate, judicial and arbitration proceedings (including those described below) concerning matters arising in the course of conduct of the Company's businesses and is exposed to other contingencies arising from having issued guarantees to lenders of its subsidiaries and other entities. Some of these proceedings in respect of matters under litigation are in early stages, and in some other cases, the claims are indeterminate.

#### (a) On account of matters in dispute:

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company, in respect of taxes, etc., which are in dispute, are as under:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
Income tax	203.79	134.09
Entertainment tax	2.22	2.22
Sales tax / State Value added tax	15.57	21.02
Property tax	195.33	189.07
Service tax	1.51	11.15
Others	23.67	19.19

#### Footnote:

- i) In respect of Income Tax matters, the Company has ongoing disputes with Income Tax Authorities relating to treatment of certain items/ adjustments carried out by the Department. The Company's appeals are pending before various Appellate Authorities. Most of these disallowances/ adjustments, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years. Cash outflows for the above are determinable only on receipt of judgements pending with various authorities/ Tribunals. The Company expects to sustain its position on ultimate resolution of the appeals.
- ii) In respect of regulatory matters please refer Note 37.

#### (b) On account of lease agreements:

In respect of a plot of land provided to the Company under a lease agreement, on which the Company has constructed a hotel, the lessor has made a claim of ₹ 478.98 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the lessor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the then existing lessor's policy 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 beyond ₹ 131.13 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been filed by the Company before the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the lessor, pending a resolution of this dispute by the Honourable Bombay High Court, and the Company has obtained a stay order from the court.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (c) 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; and
- (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 position, 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.

### (d) Claims filed by the Company:

The Company had invested in a Greenfield Project in Guwahati, Assam which is eligible as "Mega Project" under the Industrial and Investment Policy of Assam, 2014 and is entitled to apply for the revenue grant under the Assam Industrial Policy. The Company had made application for the grant/subsidy which is essentially in the form of exemptions from indirect taxes for a period of 10 years upto a maximum of 150% of the original capital outlay.

Application filed by the Company was kept on hold for processing by the Industries department of State Government of Assam. The claim is in the intermediate stage of verification and in the absence of reasonable certainty at this stage on the amount that may be ultimately approved, no income or deferred income has been recognised in the financial statements.

## NOTE 30 : GUARANTEES GIVEN

- i) Guarantees/ Letters of Comfort given by the Company in respect of loans obtained by other companies and outstanding as on March 31, 2020 - ₹ 403.79 crores (Previous year - ₹ 315.25 crores). Out of this, counter indemnity for ₹ 145.41 crores (Previous year - ₹ 131.44 crores) has been obtained from a JV partner for his 50% share.
- ii) The Company has given letter of support to certain subsidiaries and an associate during the year.

## NOTE 31 : CAPITAL COMMITMENTS

- i) Estimated amount of contracts remaining to be executed on capital account net of capital advances and not provided for is ₹ 236.46 crores (Previous year - ₹ 67.57 crores).
- ii) On May 17, 2019, the Company signed a strategic partnership with Singapore's Sovereign Wealth Fund, GIC for an investment framework to the tune of about ₹ 4,000 crores or US\$ 600 million over a period of three years from the date of signing. This capital platform will be used to acquire fully operational hotels mainly in the Luxury, Upper Upscale and Upscale segments in India. The acquisition of assets are intended to be housed in a separate Special Purpose Vehicle (SPV). To acquire assets, both GIC and IHCL will do partial equity infusion in the SPV in the ratio of 70:30 respectively and the balance funds will be borrowed by the SPV directly in its books. The hotels so acquired by the SPV will be managed by the Company. For the intended acquisition in this platform, a Company viz., Zarenstar Hospitality Private Ltd has been incorporated.

As at March 31, 2020 and upto the date of approval of the financial statements by the Board of Directors, the Company has not signed any definitive agreement to acquire any assets under this platform.

- iii) During the year, the Board of Directors has approved the proposal to purchase the balance 14.28% stake in ELEL Hotels and Investments Ltd (ELEL), a step down subsidiary, from its existing shareholders for a consideration of ₹ 250 crores over a period of two years in a phased manner on achievement of certain milestones and not later than end of December 2021. Consequent to this acquisition, ELEL will become a wholly owned step down subsidiary of the Company.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

As at March 31, 2020 and upto the date of the approval of the financial statements by the Board of Directors, the Company has not signed or executed any definitive agreement in this regard.

### NOTE 32 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's revenue primarily comprises of Revenue from Hotel operations, Management and Operating Fee and Membership fees income as tabulated below.

#### i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its Statement of Profit and Loss:

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Revenue from operations</b>		
<b>Revenue from contract with customers</b>		
Room Revenue, Food & Beverages and Banquets	2,227.22	2,291.66
Management fee	218.77	222.52
Membership fee	114.77	91.12
Other revenue from contract with customers	145.97	148.99
	<b>2,706.73</b>	<b>2,754.29</b>
<b>Other operating revenue</b>		
Export Incentive	26.94	23.94
Other revenue	9.80	2.18
	<b>36.74</b>	<b>26.12</b>
<b>Total Revenue from operations</b>	<b>2,743.47</b>	<b>2,780.41</b>

#### ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Revenue based on geography</b>		
<b>Revenue from contract with customers</b>		
India	2,660.98	2,701.31
Overseas	45.75	52.98
	<b>2,706.73</b>	<b>2,754.29</b>
<b>Other Operating Revenue</b>		
India	36.74	26.12
Overseas	-	-
	<b>36.74</b>	<b>26.12</b>
	<b>2,743.47</b>	<b>2,780.41</b>
<b>Revenue based on product and services</b>		
<b>Revenue from contract with customers</b>		
Room Revenue	1,135.50	1,155.01
Food & Beverages and Banquets	1,091.72	1,136.65
Management fee (including reimbursement)	218.77	222.52
Membership fee	114.77	91.12
Others revenue from contract with customers	145.97	148.99
	<b>2,706.73</b>	<b>2,754.29</b>
<b>Other Operating Revenue</b>		
Export Incentives	26.94	23.94
Other revenue	9.80	2.18
	<b>36.74</b>	<b>26.12</b>
	<b>2,743.47</b>	<b>2,780.41</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

## iii) Contract Balances

The contract liabilities primarily relate to the unredeemed customer loyalty points and the advance consideration received from customers for which revenue is recognised when the performance obligation is over/ services delivered.

- a) Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. It also includes membership fee received for Chambers Membership, Epicure Membership and Spa and Health Club Memberships and disclosed as Income received in advance.
- b) Loyalty programme liability represents the liability of the Company towards the points earned by the members.

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Contract liabilities</b>		
Income received in advance	25.41	24.96
Deferred Revenue	48.93	42.43
Advances collected from customers	62.57	51.73
Loyalty programme liability	49.18	43.43
	<b>186.09</b>	<b>162.55</b>

**Footnote:**

Considering the nature of business of the Company, the above contract liabilities are generally materialised as revenue within the same operating cycle.

**NOTE 33 : LEASES – IND AS 116**

Effective April 1, 2019, the Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 by electing ‘retrospective approach with the cumulative effect at the date of initial application’ and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company’s incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of ‘Right-of-Use assets’ of ₹ 835.27 crores and a lease liability of ₹ 907.55 crores. The cumulative effect of applying the standard, amounting to ₹ 106.43 crores was debited to retained earnings (net of taxes and other adjustments). Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Consequent to the application of this standard, lease cost for the year was lower by ₹ 86.03 crores, depreciation and interest is higher by ₹ 30.49 crores and ₹ 77.36 crores respectively and Profit before taxes is lower by ₹ 21.82 crores. (Refer Note 4 for details with respect to ‘Right-of-Use assets’)

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 32 of annual standalone financial statements for financial year 2018/19 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.27%.

The Company has taken land and immovable properties on lease which are generally long term in nature with varying terms, escalation clauses and renewal rights expiring within five to one hundred and ninety eight years. On renewal, the terms of the leases are renegotiated.

### a) Total lease liabilities are analysed as under:

	(₹ crores)
	<b>March 31, 2020</b>
Current *	38.65
Non-current	956.22
<b>Total</b>	<b>994.87</b>

\* The Current Portion of the lease liability is excluding the interest component on the lease liability. Actual Lease Payments (including notional interest as per Ind AS 116) would be ₹ 103.24 crores. Refer note (b) below for the Maturity Analysis of the Lease Payments.

### b) Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

	(₹ crores)
	<b>March 31, 2020</b>
<b>Maturity analysis:</b>	
Less than 1 year	103.24
Between 1 and 5 years	372.04
More than 5 years	6,150.36
<b>Total</b>	<b>6,625.64</b>

In addition, in certain circumstances the Company is committed to making additional lease payments that are contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased for which no lease liability has been recognised as it is contingent in nature.

### c) Overall lease rentals (including provisions and amount adjusted against advances) for the year ended March 31, 2020 are as below:

	(₹ crores)
	<b>March 31, 2020</b>
<b>Particulars</b>	
Minimum Lease Payments/ Fixed Rentals	91.89
Contingent rents	120.76
<b>Total</b>	<b>212.65</b>

The payment of lease liability as disclosed in the cash flow statement also includes payment towards interest.

NOTES TO FINANCIAL STATEMENTS (CONTD.)  
for the year ended March 31, 2020

**NOTE 34 : FINANCIAL INSTRUMENTS MEASUREMENTS AND DISCLOSURES**

**a) Financial instruments by category:**

As on March 31, 2020

(₹ crores)

	FVTPL	FVTOCI	Amortised cost	Total carrying value
<b>Financial assets:</b>				
<b>Measured at fair value</b>				
Investments (Refer Footnote):				
Equity shares	-	269.64	-	269.64
Mutual fund units	408.72	-	-	408.72
<b>Total</b>	<b>408.72</b>	<b>269.64</b>	<b>-</b>	<b>678.36</b>
<b>Not measured at fair value</b>				
Trade Receivables	-	-	250.94	250.94
Cash and cash equivalents	-	-	131.47	131.47
Other Balances with Banks	-	-	16.73	16.73
Loans	-	-	9.57	9.57
Security Deposits	-	-	120.89	120.89
Other financial assets	-	-	119.75	119.75
	-	-	<b>649.35</b>	<b>649.35</b>
<b>Total</b>	<b>408.72</b>	<b>269.64</b>	<b>649.35</b>	<b>1327.71</b>
<b>Financial liabilities:</b>				
<b>Measured at fair value</b>				
Derivative instruments	177.22	-	-	177.22
<b>Not measured at fair value</b>				
Borrowings	-	-	1943.32	1943.32
Lease Liabilities	-	-	994.87	994.87
Trade Payables including Creditors for capital expenditure	-	-	275.26	275.26
Deposits	-	-	101.04	101.04
Other financial liabilities	-	-	245.18	245.18
<b>Total</b>	<b>177.22</b>	<b>-</b>	<b>3559.67</b>	<b>3736.89</b>

**Footnote:**

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 3473.14 crores. Also, refer Note 30 for guarantees given by the Company.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### As on March 31, 2019

	(₹ crores)			
	FVTPL	FVTOCI	Amortised cost	Total carrying value
<b>Financial assets:</b>				
<b>Measured at fair value</b>				
Investments (Refer Footnote):				
Equity shares	-	377.59	-	377.59
Mutual fund units	193.43	-	-	193.43
<b>Total</b>	<b>193.43</b>	<b>377.59</b>	<b>-</b>	<b>571.02</b>
<b>Not measured at fair value</b>				
Trade Receivables	-	-	249.99	249.99
Cash and cash equivalents	-	-	88.93	88.93
Other Balances with Banks	-	-	7.07	7.07
Loans	-	-	18.23	18.23
Security Deposits	-	-	105.42	105.42
Other financial assets	-	-	109.53	109.53
	-	-	<b>579.17</b>	<b>579.17</b>
<b>Total</b>	<b>193.43</b>	<b>377.59</b>	<b>579.17</b>	<b>1150.19</b>
<b>Financial liabilities:</b>				
<b>Measured at fair value</b>				
Derivative instruments	277.45	-	-	277.45
<b>Not measured at fair value</b>				
Borrowings	-	-	1784.05	1784.05
Trade Payables including Creditors for capital expenditure	-	-	213.82	213.82
Deposits	-	-	101.03	101.03
Other financial liabilities	-	-	254.75	254.75
<b>Total</b>	<b>277.45</b>	<b>-</b>	<b>2353.65</b>	<b>2631.10</b>

#### Footnote:

The above excludes investments in subsidiaries, joint ventures and associates amounting to ₹ 3541.68crores. Also, refer Note 30 for guarantees given by the Company.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### b) Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis, it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

As on March 31, 2020

	(₹ crores)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
<b>Measured at fair value</b>				
Investments:				
Equity shares	88.18	-	181.46	269.64
Mutual fund units	408.72	-	-	408.72
<b>Total</b>	<b>496.90</b>	<b>-</b>	<b>181.46</b>	<b>678.36</b>
<b>Not measured at fair value (Refer Footnotes)</b>				
<b>Total</b>	<b>496.90</b>	<b>-</b>	<b>181.46</b>	<b>678.36</b>
<b>Financial liabilities:</b>				
<b>Measured at fair value</b>				
Derivative instruments	-	177.22	-	177.22
<b>Not measured at fair value (Refer Footnotes)</b>				
Borrowings				
Non Convertible Debentures	-	1,271.73	-	1,271.73
<b>Total</b>	<b>-</b>	<b>1,448.95</b>	<b>-</b>	<b>1,448.95</b>

**Footnotes:**

- (i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.
- (ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

As on March 31, 2019

	(₹ crores)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
<b>Measured at fair value</b>				
Investments:				
Equity shares	189.62	-	187.97	377.59
Mutual fund units	193.43	-	-	193.43
<b>Total</b>	<b>383.05</b>	<b>-</b>	<b>187.97</b>	<b>571.02</b>
<b>Not measured at fair value (Refer Footnotes)</b>				
<b>Total</b>	<b>383.05</b>	<b>-</b>	<b>187.97</b>	<b>571.02</b>
<b>Financial liabilities:</b>				
<b>Measured at fair value</b>				
Derivative instruments	-	277.45	-	277.45
<b>Not measured at fair value (Refer Footnotes)</b>				
Borrowings				
Non Convertible Debentures	-	1,786.37	-	1,786.37
<b>Total</b>	<b>-</b>	<b>2,063.82</b>	<b>-</b>	<b>2,063.82</b>

**Footnotes:**

- (i) The Company has not disclosed the fair value of financial instruments such as trade receivables, trade payables, short term loans, deposits etc. because their carrying amounts are a reasonable approximation of fair value.
- (ii) The carrying amounts of the borrowings (excluding non-convertible debentures) that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- (a) **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This includes listed equity instruments, traded debentures and mutual funds that have quoted price/ declared NAV. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period.
- (b) **Level 2:** Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- (c) **Level 3:** If one or more of the significant Inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

### d) Inter level transfers:

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

### e) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for the equity instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of non convertible debentures is valued using FIMMDA guidelines.
- the fair value for the cross currency swaps/principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of certain unlisted shares are determined based on the income approach or the comparable market approach. For these unquoted investments categorised under Level 3, their respective cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

## f) Reconciliations of level 3 fair values

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

	(₹ crores)
	<u>Assets</u>
	<u>Equity Instruments</u>
Balance as at April 1, 2018	185.18
Net change in fair value (unrealized)	2.79
Balance as at March 31, 2019	<u>187.97</u>
Net change in fair value (unrealized)	<u>(6.51)</u>
Balance as at March 31, 2020	<u>181.46</u>

## NOTE 35 : FINANCIAL RISK MANAGEMENT

## Risk management framework

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit team. The internal audit team undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

## a) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Credit limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities, Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets. Also refer note 44.

### i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
Expiring within one year:		
Bank overdraft	80.00	80.00
Long-term Bank loans	355.00	-
<b>Total</b>	<b>435.00</b>	<b>80.00</b>

The bank overdraft facilities may be drawn at any time by the Company. The long-term loan facility was available upto April 30, 2020, subsequent to March 31, 2020 the Company availed ₹ 50 crores of loan and the balance facility has expired. Further, post the balance sheet date the Company has availed long-term debt of ₹ 450 crores. The Company is in the advance stages of discussions with banks and financial institutions for raising further Long Term loan for the operational and long term needs of the Company.

The breakup of the borrowings into fixed and floating interest rates is as follows:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
Fixed interest rate	1248.98	1784.05
Floating interest rate	694.34	-
<b>Total</b>	<b>1943.32</b>	<b>1784.05</b>

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual redemption premium payments on low coupon debentures.

As on March 31, 2020

	(₹ crores)				
	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
<b>Non-derivative financial liabilities:</b>					
Borrowings (including redemption premium)	234.75	619.50	912.00	178.42	1,944.67
Trade and other payables	255.17	-	-	-	255.17
Interest on the borrowings	151.74	119.65	116.27	11.86	399.52
Other financial liabilities	298.57	7.66	4.41	0.44	311.08
<b>Total</b>	<b>940.23</b>	<b>746.81</b>	<b>1,032.68</b>	<b>190.72</b>	<b>2,910.44</b>
<b>Derivative financial liabilities</b>	-	177.22	-	-	177.22
<b>Lease liabilities</b>	103.24	94.44	277.60	6150.36	6,625.64
<b>Financial guarantee contracts</b>	115.29	14.31	128.78	-	258.38
<b>Total financial liabilities</b>	<b>1,158.76</b>	<b>1,032.78</b>	<b>1,439.06</b>	<b>6,341.08</b>	<b>9,971.68</b>

As on March 31, 2019

	(₹ crores)				
	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
<b>Non-derivative financial liabilities:</b>					
Borrowings (including redemption premium)	567.22	200.00	1045.00	4.29	1816.51
Trade and other payables	190.11	-	-	-	190.11
Interest on the borrowings	113.17	94.89	67.76	-	275.82
Other financial liabilities	299.60	10.83	2.87	11.92	325.22
<b>Total</b>	<b>1170.10</b>	<b>305.72</b>	<b>1115.63</b>	<b>16.21</b>	<b>2607.66</b>
<b>Derivative financial liabilities</b>	129.57	-	147.88	-	277.45
<b>Financial guarantee contracts</b>	17.30	-	131.44	-	148.74
<b>Total financial liabilities</b>	<b>1316.97</b>	<b>305.72</b>	<b>1394.95</b>	<b>16.21</b>	<b>3033.85</b>

### iii) Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and current investments.

		(₹ crores)	
Particulars	Note	March 31, 2020	March 31, 2019
Borrowings	16	1943.32	1784.05
Less: Cash and cash equivalents	12	131.47	88.93
Less: Current Investments	6(b)	408.72	193.43
Net debt		<b>1403.13</b>	<b>1501.69</b>
Equity	14/15	4583.56	4483.74
Gearing ratio		0.31	0.33



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

#### i) Foreign Currency risk

The predominant currency of the Company's revenue and operating cash flows is Indian Rupees (INR). The Company's reported debt has an exposure to borrowings held in US dollars. Further, the Company has foreign currency exposure for its investments (equity and shareholder's loan) in its international subsidiaries. Movements in foreign exchange rates can affect the Company's reported profit, net assets.

The Company's investment in foreign subsidiaries is offset partially by US dollar denominated derivative instruments and bank loan which mitigates the foreign currency risk arising from the subsidiary's net assets.

The Company uses interest rate swaps and currency swaps to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows:-

#### Derivative Instruments outstanding:

Nature of Derivative	March 31, 2020		March 31, 2019	
	Notional principal (US\$ million)	Fair values (₹ crores)	Notional principal (US\$ million)	Fair values (₹ crores)
Cross currency Interest rate Swap	55.17	177.22	108.42	277.45
<b>Total</b>	<b>55.17</b>	<b>177.22</b>	<b>108.42</b>	<b>277.45</b>

#### Sensitivity

For the year ended March 31, 2020 and March 31, 2019, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall reduce the Company's profit before tax by approximately 2.19% and 11.61% respectively and every 3% increase in the interest rate shall increase/ (reduce) the Company's profit before tax by approximately 4.06% and (5.72)% respectively.

For the year ended March 31, 2020 and March 31, 2019, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall increase the Company's profit before tax by approximately 4.06% and 0.58% respectively and every 3% decrease in the interest rate shall reduce the Company's profit before tax by approximately 2.38% and 5.32% respectively.

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

Currency	(₹ crores)	
	March 31, 2020	March 31, 2019
United States Dollar (million)	(0.62)	(0.62)

#### Sensitivity

For the year ended March 31, 2020 and March 31, 2019, every 3% depreciation/appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the Company's profit before tax by approximately 0.03% and 0.03 % respectively.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### ii) Interest rate risk

The Company adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The total borrowing at variable rate was ₹ 694.34 crores as at March 31, 2020 (Previous year - ₹ Nil). The carrying value of the long term debt approximates fair value since the current interest rate approximates the market rate.

### iii) Other market price risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as fair value through Other Comprehensive Income. If the equity prices of quoted investments are 3% higher/ lower, the Other Comprehensive Income for the year ended March 31, 2020 would increase/ decrease by 2.26 % (for the year ended March 31, 2019: increase/ decrease by 4.72%).

### d) Risk towards Global Pandemic COVID-19

Financial instruments carried at fair value as at March 31, 2020 is ₹ 678.36 crores and financial instruments carried at amortised cost as at March 31, 2020 is ₹ 649.35 crores. A significant part of the financial assets are classified as Level 1 having fair value of ₹ 496.90 crores as at March 31, 2020. The fair value of these assets is marked to an active market which factors the uncertainties arising out of COVID-19. The financial assets carried at fair value by the Company are mainly investments in equity shares of listed entities wherein the uncertainties arising out of COVID-19 has already been factored by the stock market as at March 31, 2020 and liquid debt securities wherein no material volatility is expected.

Trade receivables of ₹ 250.94 crores as at March 31, 2020 forms a significant part of the financial assets carried at amortised cost. The Debtors do not have any concentrated risk and the Company does expect to recover these outstanding in due course. Further, adequate credit loss provision has been created based on the policy of the Company. The Company has specifically evaluated the potential impact with respect to customers in Airline and Travel Agents segments which could have an immediate impact though the outstanding is not significant. Further, we expect that there could be some delay in payments from debtors, over and above the credit cycle. Basis our internal assessment and the stringent provisioning policy of the Company, the management assessment for the allowance for doubtful trade receivables of ₹ 17.79 crores as at March 31, 2020 is considered adequate.

## NOTE 36 : 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):

	(₹ crores)	
	March 31, 2020	March 31, 2019
Provident Fund	10.98	9.60
Superannuation Fund	3.88	4.19
<b>Total</b>	<b>14.86</b>	<b>13.79</b>

### (b) The Company operates post retirement defined benefit plans as follows :-

#### a. Funded :

- i. Provident Fund
- ii. Post Retirement Gratuity
- iii. Pension to Employees – Post retirement minimum guaranteed pension scheme for certain categories of employees, which is funded by the Company and the employees.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### b. Unfunded :

- i. Pension to Executive Directors and Employees – Post retirement minimum guaranteed pension scheme for select existing and retired executive directors and certain categories of employees, which is unfunded.
- ii. Post Employment Medical Benefits to qualifying employees

### (c) Provident Fund:

The Company operates Provident Fund Scheme through a Trust – ‘The Indian Hotels Company Limited Employees Provident Fund’ (‘the Plan’), set up by the Company and for certain categories contributions are made to State Plan.

The Plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2020 and March 31, 2019.

The details of fund and plan asset position are given below:

	(₹ crores)	
	March 31, 2020	March 31, 2019
Plan Assets as at period end	634.96	593.97
Present Value of Funded Obligation at period end	634.96	593.97
Amount recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	March 31, 2020	March 31, 2019
Guaranteed Rate of Return	8.50%	8.65%
Discounted Rate for remaining term to Maturity of Investment	6.55%	7.65%
Expected Rate of Return on Investment	8.61%	8.83%

The Company contributed ₹ 23.45 crores and ₹ 10.63 crores towards provident fund to the Plan during the year ended March 31, 2020 and March 31, 2019 respectively and the same has been recognised in the statement of profit and loss.

In light of the Supreme Court judgement dated February 28, 2019 regarding the definition of wages for calculation of Provident fund contribution, the Company as advised, on a prudent basis, has provided for the liability prospectively from date of judgement.

### (d) 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.



**NOTES TO FINANCIAL STATEMENTS (CONTD.)**

for the year ended March 31, 2020

**(e) The above defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.**

<b>Investment risk</b>	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has a relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the Fund.
<b>Interest risk</b>	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
<b>Longevity risk</b>	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
<b>Salary risk</b>	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Defined Benefit Plans – As per Actuarial Valuation on March 31, 2020:-**
**(i) Amount to be recognised in Balance Sheet and movement in net liability**

	(₹ crores)				
	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Present Value of Funded Obligations	203.51	-	-	-	8.26
	180.29	-	-	-	7.91
Present Value of Unfunded Obligations	-	7.35	3.62	18.58	-
	-	6.61	2.66	16.62	-
Fair Value of Plan Assets	(175.76)	-	-	-	(10.73)
	(161.69)	-	-	-	(10.15)
Amount not recognised due to asset limit	-	-	-	-	0.84
	-	-	-	-	0.77
Net (Asset) / Liability	<b>27.75</b>	<b>7.35</b>	<b>3.62</b>	<b>18.58</b>	<b>(1.63)</b>
	18.60	6.61	2.66	16.62	(1.47)

**(ii) Expenses recognised in the Statement of Profit and Loss**

	(₹ crores)				
	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Current Service Cost	10.24	0.09	0.15	-	0.15
	9.56	0.08	0.16	0.16	0.13
Past service Cost	-	-	-	-	-
	-	0.96	-	-	-
Interest Cost	0.84	0.49	0.19	1.21	(0.12)
	0.15	0.41	0.19	1.14	(0.12)
<b>Total</b>	<b>11.08</b>	<b>0.58</b>	<b>0.34</b>	<b>1.21</b>	<b>0.03</b>
	9.71	1.45	0.35	1.30	0.01

**Footnote:**

Amount charged to the Statement of Profit and Loss in respect of gratuity is net of recovery ₹ 1.77 crores (Previous year ₹ 1.90 crores).

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (iii) Expenses recognised in Other Comprehensive Income (OCI)

	(₹ crores)				
	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
<b>Remeasurements due to actuarial loss/ (gain) arising from:</b>					
Changes in financial assumptions	10.88	0.62	0.37	1.47	0.54
Changes in demographic assumptions	-	-	-	-	-
Experience adjustments	(0.07)	(0.21)	0.03	(0.68)	-
Actual return on plan assets less interest on plan assets	6.17	(0.07)	0.66	0.41	(0.40)
Adjustment to recognise the effect of asset ceiling	8.16	0.04	0.17	1.45	0.39
	0.77	-	-	-	(0.18)
	0.76	-	-	-	0.05
	-	-	-	-	0.02
	-	-	-	-	(0.12)
<b>Total</b>	<b>17.82</b>	<b>0.55</b>	<b>1.03</b>	<b>1.88</b>	<b>(0.02)</b>
	8.85	(0.17)	0.20	0.77	0.32

### (iv) Reconciliation of Defined Benefit Obligation

	(₹ crores)				
	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Defined Benefit Obligation	180.29	6.61	2.65	16.62	7.91
	170.07	5.63	2.75	15.61	7.28
Current Service Cost	10.24	0.09	0.15	-	0.15
	9.56	0.08	0.16	0.16	0.13
Past Service Cost	-	-	-	-	-
	-	0.96	-	-	-
Interest Cost	12.35	0.49	0.19	1.21	0.56
	11.70	0.41	0.19	1.14	0.53
<b>Remeasurements due to actuarial loss/ (gain) arising from:</b>					
Changes in financial assumptions	10.88	0.62	0.37	1.47	0.54
Changes in demographic assumptions	-	-	-	-	-
Experience adjustments	(0.07)	(0.21)	0.03	(0.68)	-
Benefits Paid	6.17	(0.07)	0.66	0.41	(0.40)
	8.16	0.04	0.17	1.45	0.39
Liabilities assumed/(settled)	(18.07)	(0.39)	(0.40)	(1.13)	(0.50)
	(19.13)	(0.30)	(0.64)	(1.06)	(0.42)
Closing Defined Benefit Obligation	1.65	-	-	-	-
	-	-	-	-	-
	<b>203.51</b>	<b>7.35</b>	<b>3.62</b>	<b>18.58</b>	<b>8.26</b>
	180.29	6.61	2.66	16.62	7.91

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (v) Reconciliation of Fair Value of Plan Assets

	(₹ crores)				
	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Fair Value of Plan Assets	161.69	-	-	-	10.15
	160.53	-	-	-	9.70
Interest on Plan Assets	11.51	-	-	-	0.74
	11.55	-	-	-	0.71
<b>Remeasurements due to:</b>					
Actual return on plan assets less interest on plan assets	(0.77)	-	-	-	0.18
	(0.76)	-	-	-	(0.05)
Contribution by Employer	19.75	0.39	0.40	1.13	0.16
	9.50	0.30	0.64	1.06	0.21
Benefits Paid	(18.07)	(0.39)	(0.40)	(1.13)	(0.50)
	(19.13)	(0.30)	(0.64)	(1.06)	(0.42)
Assets acquired/(settled)	1.65	-	-	-	-
	-	-	-	-	-
Closing Fair Value of Plan Assets	<b>175.76</b>	-	-	-	<b>10.73</b>
	161.69	-	-	-	10.15
Expected Employer's contribution/ outflow next year	15.00	-	-	-	-
	15.00	-	-	-	-

### (vi) Actuarial Assumptions

	Gratuity Funded	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.) in %	6.65%	6.65%	6.65%	6.65%	6.65%
	7.55%	7.55%	7.55%	7.55%	7.55%
Salary Escalation Rate (p.a.) in %	4%-5%	-	4.00%	-	-
	4%-5%	-	4.00%	-	-
Pension Escalation Rate (p.a.) in %	-	-	-	4.00%	-
	-	-	-	4.00%	-
Annual increase in healthcare costs (p.a.) in %	-	6.00%	-	-	-
	-	6.00%	-	-	-
Mortality Table *					
Mortality table in service(LIC)	Table 1	Table 1	Table 1	NA	NA
	Table 1	Table 1	Table 1	NA	NA
Mortality table in retirement(LIC)	NA	Table 2	Table 2	Table 2	Table 2
	NA	Table 2	Table 2	Table 2	Table 2

\* Table 1 – Indian Assured Lives Mortality (2012-14) Ult table  
Table 2 – UK Published S1PA Mortality rate



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

## (vii) Disaggregation of Plan Assets (Managed by an Insurance Company)

## a) Gratuity Funded

	March 31, 2020				March 31, 2019			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
	(₹ crores)	(₹ crores)	(₹ crores)		(₹ crores)	(₹ crores)	(₹ crores)	
Government Debt Instruments	94.16	-	94.16	54%	49.78	-	49.78	31%
Other Debt Instruments	41.01	-	41.01	23%	51.26	-	51.26	32%
Other Equity Instruments	30.53	-	30.53	17%	37.78	-	37.78	23%
Others	9.80	0.26	10.06	6%	22.50	0.37	22.87	14%
<b>Total</b>	<b>175.50</b>	<b>0.26</b>	<b>175.76</b>	<b>100%</b>	<b>161.32</b>	<b>0.37</b>	<b>161.69</b>	<b>100%</b>

## b) Pension Staff Funded

	March 31, 2020				March 31, 2019			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
	(₹ crores)	(₹ crores)	(₹ crores)		(₹ crores)	(₹ crores)	(₹ crores)	
Government Debt Instruments	4.82	-	4.82	45%	4.78	-	4.78	47%
Other Debt Instruments	4.72	-	4.72	44%	5.06	-	5.06	50%
Other Equity Instruments	0.21	-	0.21	2%	0.24	-	0.24	2%
Others	-	0.98	0.98	9%	-	0.07	0.07	1%
<b>Total</b>	<b>9.75</b>	<b>0.98</b>	<b>10.73</b>	<b>100%</b>	<b>10.08</b>	<b>0.07</b>	<b>10.15</b>	<b>100%</b>

## (viii) Sensitivity Analysis (for each defined benefit plan)

March 31, 2020	Gratuity		Pension Top up		Pension Staff Funded		
	March 31, 2020		March 31, 2020		March 31, 2020		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(3.04)	3.28	(5.87)		(3.74)		
Impact of decrease in 50 bps on DBO	3.23	(3.12)	6.41		4.01		
Impact of life expectancy 1 year decrease				(1.93)			
Impact of life expectancy 1 year Increase				1.85			

	Post- Employment Medical Benefits Unfunded			Pension Director Unfunded		
	March 31, 2020			March 31, 2020		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(4.85)			(4.54)		
Impact of decrease in 50 bps on DBO	5.29			4.93		
Impact of life expectancy 1 year decrease		(3.52)			(4.02)	
Impact of life expectancy 1 year Increase		3.35			3.88	
Defined benefit obligation on pension decrease rate minus 100 bps						(9.03)
Defined benefit obligation on pension increase rate plus 100 bps						10.45
Defined benefit obligation on healthcare costs rate minus 100 bps			(4.61)			
Defined benefit obligation on healthcare costs rate plus 100 bps			5.44			

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (ix) Sensitivity Analysis (for each defined benefit plan)

March 31, 2019	Gratuity		Pension Top up		Pension Staff Funded		
	March 31, 2019		March 31, 2019		March 31, 2019		
	Discount rate	Salary Escalation rate	Discount rate	Life Expectancy	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(3.00)	3.26	(5.53)		(3.64)		
Impact of decrease in 50 bps on DBO	3.18	(3.1)	6.02		3.90		
Impact of life expectancy 1 year decrease				(1.77)			
Impact of life expectancy 1 year Increase				1.69			

	Post- Employment Medical Benefits Unfunded			Pension Director Unfunded		
	March 31, 2019			March 31, 2019		
	Discount rate	Life Expectancy	Health care Cost	Discount rate	Life Expectancy	Pension rate
	(%)	(%)	(%)	(%)	(%)	(%)
Impact of increase in 50 bps on DBO	(4.66)			(4.42)		
Impact of decrease in 50 bps on DBO	5.08			4.79		
Impact of life expectancy 1 year decrease		(3.23)			(3.58)	
Impact of life expectancy 1 year Increase		3.05			3.43	
Defined benefit obligation on pension decrease rate minus 100 bps						(8.85)
Defined benefit obligation on pension increase rate plus 100 bps						10.24
Defined benefit obligation on healthcare costs rate minus 100 bps			(4.44)			
Defined benefit obligation on healthcare costs rate plus 100 bps			5.24			

### (x) Movement in Asset Ceiling

	(₹ crores)	
	March 31, 2020	March 31, 2019
Opening value of asset ceiling	0.76	0.82
Interest on Opening balance of asset ceiling	0.06	0.07
<u>Remeasurement due to:</u>		
Change in Surplus/(deficit)	0.02	(0.12)
Closing value of asset ceiling	<b>0.84</b>	<b>0.77</b>

**Footnote:**

Figures in italics under (i) to (vii) are of the previous year.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

## (xi) Expected future benefit payments:

	(₹ crores)				
	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff funded
Within one year	40.89	0.43	-	1.21	0.71
	33.45	0.41	0.33	1.14	0.65
Between one and five years	84.80	1.99	3.06	5.17	2.87
	82.16	1.89	1.66	4.88	2.75
After five years	213.18	15.18	1.83	34.70	12.11
	206.95	15.42	1.69	35.21	12.78
Weighted average duration of the Defined Benefit Obligation (in years)	6.26	10.13	12.33	9.46	7.36
	6.17	9.72	11.67	9.19	7.16

Due to the restrictions in the type of investments that can be held by the gratuity and pension fund as per the prevalent regulations, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

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 37 : 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 and the Company had replied to the notices. Prior to 2018, the Company has received adjudication cum demand of ₹ 10.89 crores on certain matters which has been disputed by the Company. This has been disclosed as Contingent Liability. The Company has filed appeal against the adjudication cum demand, and the appeal is pending. During the previous year, the Company received adjudication cum demand aggregating ₹ 1.12 crore on three other matters being contested. The Company has filed appeals against these adjudication cum demand orders and the same are pending. For the balance Show Cause Notices, adjudication proceedings are in progress.

**NOTE 38 : DEPOSITS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

	(₹ crores)			
Particulars	Maximum amount outstanding during the year	Balance Outstanding as on 31/03/2020	Maximum amount outstanding during the previous year	Balance Outstanding as on 31/03/2019
<b>Subsidiaries</b>				
PIEM Hotels Ltd.	10.00	-	10.00	10.00
Roots Corporation Ltd.	-	-	23.50	-
<b>Joint Ventures</b>				
Taj Karnataka Hotels & Resorts Ltd.	5.35	5.35	5.35	5.35
Taj Safaris Ltd.	3.00	-	2.28	-
<b>Associates</b>				
Taida Trading and Industries Ltd.	6.59	6.59	6.04	6.04



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 39 : TAX DISCLOSURES

#### i) Income Tax recognised in the Statement of Profit and Loss:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Current Tax</b>		
In respect of the current year	155.69	176.27
In respect of earlier years	6.69	(11.61)
	<u>162.38</u>	<u>164.66</u>
<b>Deferred Tax</b>		
In respect of the current year	(34.24)	(27.60)
Adjustment to deferred tax attributable to changes in tax rates and laws*	(86.99)	-
In respect of earlier years	(4.82)	16.78
	<u>(126.05)</u>	<u>(10.82)</u>
<b>Total tax expense recognised in the current year relating to continuing operations</b>	<u>36.33</u>	<u>153.84</u>

\*The Company has elected to exercise the option permitted under section 115BAA of the Income tax act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its opening deferred tax liability at the reduced tax rate. The full impact of the re-measurement of the opening deferred tax liabilities amounting to ₹ 86.99 crores has been recognised in the statement of Profit and Loss account for the year ended March 31, 2020.

The Company has reviewed its income tax treatments in order to determine whether Appendix C of Ind AS 12 effective from April 1, 2019 could have an impact on the financial statements and concluded that it has no material impact on the Company's financial statements.

As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities.

After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

#### ii) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
Profit before tax from continuing operations (a)	437.74	417.54
Income tax rate as applicable (b)	25.17%	34.94%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	110.17	145.91
<u>Permanent tax differences due to:</u>		
Effect of income that is exempt from taxation	(3.50)	(9.79)
Effect of expenses that are not deductible in determining taxable profit	7.42	8.06
Tax impact on Impairment losses on investments that are not deductible	17.71	11.75
Effect on deferred tax balances due to the change in income tax rate from 34.94% to 25.17% (effective from April 1, 2019)	(86.99)	-
Tax on Income on which special tax rate is applied	(15.73)	-
Others	5.38	(7.26)
	<u>34.46</u>	<u>148.68</u>
Prior year taxes as shown above	1.87	5.17
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<u>36.33</u>	<u>153.84</u>

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### iii) Income tax recognised in other comprehensive income:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Current Tax</b>		
Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income	-	-
<b>Deferred tax</b>		
<b>(a) Arising on income and expenses recognised in other comprehensive income:</b>		
Net fair value gain on investments in equity shares at fair value through Other Comprehensive Income	-	-
Remeasurement of defined benefit obligation	(5.21)	(3.43)
	<b>(5.21)</b>	<b>(3.43)</b>
<b>(b) Arising on income and expenses reclassified from equity to profit or loss:</b>		
Relating to financial assets measured at fair value through other comprehensive income	-	-
<b>Total income tax recognised in other comprehensive income</b>	<b>(5.21)</b>	<b>(3.43)</b>
<b>(c) Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	(5.21)	(3.43)
Items that may be reclassified to profit or loss	-	-
	<b>(5.21)</b>	<b>(3.43)</b>

### iv) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
Deferred Tax assets	123.84	85.82
Deferred Tax liabilities	(303.53)	(453.94)
<b>Net Deferred Tax Liability</b>	<b>(179.69)</b>	<b>(368.12)</b>

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

(₹ crores)

March 31, 2020	Opening Balance	Recognised in the statement of profit and loss		Recognised in other comprehensive income	Adjustment on adoption of Ind AS 116	Closing balance
		Impact of change in Income Tax Rate	Others			
<b>Deferred tax assets/ (liabilities):</b>						
Property, plant and equipment & Intangible Assets	(445.78)	124.71	21.80	-	-	(299.27)
Unrealised gain/ loss on non-equity instruments carried at fair value through P&L	-	-	(0.07)	-	-	(0.07)
Unamortised borrowing cost	(0.37)	0.10	(0.07)	-	-	(0.34)
Fair valuation changes of derivative contracts	(2.26)	0.63	7.55	-	-	5.92
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(5.53)	1.55	-	0.13	-	(3.85)
Provision for Employee Benefits	35.90	(10.04)	2.66	5.21	-	33.73
Right-of-Use (ROU) Net of Lease Liability	-	(15.99)	5.49	-	57.17	46.67
Reward Points	14.83	(4.15)	1.64	-	-	12.32
Provision for disputed claims	11.67	(3.26)	(5.07)	-	-	3.34
Allowance for Doubtful Debts	5.31	(1.49)	0.65	-	-	4.47
Allowance for Doubtful Advances	-	-	0.19	-	-	0.19
Unrealised loss on equity shares carried at fair value through Other Comprehensive Income	5.53	(1.55)	-	(0.13)	-	3.85
Others	12.58	(3.52)	4.29	-	-	13.35
<b>Total Deferred Tax Liabilities</b>	<b>(368.12)</b>	<b>86.99</b>	<b>39.06</b>	<b>5.21</b>	<b>57.17</b>	<b>(179.69)</b>

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2019 are as follows:

(₹ crores)

March 31, 2019	Opening Balance	Recognised in the statement of profit and loss	Recognised in other comprehensive income	MAT credit utilised	Closing balance
<b>Deferred tax assets/ (liabilities):</b>					
Property, plant and equipment & Intangible Assets	(444.93)	(0.85)	-	-	(445.78)
Unamortised borrowing cost	(0.45)	0.08	-	-	(0.37)
Fair valuation changes of derivative contracts	(20.88)	18.62	-	-	(2.26)
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	(4.84)	-	(0.69)	-	(5.53)
Provision for Employee Benefits	28.48	3.99	3.43	-	35.90
MAT Credit Entitlement	33.56	-	-	(33.56)	-
Reward Points	13.27	1.56	-	-	14.83
Provision for disputed claims	26.51	(14.84)	-	-	11.67
Allowance for Doubtful Debts	7.60	(2.29)	-	-	5.31
Unrealised loss on equity shares carried at fair value through Other Comprehensive Income	4.84	-	0.69	-	5.53
Others	8.03	4.55	-	-	12.58
<b>Total Deferred Tax Liabilities</b>	<b>(348.81)</b>	<b>10.82</b>	<b>3.43</b>	<b>(33.56)</b>	<b>(368.12)</b>



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 40 : RELATED PARTY DISCLOSURES

#### (a) The names of related parties of the Company are as under:

##### i. Company having significant influence

Name of the Company	Country of Incorporation
Tata Sons Pvt. Ltd. (including its subsidiaries and joint ventures)	India

##### ii. Subsidiary Companies

Name of the Company	Country of Incorporation
<b>Domestic</b>	
KTC Hotels Ltd.	India
United Hotels 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
Skydeck Properties and Developers Pvt. Ltd.	India
Sheena Investments Pvt. Ltd.	India
ELEL Hotels & Investments Ltd.	India
Luthria & Lalchandani Hotel & Properties Pvt. Ltd.	India
<b>International</b>	
IHOCO BV	Netherlands
United Overseas Holding Inc. and its subsidiaries	United States of America
St. James Court Hotel Ltd.	United Kingdom
Taj International Hotels Ltd.	United Kingdom
Taj International Hotels (H.K.) Ltd.	Hong Kong
PIEM International (H.K.) Ltd.	Hong Kong

##### iii. Joint Ventures

Name of the Company	Country of Incorporation
<b>Domestic</b>	
Taj Madras Flight Kitchen Pvt. Ltd. <sup>1</sup>	India
Taj Sats Air Catering Ltd. and its Subsidiaries	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
Zarrenstar Hospitality Private Limited <sup>2</sup>	India
<b>International</b>	
TAL Hotels & Resorts Ltd. and its Subsidiaries	Hong Kong
IHMS Hotels (SA) (Proprietary) Ltd. and its subsidiary	South Africa

<sup>1</sup>Ceased to be a Joint Venture w.e.f. Sept. 30, 2019

<sup>2</sup>became a Joint Venture w.e.f. Feb. 5, 2020

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

**iv. Associates**

Name of the Company	Country of Incorporation
<b>Domestic</b>	
Oriental Hotels Limited and its subsidiaries	India
Taj Madurai Limited	India
Taida Trading & Industries Ltd. and its subsidiaries	India
<b>International</b>	
Lanka Island Resort Ltd.	Sri Lanka
TAL Lanka Hotels PLC	Sri Lanka
BJETS Pte Ltd., Singapore and its subsidiaries	Singapore

**v. Key Management Personnel**

Particulars	Relation
Mr. Puneet Chhatwal	Managing Director & CEO
Mehernosh S. Kapadia*	Executive Director – Corporate Affairs

\* for part of the previous year upto May 23, 2018.

**vi Post Employment benefit plans**

Particulars
The Indian Hotels Company Limited Employees Provident Fund
The Indian Hotels Company Limited Superannuation Scheme
The Indian Hotels Employees Gratuity Trust

**b) The details of related party transactions during the year ended March 31, 2020 and March 31, 2019 are as follows:**

Particulars	(₹ crores)					
	Company having significant influence*	Key Management Personnel	Subsidiaries	Associates <sup>#</sup>	Joint Ventures <sup>#</sup>	Post Retirement benefit plans
Interest income	-	-	0.28	0.58	0.49	-
	-	-	2.02	0.50	0.66	-
Dividend income	4.60	-	3.39	2.69	0.96	-
	3.70	-	16.00	0.12	5.84	-
Dividend Paid	22.61	-	-	0.10	-	-
	18.08	-	-	0.08	-	-
Operating / Licence fees expense	-	-	0.30	-	-	-
	-	-	0.30	-	-	-
Management and Operating Fees Income	1.94	-	68.15	24.39	29.34	-
	3.20	-	68.38	36.44	30.17	-
Purchase of goods and services	60.99	-	17.05	1.03	1.41	-
	65.67	-	17.20	0.21	0.08	-
Sale of goods and services	39.27	-	4.09	0.14	0.84	-
	32.90	-	4.05	0.21	1.15	-
Deputed Staff reimbursements	-	-	8.03	3.50	4.78	-
	0.01	-	8.16	3.31	4.56	-
Other Cost reimbursements	0.60	-	1.60	0.31	0.46	-
	0.18	-	1.76	1.41	0.89	-
Loyalty expense (Net of redemption credit)	0.07	-	9.98	3.79	1.36	-
	0.14	-	8.96	4.81	2.34	-

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

Particulars	(₹ crores)					
	Company having significant influence*	Key Management Personnel	Subsidiaries	Associates#	Joint Ventures#	Post Retirement benefit plans
Deputed Staff Out	0.23	-	23.69	14.15	15.74	-
	<i>0.45</i>	-	<i>24.32</i>	<i>16.68</i>	<i>19.06</i>	-
Contribution to Funds	-	-	-	-	-	48.09
	-	-	-	-	-	<i>25.15</i>
Inter Corporate Deposit ("ICD") Placed	-	-	-	0.55	3.00	-
	-	-	<i>16.50</i>	<i>1.50</i>	-	-
ICD Encashed	-	-	10.00	-	3.00	-
	-	-	<i>23.50</i>	-	<i>2.28</i>	-
Purchase of Shares	-	-	6.72	-	2.99	-
	-	-	<i>199.95</i>	-	<i>6.15</i>	-
Sale of Shares	-	-	-	-	29.79	-
	-	-	-	-	-	-
Remuneration Paid / Payable (Refer Footnote ii)	-	8.49	-	-	-	-
	-	<i>8.58</i>	-	-	-	-
Guarantees/Letter of Comfort withdrawn	-	-	-	-	-	-
	-	-	<i>118.31</i>	-	-	-
Guarantees/Letter of Comfort extended	-	-	60.60	-	27.94	-
	-	-	-	-	<i>29.34</i>	-

The details of amounts due to or from related parties as at March 31, 2020 and March 31, 2019 are as follows:

Particulars	(₹ crores)					
	Company having significant influence*	Key Management Personnel	Subsidiaries	Associates#	Joint Ventures#	Post Retirement benefit plans
Trade Receivables (Refer Note 11)	6.63	-	17.53	10.33	24.19	-
	<i>7.70</i>	-	<i>22.45</i>	<i>16.60</i>	<i>21.52</i>	-
Trade Payables (Refer Note 20)	14.70	-	1.72	1.74	0.04	-
	<i>9.80</i>	-	<i>2.48</i>	<i>0.26</i>	-	-
Other Receivables/(Other Payables) (Refer Note 8 and Note 17)	0.74	-	84.00	1.70	3.32	-
	<i>0.29</i>	-	<i>81.51</i>	<i>1.35</i>	<i>(0.32)</i>	-
Interest Receivable (Refer Note 8)	-	-	-	0.45	0.04	-
	-	-	<i>0.14</i>	<i>0.39</i>	<i>0.59</i>	-
Deposits Receivable (Refer Note 7 and Note 8)	0.08	-	3.98	6.59	5.35	-
	<i>1.23</i>	-	<i>13.98</i>	<i>6.04</i>	<i>5.35</i>	-
Deposits Payable (Refer Note 16)	0.05	-	4.67	-	-	-
	<i>0.26</i>	-	<i>4.29</i>	-	-	-
Option Deposit (Refer Note 6 (iv))	71.10	-	-	-	-	-
	<i>71.10</i>	-	-	-	-	-
Guarantees/Letter of Comfort given on behalf (Refer Note 30)	-	-	112.97	-	290.82	-
	-	-	<i>52.37</i>	-	<i>262.88</i>	-

\* including its subsidiaries and joint ventures

# including its subsidiaries

#### Footnotes:

- (i) Figures in italics are of the previous period.
- (ii) 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. Long term incentive, commission to Executive Directors has been considered on payment basis.



## NOTES TO FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

### (c) Statement of Material Transactions

(₹ crores)

Name of the Company	March 31, 2020	March 31, 2019
<b><u>Company having substantial interest and its subsidiaries and joint ventures:</u></b>		
<b>Tata Sons Pvt. Ltd.</b>		
Dividend income	4.50	3.60
Dividend paid	21.66	17.33
Trade Payables	4.09	3.85
Sale of goods and services	6.63	7.16
Other Cost reimbursements	0.57	0.18
<b>Tata Consultancy Services Ltd.</b>		
Trade Payables	7.05	4.80
Purchase of goods and services	36.16	39.15
<b>Tata Communications Ltd.</b>		
Trade Payables	2.26	0.32
<b>Tata Realty and Infrastructure Ltd.</b>		
Deposit Closing position – Option Deposit	71.10	71.10
<b>Tata AIG General Insurance Company Ltd.</b>		
Purchase of goods and services	9.89	8.98
<b>Tata SIA Airlines Ltd.</b>		
Sale of goods and services	19.55	7.17
<b>AirAsia (India) Limited</b>		
Sale of goods and services	4.48	3.73
<b>Remuneration to Key Management Personnel</b>		
Mr. Puneet Chhatwal	8.49	6.01
<b><u>Subsidiaries:</u></b>		
<b>KTC Hotels Ltd.</b>		
Operating/Licence Fees expense	0.30	0.30
Other Receivable / (Payable)	(0.29)	(0.13)
Deposit given outstanding	3.50	3.50
<b>Benares Hotels Ltd</b>		
Other Receivable / (Payable)	(0.58)	(0.64)
<b>Piem Hotels Ltd.</b>		
Interest income	0.28	0.80
Dividend income	1.96	13.75
Trade Receivables	9.39	10.67
ICD Encashed	10.00	-
Operating fees income	34.29	33.75
Deputed Staff Out	18.83	19.51
Deputed Staff Reimbursement	6.45	6.58
Loyalty expense (Net of redemption credit)	3.40	3.71
Other Cost reimbursements	1.07	1.23

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

Name of the Company	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Skydeck Properties and Developers Private Limited</b>		
Other receivables/(Other payables)	79.61	79.80
<b>United Overseas Holdings Inc.</b>		
Purchase of goods and services	11.97	12.65
Guarantees given on behalf – Closing position	112.97	52.37
Guarantees/Letter of Comfort extended	60.60	-
<b>St. James Court Hotel Ltd</b>		
Operating fees income	17.02	15.87
Loyalty expense (Net of redemption credit)	4.54	2.80
<b>Taj International Hotels (H.K.) Ltd.</b>		
Deposit Payable	4.67	4.29
<b>Taj Enterprises Ltd.</b>		
Purchase of Shares	6.72	-
<b>Joint Ventures:</b>		
<b>Taj GVK Hotels &amp; Resorts Ltd.</b>		
Operating Fees income	12.65	12.61
Deputed Staff Out	8.32	9.39
Deputed Staff Reimbursement	3.16	3.11
Trade Receivables	11.04	11.86
<b>Taj Sats Air Catering Ltd.</b>		
Other Receivable / (Payable)	(0.88)	0.08
Sale of Shares	29.79	-
<b>Taj Karnataka Hotels &amp; Resorts Ltd.</b>		
Interest income	0.48	0.48
Deposit given outstanding	5.35	5.35
<b>Kaveri Retreat &amp; Resorts Limited</b>		
Other receivables/(Other payables)	(0.47)	(0.22)
<b>Taj Safaris Ltd.</b>		
Purchase of Shares	2.99	6.15
ICD Placed	3.00	-
ICD Encashed	3.00	2.28
<b>TAL Hotels &amp; Resorts Limited</b>		
Other receivables/(Other payables)	(0.27)	0.21
<b>IHMS Hotels (SA) (Proprietary) Ltd.</b>		
Trade Receivable	5.87	5.63
Guarantee extended	27.94	29.34
Letter of Comfort given on behalf – Closing position*	290.82	262.88

\* Liability restricted to ₹ 145.41 crores (Previous year - ₹ 131.44 crores) as counter indemnity for 50% has been obtained from JV partner.

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ crores)

Name of the Company	March 31, 2020	March 31, 2019
<b>Associates:</b>		
<b>Taida Trading &amp; Industries Ltd.</b>		
Interest Income	0.58	0.50
Interest Receivable	0.45	0.39
ICD Placed	0.55	1.50
Deposit given outstanding	6.59	6.04
<b>Oriental Hotels Ltd.</b>		
Operating fees income	22.43	32.23
Dividend Income	2.55	-
Deputed Staff Out	14.03	16.54
Loyalty expense (Net of redemption credit)	3.24	4.20
Deputed Staff reimbursement	3.50	3.31
Other costs reimbursement	0.30	1.26
Trade Receivable	8.37	14.88
<b>Post-employment benefit plans</b>		
Contribution to Superannuation Fund	4.89	5.03
Contribution to Provident Fund	23.45	10.63
Contribution to Gratuity Fund	19.75	9.50

### NOTE 41 : SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director and Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker. From the internal organisation of the Company's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by it to provide those services, "Hotel Services" has been identified to be the Company's sole operating segment. Hotel Services include "Revenue from Operations" including Management and Operating Fees where hotels are not owned or leased by the Company. The organisation is largely managed separately by property based on centrally driven policies and the results and cash flows of the period, financial position as of each reporting date aggregated for the assessment by the Managing Director and Chief Executive Officer. The Company's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS. As the Company is engaged in a single operating segment, segment information that has been tabulated below is Company-wide:

Country	(₹ crores)			
	Revenue from Hotel Services by location of customers		Non-current assets (see footnote below)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
India	2,697.63	2,727.43	3,952.41	3,035.57
Overseas locations	45.75	52.98	-	-
<b>Total</b>	<b>2,743.38</b>	<b>2,780.41</b>	<b>3,952.41</b>	<b>3,035.57</b>

**Footnote:**

Non-current assets exclude financial assets, deferred tax assets, post-employment benefit assets and rights under insurance contracts.

No single customer contributes more than 10% or more of the Company's total revenue for the years ended March 31, 2020 and March 31, 2019.



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

**NOTE 42 : EARNINGS PER SHARE (EPS)**

Earnings Per Share is calculated in accordance with Ind AS 33 – ‘Earnings Per Share’.

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
Profit after tax (₹ crores)	401.41	263.70
Weighted average number of Equity Shares	118,92,58,445	118,92,58,445
Earnings Per Share:		
Basic and Diluted (₹)	3.38	2.22
Face Value per Equity Share (₹)	1	1

**NOTE 43 : THE LIST OF INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES ARE AS GIVEN BELOW:****a. Subsidiary Companies**

	Principal place of business/ Country of incorporation	As at March 31, 2020		As at March 31, 2019	
		Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
<b>Domestic</b>					
Benares Hotels Limited	India	53.70	51.68	53.70	51.68
Inditravel Limited	India	96.67	78.86	96.67	77.21
KTC Hotels Limited	India	100.00	100.00	100.00	100.00
Northern India Hotels Limited	India	94.17	48.56	94.17	48.56
Piem Hotels Limited	India	51.57	51.57	51.57	51.57
Roots Corporation Limited	India	67.11	63.74	67.11	63.74
Taj Enterprises Limited	India	93.19	93.19	90.59	74.70
Taj Trade & Transport Limited	India	89.51	73.03	89.51	72.74
United Hotels Limited	India	55.00	55.00	55.00	55.00
Skydeck Properties & Developers Private Limited	India	100.00	100.00	100.00	100.00
Sheena Investments Private Limited	India	100.00	100.00	100.00	100.00
ELEL Hotels & Investments Limited	India	85.72	85.72	85.72	85.72
Luthria & Lalchandani Hotels and Properties Private Limited	India	87.15	87.15	87.15	87.15

	Principal place of business/ Country of incorporation	As at March 31, 2020		As at March 31, 2019	
		Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)
<b>International</b>					
IHOCO BV	Netherlands	100.00	100.00	100.00	100.00
United Overseas Holding Inc	United States of America	100.00	100.00	100.00	100.00
Piem International (H.K.) Ltd.	Hong Kong	100.00	51.57	100.00	51.57
St. James Court Hotel Ltd.	United Kingdom	89.39	72.25	89.39	72.25
Taj International Hotels (H.K.) 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

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### b. Joint Ventures

Principal place of business/ Country of incorporation	As at March 31, 2020		As at March 31, 2019		
	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	
<b>Domestic</b>					
Taj SATS Air Catering Ltd.	India	51.00	51.00	51.00	51.00
Taj Madras Flight Kitchen Private Ltd. (sold during the year)	India	-	-	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	45.42	41.81	44.95	40.67
Kaveri Retreat & Resorts Ltd.	India	50.00	50.00	50.00	50.00
Zarrenstar Hospitality Private Ltd.	India	Refer note 31 (ii)	Refer note 31 (ii)	-	-
<b>International</b>					
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

### c. Associates

Principal place of business/ Country of incorporation	As at March 31, 2020		As at March 31, 2019		
	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	Held directly by Parent or through its subsidiaries (%)	Effective Holding (%)	
<b>Domestic</b>					
Oriental Hotels Ltd.	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.	India	48.74	34.78	48.74	34.78
<b>International</b>					
BJets Pte Ltd.	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

**Footnote:**

All the above investments have been accounted at cost in accordance with the provisions of Ind AS – 27 “Separate Financial Statements”

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 44 : GOING CONCERN

#### Negative working capital:

As at the year end, the Company's current liabilities have exceeded its current assets by ₹ 83.43 crores primarily on account of current maturities of long term borrowings aggregating ₹ 234.71 crores falling due within 12 months following the balance sheet date. Management is confident of its ability to generate cash inflows from operations and also raise long term funds to meet its obligations on due date.

#### Impact of COVID-19

The Company faces significant uncertainties due to COVID-19 which have impacted the operations of the Company adversely starting from the month of March 2020 onwards. Management has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate financing requirements.

Subsequent to the reporting date, the Company has drawn down lines of credit aggregating ₹ 500 crores and accessed the Targeted Long Term Repo Operations program announced by RBI to shore up liquidity, with a minimum maturity of 3 years. During April, the Company repaid Debentures aggregating ₹ 200 crores and is current on all its Debt obligations. In addition, the management is in advanced discussion to secure additional financing to fulfil its long-term/ working capital requirements. Also refer note 2 (d) Estimation uncertainty relating to the global health pandemic on COVID-19.

Based on aforesaid assessment, management believes that as per estimates made conservatively, the Company will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2020.

### NOTE 45 : DIVIDENDS

Dividends paid during the year ended March 31, 2020 out of Retained Earnings was ₹ 0.50 per equity share for the year ended March 31, 2019.

The dividends declared by the Company are based on the profits available for distribution as reported in the standalone financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2020, retained earnings not transferred to reserves available for distribution was ₹ 808.52 crores.

On June 10, 2020, the Board of Directors of the Company have proposed a final dividend of ₹ 0.50 per equity share in respect of the year ended March 31, 2020, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 59.46 crores.

As per our report of even date as attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101248W/W-100022

**Tarun Kinger**  
Partner  
Membership No. 105003

Mumbai, June 10, 2020

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
DIN: 00121863

**Nasser Munjee**  
Director  
DIN: 00010180

**Giridhar Sanjeevi**  
Executive Vice President &  
Chief Financial Officer

**Puneet Chhatwal**  
Managing Director & CEO  
DIN: 07624616

**Beejal Desai**  
Senior Vice President -  
Corporate Affairs & Company  
Secretary (Group)



## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### FINANCIAL STATISTICS

(₹ crores)

Year	Capital Accounts					Investments (₹ crores)	
	Share Capital	Reserves and Surplus (Other Equity)	Borrowings	Gross Block (Including Right- of- Use assets)	Net Block (Including Right- of- Use assets)		
	(₹ crores)	(₹ crores)	(₹ crores)	(₹ crores)	(₹ crores)		
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	Δ	60.29	1738.39	943.94	2014.34	1360.05	962.81
2007-08		60.29	1956.29	1134.18	2072.16	1371.60	977.58
2008-09	Ω	72.34	2975.29	1766.47	2362.23	1585.40	2026.88
2009-10		72.35	2616.87	2650.55	2408.32	1561.26	2445.63
2010-11	&	75.95	3028.59	2341.44	2605.18	1725.74	3026.78
2011-12		75.95	3176.70	2679.38	2830.66	1838.75	3622.19
2012-13	§	80.75	3226.90	2522.27	2861.65	1756.46	3369.14
2013-14		80.75	2613.09	2690.60	2910.27	1697.41	2761.64
2014-15		80.75	2534.40	3208.99	3329.33	2011.80	2977.96
2015-16	±	98.93	2276.65	2157.65	2267.37	2142.27	1954.71
2016-17		98.93	2668.27	2048.98	2456.58	2187.53	3029.15
2017-18	¥	118.93	4275.03	1783.88	2814.61	2398.50	4161.46
2018-19		118.93	4364.81	1784.05	3066.39	2486.34	4112.70
2019-20		118.93	4464.63	1943.32	4088.42	3311.36	4151.50

\* Issue of Bonus Shares in the Ratio 4:5

\*\* Issue of Bonus Shares in the Ratio 2:5

\*\*\* After redemption of Preference Share of ₹ 0.55 crore

a After conversion of a part of the 15,000,000 Convertible debenture at a premium of ₹ 15/- per share

+ After conversion of a part of the 20,01,121 Convertible debenture at a premium of ₹ 15/- per share

!! After issue of bonus share in the Ratio 1:2

!!! After Right issue of Shares in the Ratio of 1:3

æ Issue of Bonus Shares in the Ratio of 1:1

= Issue of Global Depository Shares

¶ Conversion of foreign currency bonds into share capital.

Δ 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 1:5

& Allotment of Shares on preferential basis to promoters

§ Conversion of Warrants into Equity on exercise of warrants

± After conversion of 18,18,01,228 Compulsorily Convertible Debentures at a premium of ₹ 54/- per share

¥ After Right issue of Shares in the Ratio of 1:5

## NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### FINANCIAL STATISTICS

Year	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit/ (Loss) before Tax	Tax Expenses	Net Profit/ (Loss) for the year	Other Comprehensive Income	Total Comprehensive Income	Revenue accounts			
									Net Transfer to General Reserves	Dividend	Rate of Dividend on Ordinary Shares	
(₹ crores)	(₹ crores)	(₹ crores)	(₹ crores)	(₹ crores)	(₹ crores)	(₹ crores)			(₹ crores)	(₹ crores)	%	
1977-78	13.92	9.76	0.53	3.63	1.94	1.69			1.01	â	0.68	25.00
1978-79	18.42	13.63	0.69	4.10	1.40	2.70			2.02	â	0.68	25.00
1979-80	26.49	18.59	1.04	6.86	3.63	3.23			2.18	â	1.05	25.00
1980-81	31.54	23.13	1.24	7.17	3.17	4.00			2.95	â	1.45	22.00
1981-82	36.09	26.72	1.33	8.04	4.10	3.94			2.49	â	1.45	22.00
1982-83	42.98	36.87	1.62	4.49	0.00	4.49			2.99	â	1.50	23.00
1983-84	54.69	43.79	3.80	7.10	0.40	6.70			5.11		1.59	25.00
1984-85	65.50	55.39	2.66	7.45	1.08	6.37			4.78		1.59	25.00
1985-86	78.48	69.32	3.44	7.66	1.60	6.06			4.22		1.84	25.00
1986-87	93.05	79.68	4.25	9.12	2.75	6.37			4.02		2.35	30.00
1987-88	105.69	90.98	5.55	9.16	2.40	6.76			4.23		2.53	30.00
1988-89	117.72	100.61	6.24	10.87	1.50	9.37			6.42		2.96	30.00
1989-90	141.50	120.93	7.80	12.77	1.25	11.52			7.83		3.70	25.00
1990-91	159.11	139.42	9.11	10.58	1.55	9.03			5.33		3.70	25.00
1991-92	206.79	169.52	++8.85	27.58	6.50	21.08			16.75		5.17	35.00
1992-93	239.21	188.24	9.77	41.20	9.00	32.20			24.86		8.68	50.00
1993-94	301.92	223.49	10.90	67.53	15.50	52.03			41.21		13.97	70.00
1994-95	381.88	263.20	13.67	105.11	23.00	82.11			60.15		21.96	55.00
1995-96	547.36	347.42	20.37	179.57	39.00	140.57			107.10		33.47	75.00
1996-97	613.33	405.67	27.18	180.48	33.60	146.48			104.70		38.35	85.00
1997-98	623.91	427.53	32.42	163.96	26.00	137.96			95.78		38.35	85.00
1998-99	623.34	435.36	33.84	154.14	35.00	119.14			76.57		38.35	85.00
1999-00	650.91	482.49	37.69	130.73	17.50	113.23			70.66	@	38.35	85.00
2000-01	742.92	560.47	45.16	137.29	20.50	116.79			67.07		45.12	100.00
2001-02	617.55	589.81	47.49	98.14	17.44	80.70			40.00		36.09	80.00
2002-03	609.91	575.43	38.98	53.80	13.72	40.48			7.50		31.58	70.00
2003-04	727.09	646.89	48.58	80.20	19.55	60.65			8.57		36.09	80.00
2004-05	896.23	754.55	56.77	141.68	35.82	105.86			11.00		50.25	100.00
2005-06	1154.80	890.90	65.90	272.00	88.22	183.78			20.00		77.95	130.00
2006-07	1618.83	1146.47	91.44	474.64	152.25	322.39			35.00		96.46	160.00
2007-08	1823.16	1254.11	85.48	580.47	203.01	377.46			38.00		114.54	190.00
2008-09	1706.52	1348.42	94.46	362.30	128.27	234.03			30.00		86.81	120.00
2009-10	1520.36	1358.48	104.14	218.25	65.15	153.10			15.31		72.35	100.00
2010-11	1737.14	1509.90	108.40	221.45	80.20	141.25			14.13		75.95	100.00
2011-12	1864.72	1628.69	113.90	229.92	84.57	145.35			14.54		75.95	100.00
2012-13	1924.79	1701.67	125.02	(209.79)	66.82	(276.61)			-	*	69.40	80.00
2013-14	1977.33	1761.13	122.26	(520.90)	69.59	(590.49)			-		-	-
2014-15	2103.60	1873.02	117.85	1.88	83.90	(82.02)			-		-	-
2015-16	2374.12	2088.32	126.02	152.89	68.74	84.15	71.40	155.55	-		29.68	30.00
2016-17	2459.58	2079.74	151.31	262.04	118.86	143.18	124.43	267.61	-		34.62	35.00
2017-18	2639.34	2148.58	151.34	284.23	136.46	147.77	29.23	177.00	-		47.57	40.00
2018-19	2870.91	2209.61	169.10	417.54	153.84	263.70	(120.59)	143.11	-		59.47	50.00
2019-20	2877.88	2219.96	203.78	437.74	36.33	401.41	(123.98)	277.43	-	\$\$	59.46	50.00

â Preference and Ordinary Dividend

++ After deducting ₹ 0.84 crores towards excess provision of depreciation for previous year.

@ Ordinary / Interim dividend for the year

\* Includes ₹ 4.80 crores dividend paid for previous year

\$\$ Dividend Proposed

## INDEPENDENT AUDITORS' REPORT

To the Members of The Indian Hotels Company Limited

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the consolidated financial statements of The Indian Hotels Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act 2013, ('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 joint ventures as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the *Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the

consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Emphasis of matter

We draw attention to Note 2(e) to the consolidated financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Group's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### i. Impact of COVID-19 pandemic on Going Concern

Refer Note 45 – "Going Concern" and Note 2(e) "Estimation related to COVID-19" of the consolidated financial statements.

On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic.

The Indian Government has imposed lock-downs across the country from 22 March 2020 up to 30 June 2020. These lockdowns and restrictions due to COVID – 19 pandemic have posed significant challenges to the businesses of the Group. This required the Group to assess impact of COVID-19 on its operations.

The Group has assessed the impact of COVID-19 on the future cash flow projections. The Group has also prepared a range of scenarios to estimate financing requirements.

In view of the above, we identified impact of COVID-19 on going concern as a key audit matter.



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

### To the Members of The Indian Hotels Company Limited

#### How our audit addressed the key audit matter

Our audit procedures included the following:

- Obtained an understanding of the key controls relating to the Group's forecasting process
- Compared the forecasted statement of profit and loss and cash flows with the Group's business plan approved by the board of directors
- Obtained an understanding of key assumptions adopted by the Group in preparing the forecasted statement of profit and loss and cash flow and assessed the consistency thereof with our expectations based on our understanding of the Group's business
- Assessed the forecasted income statement and cash flow by considering plausible changes to the key assumptions adopted by the Group
- Performed the following procedures as mitigating factors:
  - o Obtained understanding of new borrowing facilities availed subsequent to the year-end;
  - o Assessed impact of Government's announcement to lift the lockdown restrictions and Company's plan to re-open hotels in a phased manner;

Assessed disclosures made in the consolidated financial statements with regard to the above. Refer to notes 45 and 2(e).

#### ii. Goodwill – evaluation of adequacy of provision for impairment of goodwill

As a result of past acquisitions, the Group carries capitalised goodwill aggregating ₹ 614.58 Crores.

Management performs an impairment assessment on an annual basis as required by Ind AS 36 Impairment of Assets.

For the Cash generating units (CGUs) which contain goodwill, the determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. Recoverable amounts of these CGU's are based on management's view of variables such as future average revenue per available room, room occupancy, room rates, rate per cover etc. and operating expenditure and the most appropriate discount rate.

Refer to note 5 – “Goodwill” and note 6(a) –

“Intangible assets” of the consolidated financial statements.

We considered goodwill impairment to be key audit matter due to the extent of judgement and assumptions involved in the assessment process.

#### How our audit addressed the key audit matter

We performed an evaluation of managements' assessment of the Group's CGU. Further, our evaluation included discussion with management, review of the internal reporting structure, the decision making process and how resources are allocated among business units of the Group. We subsequently evaluated the impairment assessment made by management to also ensure they were in accordance with Ind AS.

Our procedures included challenging management on the suitability of the impairment model and reasonableness of the assumptions through performing the following:

- Benchmarking the key market related assumptions in management's valuation models with industry comparators and assumptions made in prior years including revenue and margin trends, capital expenditure on network assets and spectrum, market share and customer churn, against external data where available, utilizing our internal valuation specialists;
- Recalculation of the discount rate by our internal valuation specialists using external information and comparison to management's assumptions;
- Testing the mathematical accuracy of the cash flow model and agreeing relevant data to the Board approved strategic long-term plan;
- Assessing the reliability of management's forecast through a review of actual performance against previous forecasts;
- Assessing and validating the appropriateness of the disclosures made in the financial statements.

#### iii. Adoption of Ind AS 116-Leases

As described in Note 34 to the consolidated financial statements, the Group adopted Ind AS 116, on 1 April 2019. The Group has recognised right-of-use operating lease assets aggregating

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

### To the Members of The Indian Hotels Company Limited

₹ 1,661.84 Crores and a lease liabilities aggregating ₹ 1,931.94 Crores as of 1 April 2019. The lease liabilities are initially measured by discounting future lease payments during the lease term as per contractual arrangement.

Auditing the Group's adoption of Ind AS 116 involved judgment because the Group has significant number of lease contracts. Certain aspects of Ind AS 116 required the Group to exercise judgments including determination of Incremental Borrowing Rate ('IBR') and lease term.

#### How our audit addressed the key audit matter

Our audit procedures included the following:

- We obtained an understanding and evaluated the design of controls over the Group's accounting of Ind AS 116. We tested the operating effectiveness of those controls over the application of accounting policies, evaluation of the completeness of the lease portfolio and the determination of IBR and lease term.
- To test the Group's implementation of the new leasing standard, we performed the following procedures:
  - o an evaluation of the completeness of the population of contracts meeting the definition of a lease under Ind AS 116,
  - o testing the accuracy of the Group's computation of initial right-of-use assets and lease liabilities.
- Additionally, we involved valuation specialists to evaluate the key assumptions and methodologies to develop the IBR.

Examined the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition in the consolidated financial statements.

#### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit report of other auditors, we conclude that there is a material misstatement of this information, we are required to report the fact. We have nothing to report in this regard.

#### Management and Board of Director's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 consolidated 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing,

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

### To the Members of The Indian Hotels Company Limited

as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is also responsible for overseeing the financial reporting process of each company.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
  - Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.
- We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

### To the Members of The Indian Hotels Company Limited

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

(a) We did not audit the financial statements of fifteen subsidiaries, whose financial statements reflect total assets of ₹ 2,574.39 crores as at 31 March 2020, total revenues of ₹ 582.40 crores and net cash outflows amounting to ₹ 4.08 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 5.07 crores for the year ended on that date, as considered in the consolidated financial statements, in respect of five associates and six joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the

aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

(b) Certain of these subsidiaries, associates and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

A. As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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;



## INDEPENDENT AUDITOR'S REPORT (CONTD.)

### To the Members of The Indian Hotels Company Limited

- c) the consolidated balance Sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated statement of cash flow 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 Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 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 joint ventures incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the 'Other matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 31, Note 35(c)(ii) and Note 40 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 21 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2020;
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):
- In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint ventures is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm's Registration No. 101248W/ W-1000022

**Tarun Kinger**

Partner

Place: Mumbai

Date: June 10, 2020

Membership No.105003

ICAI UDIN:20105003AAAABL7971

## ANNEXURE 'A'

to the Independent Auditors' Report on the consolidated financial statements of The Indian Hotels Company Limited

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

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

### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of The Indian Hotels Company Limited ("hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate companies and its joint ventures as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The respective Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act 2013 (hereinafter referred to as "the Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial control with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

## ANNEXURE 'A' (CONTD.)

to the Independent Auditors' Report on the consolidated financial statements of The Indian Hotels Company Limited

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal control systems over financial reporting.

### Meaning of Internal Financial Controls with reference to Consolidated Financial Statement

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statement includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to its thirteen subsidiary companies, its three associates and its six joint ventures which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm's Registration No. 101248W/ W-1000022

**Tarun Kinger**

Partner

Place: Mumbai

Date: June 10, 2020

Membership No.105003

ICAI UDIN:20105003AAAABL7971

## CONSOLIDATED BALANCE SHEET

as at March 31, 2020

	Note	March 31, 2020	March 31, 2019
(₹ crores)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	5,270.65	5,233.18
Capital work-in-progress		243.15	115.93
Right-of-Use assets	4	1,583.28	-
Goodwill	5	614.58	583.47
Intangible assets	6(a)	590.34	605.60
Intangible assets under development		0.93	0.25
Investments accounted using the equity method	7	672.35	687.67
Financial assets			
Investments	8(a)	318.00	436.26
Loans	9(a)	16.65	15.73
Other financial assets	10(a)	118.36	65.54
Deferred tax assets (net)	11(a)	76.50	69.44
Advance income tax (net)		227.85	189.91
Other non-current assets	12(a)	348.31	422.00
		<b>10,080.95</b>	<b>8,424.98</b>
<b>Current assets</b>			
Inventories	13	93.61	80.40
Financial assets			
Investments	8(b)	436.24	211.21
Trade receivables	14	290.02	321.38
Cash and cash equivalents	15	250.82	189.29
Other balances with banks	15	64.76	51.65
Loans	9(b)	4.77	3.44
Other financial assets	10(b)	160.98	160.14
Other current assets	12(b)	132.37	132.84
		<b>1,433.57</b>	<b>1,150.35</b>
Assets classified as held for sale	3(vi)	3.74	8.43
		<b>1,437.31</b>	<b>1,158.78</b>
		<b>11,518.26</b>	<b>9,583.76</b>
<b>Total EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	118.93	118.93
Other equity	18	4,237.88	4,229.07
Equity attributable to owners of the company		4,356.81	4,348.00
Non-controlling interests		764.90	799.86
<b>Total Equity</b>		<b>5,121.71</b>	<b>5,147.86</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19(a)	2,125.80	1,687.52
Lease liabilities	34	1,842.57	-
Other financial liabilities	21(a)	201.37	179.82
Provisions	22(a)	121.09	102.33
Deferred tax liabilities (net)	11(b)	186.85	376.77
Other non-current liabilities	23(a)	18.05	-
		<b>4,495.73</b>	<b>2,346.44</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19(b)	166.25	35.68
Lease liabilities	34	56.14	-
Trade payables	20	389.32	325.25
Other financial liabilities	21(b)	819.89	1,246.56
Provisions	22(b)	154.46	147.64
Current income tax liabilities (net)		33.77	32.84
Other current liabilities	23(b)	280.99	301.49
		<b>1,900.82</b>	<b>2,089.46</b>
<b>Total liabilities</b>		<b>6,396.55</b>	<b>4,435.90</b>
<b>Total</b>		<b>11,518.26</b>	<b>9,583.76</b>

The accompanying notes form an integral part of the consolidated financial statements 1 - 46

As per our report of even date as attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration No: 101248W/W-100022

**Tarun Kinger**  
Partner  
Membership No. 105003

Mumbai, June 10, 2020

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
DIN: 00121863

**Nasser Munjee**  
Director  
DIN: 00010180

**Giridhar Sanjeevi**  
Executive Vice President &  
Chief Financial Officer

**Puneet Chhatwal**  
Managing Director & CEO  
DIN: 07624616

**Beejal Desai**  
Senior Vice President - Corporate Affairs &  
Company Secretary (Group)



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

for the year ended March 31, 2020

		(₹ crores)	
	Note	March 31, 2020	March 31, 2019
<b>INCOME</b>			
Revenue from operations	24	4,463.14	4,512.00
Other income	25	132.42	83.38
<b>Total income</b>		<b>4,595.56</b>	<b>4,595.38</b>
<b>EXPENSES</b>			
Food and beverages consumed		370.56	404.05
Employee benefit expense and payment to contractors	26	1,494.60	1,470.79
Finance costs	27	341.12	190.13
Depreciation and amortisation expenses	6(b)	404.24	327.85
Other operating and general expenses	28	1,630.45	1,807.43
<b>Total expenses</b>		<b>4,240.97</b>	<b>4,200.25</b>
<b>Profit before exceptional items, tax and share of profit of equity accounted investees</b>		<b>354.59</b>	<b>395.13</b>
Exceptional items	29	40.95	6.58
<b>Profit before tax and share of profit of equity accounted investees</b>		<b>395.54</b>	<b>401.71</b>
<b>Tax expense</b>			
Current tax		169.15	178.54
Deferred tax credit		(124.38)	(21.42)
<b>Total tax expense</b>		<b>44.77</b>	<b>157.12</b>
<b>Profit after tax before share of profit of equity accounted investees</b>		<b>350.77</b>	<b>244.59</b>
<b>Share of Profit of Associates and Joint Venture (Net of Tax)</b>		<b>12.97</b>	<b>51.53</b>
<b>Profit for the year</b>		<b>363.74</b>	<b>296.12</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of defined benefit obligation		(21.52)	(10.16)
Change in fair value of equity instruments designated irrevocably as fair value through other comprehensive income		(118.25)	(104.20)
Share of other comprehensive income in associates and joint ventures (net of tax)		(3.66)	(3.08)
Add/(Less) : Income tax credit/(expense) on the above		6.47	2.21
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>(136.96)</b>	<b>(115.23)</b>
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange differences on translating the financial statement of foreign operations		116.47	50.32
Share of other comprehensive income in associates and joint ventures (net of tax)		12.93	7.75
Add/(Less) : Income tax credit/(expense) on the above		-	-
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>129.40</b>	<b>58.07</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(7.56)</b>	<b>(57.16)</b>
<b>Total comprehensive income for the year</b>		<b>356.18</b>	<b>238.96</b>
<b>Profit/(Loss) for the year attributable to:</b>			
Owners of the company		354.42	286.82
Non-controlling interests		9.32	9.30
		<b>363.74</b>	<b>296.12</b>
<b>Total comprehensive Income for the year attributable to:</b>			
Owners of the company		344.60	227.01
Non-controlling interests		11.58	11.95
		<b>356.18</b>	<b>238.96</b>
<b>Earnings per share:</b>			
Basic and Diluted - (₹)	44	2.98	2.41
Face value per equity share - (₹)		1.00	1.00
The accompanying notes form an integral part of the consolidated financial statements			

As per our report of even date as attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration No: 101248W/W-100022**Tarun Kinger**  
Partner  
Membership No. 105003

Mumbai, June 10, 2020

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
DIN: 00121863**Nasser Munjee**  
Director  
DIN: 00010180**Giridhar Sanjeevi**  
Executive Vice President &  
Chief Financial Officer**Puneet Chatwal**  
Managing Director & CEO  
DIN: 07624616**Beejal Desai**  
Senior Vice President - Corporate Affairs &  
Company Secretary (Group)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

	B. Other Equity										(₹ crores)		
	Reserves and surplus			Items of other comprehensive income			Equity			Total Equity			
A. Equity Share Capital	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	General Reserve	Other reserves	Retained Earnings	Instruments through Other Comprehensive Income	Exchange differences on translating the financial statement of foreign operations	Total Other Equity		Equity attributable to owners of the company	Non Controlling Interests	
Balance as at April 1, 2018	118.93	43.91	114.42	2,702.08	561.98	312.67	(56.86)	318.86	65.11	4,062.17	4,181.10	777.39	4,958.49
Profit for the year ended March 31, 2019	-	-	-	-	-	286.82	286.82	-	-	286.82	286.82	9.30	296.12
Other Comprehensive Income for the year ended March 31, 2019, net of taxes	-	-	-	-	-	(6.56)	(6.56)	(112.85)	59.60	(59.81)	(59.81)	2.65	(57.16)
<b>Total Comprehensive Income for the year ended March 31, 2019</b>	-	-	-	-	-	<b>280.26</b>	<b>280.26</b>	<b>(112.85)</b>	<b>59.60</b>	<b>227.01</b>	<b>227.01</b>	<b>11.95</b>	<b>238.96</b>
Adjustment on account of Joint venture (Refer Note 35)	-	-	-	-	-	(2.48)	(2.48)	-	-	(2.48)	(2.48)	-	(2.48)
Dividend	-	-	-	-	-	(47.57)	(47.57)	-	-	(47.57)	(47.57)	(14.24)	(61.81)
Tax on Dividend	-	-	-	-	-	(7.42)	(7.42)	-	-	(7.42)	(7.42)	(0.27)	(7.69)
Transfer from retained earnings to debenture redemption reserve	-	-	-	-	-	11.93	(11.93)	-	-	-	-	-	-
Allotment of Shares to minority on Rights basis	-	-	-	-	-	-	-	-	-	-	-	22.42	22.42
Issue expenses written off against Securities Premium	-	-	-	(0.03)	-	-	-	-	-	(0.03)	(0.03)	-	(0.03)
Change in ownership interests in subsidiaries	-	-	(2.61)	-	-	-	-	-	-	(2.61)	(2.61)	2.61	-
<b>As at March 31, 2019</b>	<b>118.93</b>	<b>43.91</b>	<b>111.81</b>	<b>2,702.05</b>	<b>561.98</b>	<b>324.60</b>	<b>154.00</b>	<b>206.01</b>	<b>124.71</b>	<b>4,229.07</b>	<b>4,348.00</b>	<b>799.86</b>	<b>5,147.86</b>
Adjustment on account of transition to the new lease standard, net of taxes (Refer Note 34)	-	-	-	-	-	-	(264.32)	-	(0.35)	(264.67)	(264.67)	(44.03)	(308.70)
<b>Balance as at March 31, 2019</b>	<b>118.93</b>	<b>43.91</b>	<b>111.81</b>	<b>2,702.05</b>	<b>561.98</b>	<b>324.60</b>	<b>(110.32)</b>	<b>206.01</b>	<b>124.36</b>	<b>3,964.40</b>	<b>4,083.33</b>	<b>755.83</b>	<b>4,839.16</b>
Profit for the year ended March 31, 2020	-	-	-	-	-	354.42	354.42	-	-	354.42	354.42	9.32	363.74
Other Comprehensive Income for the year ended March 31, 2020, net of taxes	-	-	-	-	-	(17.67)	(17.67)	(114.77)	122.62	(9.82)	(9.82)	2.26	(7.56)
<b>Total Comprehensive Income for the year ended March 31, 2020</b>	-	-	-	-	-	<b>336.75</b>	<b>336.75</b>	<b>(114.77)</b>	<b>122.62</b>	<b>344.60</b>	<b>344.60</b>	<b>11.58</b>	<b>356.18</b>
Dividend	-	-	-	-	-	(59.46)	(59.46)	-	-	(59.46)	(59.46)	(3.17)	(62.63)
Tax on Dividend	-	-	-	-	-	(11.70)	(11.70)	-	-	(11.70)	(11.70)	0.66	(11.04)
Transfer from Debenture Redemption Reserve to General Reserve	-	-	-	-	130.50	(130.50)	-	-	-	-	-	-	-
Realised loss on sale of investment transferred from Other Comprehensive Income	-	-	(0.24)	-	-	-	(3.01)	3.01	-	-	-	-	-
Change in ownership interests in Joint venture	-	-	-	-	0.08	0.20	-	-	-	(0.24)	(0.24)	-	(0.24)
Change in ownership interests in subsidiaries	-	-	-	-	-	194.30	152.26	94.25	246.98	4,237.88	4,356.81	764.90	5,121.71
<b>Balance as at March 31, 2020</b>	<b>118.93</b>	<b>43.91</b>	<b>111.57</b>	<b>2,702.05</b>	<b>692.56</b>	<b>194.30</b>	<b>152.26</b>	<b>94.25</b>	<b>246.98</b>	<b>4,237.88</b>	<b>4,356.81</b>	<b>764.90</b>	<b>5,121.71</b>

As per our report of even date as attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm's Registration No: 101248W/W-100022

**Tarun Kinger**  
Partner  
Membership No. 105003

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
DIN: 00121863

**Nasser Munjee**  
Director  
DIN: 00010180

**Giridhar Sanjeevi**  
Executive Vice President &  
Chief Financial Officer

**Punnet Chhatwal**  
Managing Director & CEO  
DIN: 07624616

**Beejal Desai**  
Senior Vice President - Corporate Affairs &  
Company Secretary (Group)

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	395.54	401.71
<b>Adjustments to reconcile net profit to net cash provided by operating activities:</b>		
Depreciation and amortisation expenses on Property, plant and equipment	334.99	327.85
Amortisation expenses on Right-of-Use assets	69.25	-
Profit on sale of investments	(9.82)	(15.94)
(Profit)/Loss on sale of assets	(136.86)	(11.67)
Allowance for Doubtful Debts and advances	6.65	14.69
Dividend Income	(7.32)	(7.32)
Interest Income	(18.67)	(19.99)
Finance Cost	184.23	190.13
Interest on lease liability	156.89	-
Exchange Gain on long term borrowings/assets (net)	2.61	1.43
Assets written off	6.91	-
Provision no longer required written back	(0.17)	-
Provision for disputed claims	2.53	11.57
Provision for Employee Benefits	(2.09)	5.26
Gain on investments carried at fair value through profit and loss	(0.28)	(1.83)
(Gain)/Loss on fair valuation of derivative contracts	21.76	41.03
	<b>610.61</b>	<b>535.21</b>
<b>Cash Operating Profit before working capital changes</b>	<b>1,006.15</b>	<b>936.92</b>
<b>Adjustments for increase / decrease in operating assets and liabilities:</b>		
Financial and Other Assets	(29.05)	(81.01)
Inventories	(13.21)	5.32
Financial and Other Liabilities	65.75	47.46
	<b>23.49</b>	<b>(28.23)</b>
<b>Cash Generated from Operating Activities</b>	<b>1,029.64</b>	<b>908.69</b>
Income Taxes Paid	(206.17)	(197.26)
<b>Net Cash Generated From Operating Activities (A)</b>	<b>823.47</b>	<b>711.43</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant & equipment	(487.39)	(478.61)
Proceeds from sale of property, plant & equipment	175.39	18.22
Capital subsidy received from Government	40.69	-
Additional Investment in a joint venture and a subsidiary	(3.36)	(10.75)
Purchase of current investments	(1,934.32)	(1,513.58)
Proceeds from sale / redemption of current investments	1,712.12	1,650.67
Proceeds from sale of investments in a Joint venture	29.79	-
Interest Received	15.68	17.88
Dividend Received (includes dividend from joint ventures and associates)	13.92	22.15
Bank Balances not considered as Cash & Cash Equivalents	(17.53)	9.19
Short term Loans repaid by other company	3.89	3.18
Long-term deposits placed for hotel properties	(47.38)	(60.00)
Short-term deposits placed for hotel properties	-	(45.00)
Deposits Refunded by / (Placed with ) Other Companies	(3.38)	(1.50)
<b>Net Cash Generated /(Used) In Investing Activities (B)</b>	<b>(501.88)</b>	<b>(388.15)</b>
<b>Carried over</b>	<b>321.59</b>	<b>323.28</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.) for the year ended March 31, 2020

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Brought over</b>	<b>321.59</b>	<b>323.28</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share issue expenses / Debenture issue expenses	(0.14)	(0.38)
Interest Paid (including repayment of loan in the previous year)	(155.45)	(150.80)
Repayment of long term Loans and Debentures	(637.80)	(235.29)
Payment of lease Liability	(136.12)	-
Proceeds from long term Loans and Debentures	732.30	53.93
Short Term Loans Raised	283.18	45.68
Short Term Loans Repaid	(155.02)	(15.00)
Proceeds from rights issue by a subsidiary to the extent of minorities	-	22.42
Dividend Paid (Including tax on dividend)	(75.73)	(68.52)
Settlement of derivative contracts	(120.60)	4.70
<b>Net Cash Generated/(Used) In Financing Activities (C)</b>	<b>(265.38)</b>	<b>(343.26)</b>
<b>Net Increase/(Decrease) In Cash and Cash Equivalents (A + B + C)</b>	<b>56.21</b>	<b>(19.98)</b>
<b>Cash and Cash Equivalents - Opening</b>	<b>189.29</b>	<b>207.84</b>
Exchange difference on translation of foreign currency cash and cash equivalents	5.32	1.43
<b>Cash and Cash Equivalents - Closing</b>	<b>250.82</b>	<b>189.29</b>

Refer Note 19(vii) for movement in financing activity

The accompanying notes form an integral part of the consolidated financial statements (Refer Note 1 - 46)

As per our report of even date as attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No: 101248W/W-100022

**Tarun Kinger**

Partner

Membership No. 105003

Mumbai, June 10, 2020

For and on behalf of the Board

**N. Chandrasekaran**

Chairman

DIN: 00121863

**Nasser Munjee**

Director

DIN: 00010180

**Giridhar Sanjeevi**

Executive Vice President &

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**Puneet Chhatwal**

Managing Director & CEO

DIN: 07624616

**Beejal Desai**

Senior Vice President - Corporate Affairs &

Company Secretary (Group)



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

### NOTE 1. CORPORATE INFORMATION

The Indian Hotels Company Limited (“IHCL” or the “Company”), and its subsidiaries (referred collectively as the “Group”) is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts. These consolidated financial statements of the Group also include the Group’s interest in associates and joint ventures.

The Company is domiciled and incorporated in India in 1902 and has its registered office at Mandlik House, Mandlik Road, Mumbai –400 001, India. It is promoted by Tata Sons Private Limited (Formerly Tata Sons Limited), which holds a significant stake in the Company.

The consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 10, 2020.

### NOTE 2. BASIS OF PREPARATION, PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING, CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The consolidated financial statements have been prepared on the following basis:

#### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

#### (b) Basis of preparation

The Consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities are classified as current and non-current as per company’s normal operating cycle of 12 months which is based on the nature of business of the Company. 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.

#### (c) Principles of consolidation and equity accounting

##### (i) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

##### (ii) Joint ventures, associates and equity method accounting

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets and obligations for the liabilities, relating to the arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the Consolidated Balance Sheet.

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Group's share of Other Comprehensive Income of the investee in Other Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its Associates and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amounts of equity accounted investments are tested for impairment.

The financial statements of subsidiaries, joint ventures and associates consolidated are drawn upto the same reporting date as that of the Company except one of the associate and joint venture which has the reporting date of December 31, 2019.

### (iii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate an equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying

amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate.

### (iv) 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 and joint ventures is included in the carrying value of the investment in associates and joint ventures.
- 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 Consolidated 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.

### (d) Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

- **Useful lives of property, plant and equipment and intangible assets:** The Group has estimated useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Group reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.
- **Impairment testing:** Property, plant and equipment, Right-of-Use assets and Intangible assets that are subject to amortisation/depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.
- **Impairment of investments:** The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Income Taxes:** Deferred tax assets are recognised to the extent that it is regarded as probable that deductible temporary differences can be realised. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and the tax charges in the Consolidated Statement of Profit and Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and the tax charge in the Consolidated Statement of Profit and Loss.

- **Loyalty programme:** The Group estimates the fair value of points awarded under the Loyalty programme by applying statistical techniques. Inputs include making assumptions about expected breakages, the mix of products that will be available for redemption in the future and customer preferences, redemption at own hotels and other participating hotels.

The group assessed whether the loyalty points provide a material right to the customer that needs to be accounted for as a separate performance obligation. The group determines that the loyalty points provide a material right that the customer would not exercise without entering into the contract.

- **Fair value measurement of derivative and other financial instruments:** The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. This involves significant judgements in the selection of a method in making assumptions that are mainly based on market conditions existing at the Balance Sheet Date and in identifying the most appropriate estimate of fair value when a wide range of fair value measurements are possible.
- **Litigation:** From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

- **Defined benefit plans:** The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet Date.
- **Determination of control:** The group has exercised its judgement not to consolidate entities with majority holding where the group does not have any power or control over or exposure to entity and does not have any rights to variable returns from its involvement with the entity. Also, for all strategic investments in entities where there is a contractual agreement in the form of joint venture agreement were classified as joint venture.
- **Recognition of deferred tax liability on undistributed profits:** The extent to which the group can control the timing of reversal of deferred tax liability on undistributed profit of its subsidiaries requires judgement.
- **Leases:**

**Critical judgements in determining the lease term:** Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

**Critical judgements in determining the discount rate:** The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### (e) Estimation uncertainty due to COVID-19:

On March 11, 2020, the World Health Organisation declared Covid-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and extended up to June 30, 2020. Business operations in the various international markets where the Company operates have also been impacted to varying extent based on the spread of the pandemic and the restrictions on business activities placed by the respective foreign Governments.

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to all the businesses of the Group i.e. The Indian Hotels Company Limited (the "Company"/ "IHCL") and its subsidiaries, joint ventures & associates. Lockdown guidelines mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies / shutdowns of our hotels across the Group.

Most of the hotels of the Group were shut down entirely during the lockdown phase as the Company was not part of Government denominated essential services. With the lifting of the partial lockdown restrictions, the Group has started re-opening a few hotels, after establishing thorough and well-rehearsed safety protocols. The Group expects all the hotels to become operational in a phased manner after the lockdown is lifted and the confidence of travellers is restored. The Group expects the demand for its services to pick up albeit at a slower pace once lockdown is lifted and recovery in business to be driven by domestic leisure tourism, staycations, domestic business travel and limited international travel.

The Group has assessed the potential impact of Covid-19 on its capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, supply chain and demand



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

for its services. Various steps have been initiated to raise finances from banks and institutions for working capital needs and long term fund requirements and the Group is in a comfortable liquidity position to meet its commitments. The Group has judiciously invoked the Force Majeure clauses for reliefs during the lock down period and does not foresee any disruption in raw material supplies.

The Group has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, right-of-use-assets, intangible assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Group. In developing the assumptions and estimates relating to the future uncertainties in the economic conditions because of this pandemic, the Group as at the date of approval of these Financial statements has used internal and external sources of information and based on current estimates, expects to recover the carrying amounts of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

### Significant accounting policies

#### (f) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of Indirect taxes, returns and discounts.

#### Income from operations

**Rooms, Food and Beverage & Banquets:** Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

**Space and shop rentals:** Rentals basically consists of rental revenue earned from letting of spaces for retails and office at the properties. These contracts for rentals are generally of short term in nature. Revenue is recognised in the period in which services are being rendered.

**Other Allied services:** In relation to the, laundry income, communication income, health club income, airport transfers income and other allied services, the revenue has been recognised by reference to the time of service rendered.

**Management and Operating fees:** Management fees earned from hotels managed by the Group are usually under long-term contracts with the hotel owner. Under Management and Operating Agreements, the Company's performance obligation is to provide hotel management services and a license to use the Company's trademark and other intellectual property.

Management and incentive fee is earned as a percentage of revenue and profit and are recognised when earned in accordance with the terms of the contract based on the underlying revenue, when collectability is certain and when the performance criteria are met. Both are treated as variable consideration.

**Membership Fees:** Membership fee income majorly consists of membership fees received from the loyalty program and Chamber membership fees. Income is earned when the customer enrolls for membership programs. In respect of performance obligations satisfied over a period of time, revenue is recognised at the allocated transaction price on a time-proportion basis.

**Loyalty program:** The Group operates loyalty programme, which provides a material right to customers that they would not exercise without entering in to a contract and the eligible customers earns points based on their spending at the hotels. The points so earned by such customers are accumulated. The revenues related to award points is deferred and a contract liability is created and on redemption/ expiry of such award points, revenue is recognised at pre-determined rates.

#### Contract balances

##### a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### b) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

### Interest

Interest income is accrued on a time proportion basis using the effective interest rate method.

### Dividend

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

## (g) Employee Benefits

### i. Short term Employee Benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to benefits such as salaries, bonuses and annual leave represent the amounts which the Group has a present obligation to pay as a result of the employee's services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

### ii. Post-Employment Benefits:

#### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

#### a) Provident and family pension fund

The eligible employees of domestic components of the Group are entitled to receive post-retirement benefits in respect of provident fund and family pension fund a defined contribution plan, in which both employees and the Group

make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' eligible salary). The contributions are made to the provident fund managed by the trust set up by the Group, or to the Regional Provident Fund Commissioner (RPFC) which are charged to the Statement of Profit and Loss as incurred.

Employee benefits arising out of contributions towards Provident Fund and Family Pension Scheme to Regional Provident Fund Commissioner or the Central Provident Commissioner and Social Security etc. paid/payable during the year are recognised as expense in the Statement of Profit and Loss account in the period in which the employee renders services.

Eligible employees of some of the overseas components of the Group are members of defined contribution plans. These plans, in addition to employee contribution, require the Group to make contributions equivalent to a pre-defined percentage of each eligible participant's plan compensation for each year. The Group may also make a profit sharing contribution of uniform percentage of eligible participant's plan compensation based on profit as defined. The Group recognised such contribution as an expense in the year in which the employee renders service.

#### b) Superannuation

The Group has a defined contribution plan for eligible employees of its domestic components, wherein it annually contributes a sum equivalent to a defined percentage of 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.

#### c) 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 independent external actuarial valuations carried out at the Balance Sheet date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

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.

### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

#### a) Gratuity

The Group accounts for the net present value of its obligations for gratuity benefits, based on independent actuarial valuations, determined on the basis of the projected unit credit method, carried out as at the Balance Sheet date. The obligation determined as aforesaid less the fair value of the plan assets is reported as a liability or asset as of the reporting date. Actuarial gains and losses are recognised immediately in Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

In case of funded scheme, the Group makes annual contributions to gratuity funds administered by the trustees for amounts notified by the funds in respect of eligible employee in case of certain domestic components and the parent / company.

#### b) 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 Other Comprehensive Income and reflected immediately in retained earnings and will not be reclassified to 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.

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 Other Comprehensive Income and reflected in retained earnings and will not be reclassified to the Statement of Profit and Loss.

#### c) Provident Fund Trust

In respect of contribution to the trust set up by the Group, since the Group is obligated to meet interest shortfall, if any, with respect to covered employees, such employee benefit plan is classified as Defined Benefit Plan. Any obligation in this respect is measured on the basis of independent actuarial valuation.

### Other Long-term Employee Benefits

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/ availment. The Company makes provision for compensated absences based on an independent actuarial valuation carried out at the end of the year. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (h) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs (refer note no. 2(q) below). Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it. 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.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### Indian Entities

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets had been re-assessed as under based on technical evaluation, taking into 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.

The estimated useful lives of the assets are as follows:

Class of Assets	Estimated Useful Life
Building	30 to 80 years
Plant and Equipment	5 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
Other miscellaneous hotel assets	4 years

In respect of buildings on leasehold land, depreciation is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to leasehold buildings are depreciated on the basis of their estimated useful lives or the expected lease period, whichever is lower. Freehold land is not depreciated.

The assets' useful lives and residual values are reviewed at the Balance Sheet date and the effects of any changes in estimates are accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. Proportionate depreciation is charged for the addition and disposal made during the year.

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

Capital work in progress represents projects under which the property, plant and equipment's are not yet ready for their intended use and are carried at cost determined as aforesaid.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

### International Entities

Depreciation on assets is provided at Straight Line Method (SLM) based on the estimated useful life detailed below. 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.

Class of Assets	Estimated Useful Life
Long term lease hold property	Over the term of lease
Plant and Equipment	5 to 20 years
Electrical Installation and Equipment	20 years

In respect of Leasehold Buildings, depreciation on buildings on leased properties is based on the tenure which is lower of the life of the buildings or the expected lease period. Improvements to buildings are depreciated on the basis of their estimated useful lives. Freehold land is not depreciated.

### (i) Intangible Assets

Intangible assets include cost of acquired software and designs, cost incurred for development of the Company's website and certain contract acquisition costs including the lease rights acquisition costs. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

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

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. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The estimated useful life used for amortising for other intangible assets is as under:

Class of Assets	Estimated Useful Life
Website Development Cost	5 years
Software and Licences	6 years
Service and Operating Rights	10 years
Leasehold property rights	Over the term of lease

An intangible assets is derecognised on disposal, or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognised.

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

### (j) Impairment of Assets

Goodwill which has an indefinite useful life is not subject to amortisation and is tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (k) Foreign Currency Translation

#### Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupee (₹).

#### 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 denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.

#### Translation of financial statements of foreign operations

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 year. 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. All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as a part of gain or loss on sale.

### (l) Lease

Effective April 1, 2019 the group has applied Ind AS 116 which replaces Ind AS 17 Leases. Refer note 2(k) – Significant accounting policies – Assets taken on lease in the Annual report of the group for the year ended March 31, 2019, for policy for lease accounting as per Ind AS 17.

On inception of a contract, the Group (as a lessee) assesses whether it contains a lease. A contract is, or contains a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease contracts may contain both lease and non-lease components. The Group allocates payments in the contract to the lease and non-lease components based on their relative stand-alone prices and applies the lease accounting model only to lease components.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs incurred, lease payments made at or before the commencement date, any asset restoration obligation, and less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are also adjusted for any re-measurement of lease liabilities. Unless the Group is reasonably certain to obtain ownership of the leased assets or renewal of the leases at the end of the lease term, recognised right-of-use assets are depreciated to a residual value over the shorter of their estimated useful life or lease term.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including 'in-substance fixed' payments) and variable lease payments that depend on an index or a rate, less any lease incentives receivable. 'In-substance fixed' payments are payments that may, in form, contain variability but that, in substance, are unavoidable. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease term includes periods subject to extension options which the Group is reasonably certain to exercise and excludes the effect of early termination options where the Group is not reasonably certain that it will exercise the option. Minimum lease payments include the cost of a purchase option if the Company is reasonably certain it will purchase the underlying asset after the lease term.

Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Group changes its assessment if whether it will exercise an extension or a termination option and any lease modification.

Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period over which the event or condition that triggers the payment occurs. In respect of variable leases which guarantee a minimum amount of rent over the lease term, the guaranteed amount is considered to be an 'in-substance fixed' lease payment and included in the initial calculation of the lease liability. Payments which are 'in-substance fixed' are charged against the lease liability.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments are presented as follows in the Group's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;

- payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from operating activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities

### **(m) 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. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost includes the cost of fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

### **(n) Government Grants**

Government grants are recognised in the period to which they relate when there is reasonable assurance that the grant will be received and that the Group will comply with the attached conditions.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are presented in the balance sheet by deducting the grant in calculating the carrying amount of the asset.

### **(o) Income Taxes**

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### Current tax

Current 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 at the end of the reporting period in the countries where the company and its subsidiaries and its associates and joint ventures operate and generate taxable income.

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

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of the goodwill. The deferred tax is also not accounted if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profits/(taxable loss).

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which such deferred tax assets can be realised. Deferred tax assets positions are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax liabilities are generally recognised for all taxable temporary differences except in respect of taxable temporary differences between the carrying amount and the tax bases of investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Minimum Alternative Tax ("MAT") credit forming part of deferred tax asset 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 reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

### (p) Provisions

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

### (q) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition or construction of qualifying assets that necessarily takes substantial period of time to get ready for their intended use or



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs that are not directly attributable to a qualifying asset are recognised in the Statement of Profit and Loss using the effective interest method.

### (r) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before 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.

### (s) Earnings per share

Basic earnings per share is computed by dividing the Profit or Loss after tax by the weighted average number of equity shares outstanding during the year adjusting the bonus element for all the reported period arising on account of issue of equity shares on rights and including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax 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.

### (t) Exceptional items

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying operating performance of the Group and provides consistency with the Group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, gains

and losses on the disposal of properties/significant undertakings, impairment charges, exchange gain/ (loss) on long term borrowings/ assets and changes in fair value of derivative contracts.

## (u) Financial Instruments

### a. Financial assets

#### Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

#### Classification

- **Cash and cash equivalents** - 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.
- **Debt Instruments** - The Group classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

#### i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### ii. Financial assets at Fair Value through Other Comprehensive Income (“FVOCI”)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company’s income in the Statement of Profit and Loss using the effective interest rate method.

### iii. Financial assets at Fair Value through Statement of Profit and Loss (“FVTPL”)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

- **Equity Instruments** - The Group subsequently measures all equity investments (other than the investment in joint ventures and associates which are measured using equity method of accounting) at fair value. Where the Group has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group’s right to receive payment is established.

The Group has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments not held for trading.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

#### De-recognition

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### Impairment of financial assets

The Group assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Group recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

### b. Financial liabilities

#### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

### De-recognition

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

### Derivatives contracts

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The fair value changes of derivatives which are not designated as a hedging instrument are accounted through Statement of Profit and Loss. During the years reported, no hedge relationship was designated.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### (v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the Statement of Profit and Loss.

### (w) Business combination

The Group uses the "acquisition method" of accounting to account for its business combinations as per which the identifiable assets or liabilities (and contingent liabilities) assumed are recognised at their fair values (with limited exceptions). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of non-controlling interests of the acquire, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition date amounts of identifiable assets acquired and the liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in Other Comprehensive Income and accumulated in equity as Capital Reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as Capital Reserve.

Transaction costs incurred (other than debt / equity instrument related) in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred.

If the Group obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognised.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations of entities under common

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

control are accounted using the “pooling of interests” method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies. The figures for the previous periods are restated as if the business combination had occurred at the beginning of the preceding period irrespective of the actual date of the combination

### (x) Recent accounting pronouncements

#### **New and amended standards adopted by the Group:**

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2019:

- i) **Ind AS 116 – Leases;**
- ii) Income tax consequences in case of dividends (Ind AS 12 – Income Taxes (amendments relating to income tax consequences of dividend));
- iii) Accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities (Ind AS 12 – Income Taxes (amendments relating to uncertainty over income tax treatments));
- iv) Accounting treatment for specific borrowings post capitalisation of corresponding qualifying asset (Ind AS 23 – Borrowing Costs);
- v) Accounting for prepayment features with negative compensation in case of debt instruments (Ind AS 109 – Prepayment Features with Negative Compensation);
- vi) Accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans (Ind AS 19 – Plan Amendment, Curtailment or Settlement);

vii) Business combination accounting in case of obtaining control of a joint operation (Ind AS 103 – Business combination);

viii) Accounting in case of obtaining joint control of an operation wherein there was no joint control earlier (Ind AS 111 – Joint arrangement);

ix) Accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the investment in the associate or joint venture (long-term interests) (Ind AS 28 – Long-term interests in associates and joint ventures).

The Group has changed its accounting policies as a result of adopting Ind AS 116. The Group elected to adopt the new standard retrospectively with the cumulative effect of initially applying the standard recognised in retained earnings, on April 1, 2019. This is disclosed in note 34. The other amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

#### **New Standards or other amendments issued but not yet effective:**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 3 : PROPERTY, PLANT AND EQUIPMENT (OWNED, UNLESS OTHERWISE STATED)

(₹ crores)

	Freehold land	Buildings  (Refer Footnote i and vi)	Plant and machinery	Furniture & fixtures  (Refer Footnote ii)	Office equipment  (Refer Footnote ii)	Vehicles	Total
<b>Cost</b>							
<b>Gross carrying value</b>							
<b>At April 1, 2018</b>	259.20	3,688.56	1,162.22	531.15	67.01	8.30	5,716.44
Translation adjustment (Refer Footnote iii)	5.81	36.35	(0.23)	3.56	0.51	-	46.00
Additions (Refer Footnote iv)	0.16	284.57	160.13	76.58	6.32	2.59	530.35
Disposals (Refer Footnote vi)	-	13.91	7.59	3.08	0.91	0.31	25.80
<b>At March 31, 2019</b>	<b>265.17</b>	<b>3,995.57</b>	<b>1,314.53</b>	<b>608.21</b>	<b>72.93</b>	<b>10.58</b>	<b>6,266.99</b>
Translation adjustment (Refer Footnote iii)	8.77	110.62	2.20	10.48	0.83	-	132.90
Additions (Refer Footnote iv)	-	133.71	111.49	58.63	14.85	3.68	322.36
Adjustments (Refer Footnote vii)	-	(24.29)	(15.58)	-	-	-	(39.87)
Disposals (Refer Footnote vi)	8.32	33.87	10.98	5.83	0.91	0.32	60.23
<b>At March 31, 2020</b>	<b>265.62</b>	<b>4,181.74</b>	<b>1,401.66</b>	<b>671.49</b>	<b>87.70</b>	<b>13.94</b>	<b>6,622.15</b>
<b>Accumulated Depreciation</b>							
<b>At April 1, 2018</b>	-	305.76	248.00	151.69	30.01	3.02	738.48
Translation adjustment (Refer Footnote iii)	-	3.29	(0.09)	1.86	0.27	-	5.33
Charge for the year	-	124.14	103.56	61.52	10.80	0.81	300.83
Disposals	-	2.87	5.11	1.85	0.74	0.26	10.83
<b>At March 31, 2019</b>	<b>-</b>	<b>430.32</b>	<b>346.36</b>	<b>213.22</b>	<b>40.34</b>	<b>3.57</b>	<b>1,033.81</b>
Translation adjustment (Refer Footnote iii)	-	15.22	0.95	7.49	0.62	-	24.28
Charge for the year	-	130.77	105.02	59.58	11.72	1.07	308.16
Disposals	-	5.22	4.21	4.34	0.70	0.28	14.75
<b>At March 31, 2020</b>	<b>-</b>	<b>571.09</b>	<b>448.12</b>	<b>275.95</b>	<b>51.98</b>	<b>4.36</b>	<b>1,351.50</b>
<b>Net Block</b>							
<b>At March 31, 2019</b>	<b>265.17</b>	<b>3,565.25</b>	<b>968.17</b>	<b>394.99</b>	<b>32.59</b>	<b>7.01</b>	<b>5,233.18</b>
<b>At March 31, 2020</b>	<b>265.62</b>	<b>3,610.65</b>	<b>953.54</b>	<b>395.54</b>	<b>35.72</b>	<b>9.58</b>	<b>5,270.65</b>

#### Footnotes:

- Cost includes improvements to buildings constructed on leasehold land - ₹ 2,999.78 crores; (Previous year - ₹ 2,861.78 crores)
- Furniture, Fixtures and Office Equipment as at the year end include assets on finance lease: Cost - ₹ 4.90 crore (Previous year - ₹ 1.30 crore), Accumulated Depreciation - ₹ 1.27 crore (Previous year ₹ 0.74 crore), Depreciation for the year - ₹ 0.48 crore (Previous year - ₹ 0.23 crore) and carrying value as at the reporting date of ₹ 3.63 crore (Previous year ₹ 0.56 crore).
- Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".
- Addition includes ₹ 1.51 crore (Previous year - ₹ 0.07 crore) on account of interest cost on borrowings capitalised on certain qualifying assets (Refer Note 27).
- For details of pledged assets refer Note 19, footnote (ii).
- Disposals include ₹ 3.74 crores (Previous year - ₹ 8.43 crores) of Assets, comprising of residential flats, reclassified as held for sale.
- The Company had filed a claim for Government subsidy in 2016 with the Department of Industrial Policy and Promotion for a new greenfield hotel project in Guwahati, which had since commenced operations. Company's application was under various stages of review and verification finally with various government authorities. During the year, the Company's claim application was approved and on March 30, 2020, the Company received the amount of capital subsidy of ₹ 40.69 crores. Claims received directly attributable to specific assets amounting to ₹ 39.87 crores has been reduced/adjusted against the respective assets and accordingly depreciation in future years would be lower. Claims received in respect of assets which were fully depreciated in the books or exceeding the carrying value has been recognised as Other Income.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 4 : RIGHT-OF-USE ASSETS

	(₹ crores)			
	Leased Land	Buildings	Office Premises	Total
<b>Cost</b>				
<b>Gross carrying value</b>				
At April 1, 2019 (Refer Note 34)	194.38	1,511.83	35.60	1,741.96
Reassessment of leases	-	29.23	-	29.23
Additions	-	46.37	-	46.37
Disposals	0.15	170.63	-	170.78
<b>At March 31, 2020</b>	<b>194.53</b>	<b>1,416.80</b>	<b>35.60</b>	<b>1,646.78</b>
<b>Accumulated Amortisation</b>				
At April 1, 2019 (Refer Note 34)	-	-	-	-
Translation adjustment (Refer Footnote iii)	-	1.36	-	1.36
Charge for the year (Refer Footnote i)	3.34	61.96	7.00	72.30
Disposals	-	10.16	-	10.16
<b>At March 31, 2020</b>	<b>3.34</b>	<b>53.16</b>	<b>7.00</b>	<b>63.50</b>
<b>Net Block</b>				
<b>At March 31, 2020</b>	<b>191.04</b>	<b>1,363.64</b>	<b>28.60</b>	<b>1,583.28</b>

#### Footnotes:

- (i) Amortisation includes ₹ 1.94 crores which is capitalised during the year.
- (ii) The Company's leased assets mainly comprise land and hotel properties and offices. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1 to 198 years. Many of the Company's property leases contain extension or early termination options, which are used for operational flexibility.
- One of the land lease agreement with the Government has expired and is in an advanced stage of renewal. In the absence of a definitive agreement and uncertainty about the timing of the cash flows, this lease is not included in the calculation of Right-of-Use Assets and corresponding Lease liabilities. The rental for this land continues to be provided as lease expense on a best estimate.
- (iii) Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment".
- (iv) Variable lease payments are payable under certain of the Company's hotel leases and arise where the Company is committed to making additional lease payments that are contingent on the performance of the hotels. (Refer Note 34 (c))

### NOTE 5 : GOODWILL

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Opening Balance</b>	583.47	555.56
Add : Foreign Exchange fluctuation for the year	31.52	27.91
Less : Adjustment on account of additional stake in a subsidiary	(0.41)	-
<b>Closing Balance</b>	<b>614.58</b>	<b>583.47</b>

#### Footnotes:

The Group tests goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill, which arose on acquisition of the assets/entities, is allocated to a cash generating unit "CGU" representing the lowest level with the Group at which goodwill is monitored for internal management reporting purposes.

The recoverable value of the CGU is determined on the basis of 'fair value less cost to sell'. The Group determined fair values using the market approach, when available and appropriate, or the income approach, or a combination of both. The Group assesses the valuation methodology based upon the relevance and availability of the data at the time the valuation is performed. If multiple valuation methodologies are used, the results are weighted appropriately.

Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services.

Goodwill mainly comprises of ₹ 430.78 crores (Previous year - ₹ 399.25 crores) allocated to the International business (United Kingdom) and ₹ 130.99 crores (Previous year - ₹ 130.99 crores) allocated to a component of domestic business. The estimated fair value of these CGUs is based on market value of property. The remaining amount of goodwill of ₹ 52.81 crores (Previous year - ₹ 53.23 crores) relates to different CGUs which is individually immaterial.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 6(a) : OTHER INTANGIBLE ASSETS

	(₹ crores)				
	Leasehold property rights (acquired) (Refer Footnote iii)	Website development cost	Software and licences (Refer Footnote i)	Service and operating rights	Total
<b>Cost</b>					
<b>Gross carrying value</b>					
<b>At April 1, 2018</b>	623.62	19.80	52.48	3.48	699.38
Translation adjustment (Refer Footnote ii)	0.65	-	-	0.22	0.87
Additions	8.95	1.70	2.55	-	13.20
Disposals	-	-	0.09	-	0.09
<b>At March 31, 2019</b>	<b>633.22</b>	<b>21.50</b>	<b>54.94</b>	<b>3.70</b>	<b>713.36</b>
Translation adjustment (Refer Footnote ii)	0.99	-	-	0.34	1.33
Additions	6.67	1.16	2.54	-	10.37
Disposals	0.04	-	0.01	-	0.05
<b>At March 31, 2020</b>	<b>640.84</b>	<b>22.66</b>	<b>57.47</b>	<b>4.04</b>	<b>725.01</b>
<b>Accumulated Amortisation</b>					
<b>At April 1, 2018</b>	43.87	9.02	23.86	3.48	80.23
Translation adjustment (Refer Footnote ii)	0.40	-	-	0.22	0.62
Charge for the year	13.87	4.03	9.12	-	27.02
Disposals	-	-	0.11	-	0.11
<b>At March 31, 2019</b>	<b>58.14</b>	<b>13.05</b>	<b>32.87</b>	<b>3.70</b>	<b>107.76</b>
Translation adjustment (Refer Footnote ii)	0.88	-	-	0.34	1.22
Charge for the year	13.75	4.30	7.67	-	25.72
Disposals	0.01	-	0.02	-	0.03
<b>At March 31, 2020</b>	<b>72.76</b>	<b>17.35</b>	<b>40.52</b>	<b>4.04</b>	<b>134.67</b>
<b>Net Block</b>					
<b>At March 31, 2019</b>	<b>575.08</b>	<b>8.45</b>	<b>22.07</b>	<b>-</b>	<b>605.60</b>
<b>At March 31, 2020</b>	<b>568.08</b>	<b>5.31</b>	<b>16.95</b>	<b>-</b>	<b>590.34</b>

#### Footnotes:

- (i) Software includes Customer Reservation System and other 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) Leasehold property rights mainly consists of lease acquisition rights for the hotel property including land. Refer Note 2(h) for accounting policy .

### NOTE 6(b) : DEPRECIATION AND AMORTIZATION EXPENSES

	(₹ crores)	
	March 31, 2020	March 31, 2019
Depreciation on Property, Plant and Equipment	308.16	300.83
Depreciation of Right-of-use Assets *	70.36	-
Amortisation on Intangible Assets	25.72	27.02
<b>Total</b>	<b>404.24</b>	<b>327.85</b>

\* Amortisation charge for the year excludes ₹ 1.94 crores which is capitalised during the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 7 : INVESTMENTS ACCOUNTED USING THE EQUITY METHOD

Break up of investments in joint ventures and associate (carrying value determined using the equity method of accounting) as below :-

	Face Value	March 31, 2020		March 31, 2019	
		Holdings as at	(₹ crores)	Holdings as at	(₹ crores)
<b>(a) Equity investments in joint venture companies (Refer Note 35(c))</b>					
Fully paid unquoted equity investments					
Taj Kerala Hotels & Resorts Ltd.	₹ 10	1,41,51,664	13.95	1,41,51,664	15.57
Taj SATS Air Catering Ltd.	₹ 10	88,74,000	69.95	88,74,000	61.83
Taj Karnataka Hotels & Resorts Ltd. (Refer footnote (iii))	₹ 10	13,98,740	-	13,98,740	-
Taj Madras Flight Kitchen Private Ltd. (79,44,112 shares sold during the year) (Refer footnote (vi))	₹ 10	-	-	79,44,112	25.23
Taj Safaris Ltd. (29,94,417 shares acquired during the year)	₹ 10	2,97,20,502	9.04	2,67,26,085	10.93
Kaveri Retreat & Resorts Ltd.	₹ 10	1,31,76,467	43.49	1,31,76,467	41.02
Zarrenstar Hospitality Private Ltd (Refer Note 32(ii))	₹ 1	1	-	-	-
IHMS Hotels (SA) (Proprietary) Ltd. (Refer footnote (iii))	Zar 1	8,67,39,958	-	8,67,39,958	-
TAL Hotels and Resorts Ltd.	US \$ 1	49,46,282	124.74	49,46,282	122.31
<b>Total Aggregate unquoted investments</b>			<b>261.17</b>		<b>276.89</b>
Fully paid quoted equity investments					
Taj GVK Hotels & Resorts Ltd.	₹ 10	1,60,00,400	123.21	1,60,00,400	117.33
<b>Total Aggregate quoted investments</b>			<b>123.21</b>		<b>117.33</b>
<b>Total Investments carrying value</b>			<b>384.38</b>		<b>394.22</b>
<b>(b) Equity investments in associate companies (Refer Note 35(c))</b>					
Fully paid unquoted equity investments					
Taj Madurai Ltd.	₹ 10	9,12,000	4.04	9,12,000	6.22
Taida Trading & Industries Ltd. (Refer footnote (iv))	₹ 100	65,992	-	65,992	-
Lanka Island Resorts Ltd.	LKR 10	1,99,65,525	33.40	1,99,65,525	33.71
Bjets Pte Ltd. (Refer footnote (iv))	US \$ 1	2,00,00,000	-	2,00,00,000	-
<b>Total Aggregate unquoted investments</b>			<b>37.44</b>		<b>39.93</b>
Fully paid quoted equity investments					
Oriental Hotels Ltd. (Refer footnote (v))	₹ 10	6,61,66,530	238.99	6,61,66,530	240.07
Tal Lanka Hotels Plc	LKR 10	3,43,75,640	11.54	3,43,75,640	13.45
<b>Total Aggregate Quoted Investments</b>			<b>250.53</b>		<b>253.52</b>
<b>Total Investments Carrying Value</b>			<b>287.97</b>		<b>293.45</b>
<b>Total Investments in Joint Ventures and Associates</b>			<b>672.35</b>		<b>687.67</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### Footnotes:

(i) Aggregate carrying value of Quoted Investments	373.74	370.85
Market value of Quoted Investments	289.87	697.34
Aggregate amount of impairment in value of investments	-	-
(ii) Aggregate amount of Unquoted Investments	298.61	316.82
(iii) The carrying value of these investments is carried at nil value as the Group's interest using equity method in these entities are reduced to zero. The Group has also picked up additional losses under the equity method to the extent of the Group's other exposures in terms of loans given and Fees/dues Outstanding's. (Refer Note no 21(b)).		
(iv) The carrying amount of these investments has been reported as nil, as the Group's share of losses exceeds the cost/carrying value. (Refer Note 35(b))		
(v) Includes 5.40% (Previous year 5.40%), of the shares held in the form of Global Depository Receipts (GDR).		
(vi) In order to consolidate the business and operations of Air Catering, the Parent Company has during the year sold its entire stake representing 50% of the paid up capital in Taj Madras Flight Kitchen Private Limited, to Taj SATS Air Catering Limited at fair value based on independent valuation resulting in a profit of ₹ 2.12 crores, which has been booked under exceptional item in Note 29.		

### NOTE 8 : INVESTMENTS

	Face Value	March 31, 2020		March 31, 2019	
		Holdings as at	(₹ crores)	Holdings as at	(₹ crores)
<b>(a) Non current</b>					
<b>Equity investments in other companies (Non current)</b>					
<b>Carried at fair value through Other Comprehensive Income:</b>					
<b>Fully paid unquoted equity investments</b>					
Damania Airways Ltd.*	₹ 10	500	-	500	-
Hotels and Restaurant Co-op. Service Society Ltd. *	₹ 50	20	-	20	-
Kumarakruppa Frontier Hotels Private Ltd.	₹ 10	96,432	7.48	96,432	7.18
MPOWER Information Systems Private Ltd. *	₹ 10	5,28,000	-	5,28,000	-
Smile and Care Products Private Ltd. *	₹ 10	49,800	-	49,800	-
Tata Ceramics Ltd. (sold during the year)	₹ 2	-	-	1,54,29,480	-
Tata Industries Ltd. (Refer Footnote (v))	₹ 100	42,74,590	55.73	42,74,590	55.73
Tata International Ltd	₹ 1000	8,000	18.11	8,000	24.96
Taj Air Ltd.	₹ 10	2,22,40,200	5.58	2,22,40,200	5.50
Tata Services Ltd.	₹ 1000	421	0.04	421	0.04
Tata Sons Private Ltd. (Refer Footnote (v))	₹ 1000	4,500	25.00	4,500	25.00
TRIL Infopark Ltd. (Refer Footnote iii)	₹ 10	7,11,00,000	71.10	7,11,00,000	71.10
Bombay Mercantile Co-operative Bank Ltd.*	₹ 30	333	-	333	-
Hindustan Engineering & Industries Ltd. *	₹ 10	7	-	7	-
Saraswat Co-operative Bank Ltd. *	₹ 10	2,000	-	2,000	-
			<b>183.04</b>		<b>189.51</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

	Face Value	March 31, 2020		March 31, 2019	
		Holdings as at	(₹ crores)	Holdings as at	(₹ crores)
<b>Fully paid quoted equity investments:</b>					
India Tourism Development Corporation Ltd.	₹ 10	67,50,275	87.75	67,50,275	189.04
Tulip Star Hotels Ltd.	₹ 10	35,800	0.09	35,800	0.23
Asian Hotels (North) Ltd. *	₹ 10	2	-	2	-
Asian Hotels (East) Ltd. *	₹ 10	2	-	2	-
Asian Hotels (West) Ltd. *	₹ 10	2	-	2	-
EIH Ltd. *	₹ 2	37	-	37	-
Hotel Leela Venture Ltd. *	₹ 2	25	-	25	-
Graviss Hospitality Ltd.	₹ 2	4,500	0.01	4,500	0.01
HDFC Bank Ltd. (shares split during the year in the ratio of 2:1)	₹ 1	5,000	0.43	2,500	0.58
Titan Company Ltd. (13,06,000 Shares sold during previous year)	₹ 1	5,00,000	46.67	5,00,000	56.88
			<b>134.95</b>		<b>246.74</b>
<b>Investment in Preference Shares (carried at amortised costs)</b>					
Central India Spinning Weaving & Manufacturing Company Ltd. *	₹ 500	50	-	50	-
(10% unquoted Cumulative Preference Shares)					
<b>Investment in Others (carried at amortised costs)</b>					
National Savings Certificate			0.01		0.01
<b>Total Investments carrying value</b>			<b>318.00</b>		<b>436.26</b>
* Value of these investments individually is less than ₹ 25,000					

### Footnotes:

- (i) Aggregate carrying amount of Quoted Investments **134.95** 246.74  
Market value of Quoted Investments **134.95** 246.74
- (ii) Aggregate carrying amount of Unquoted Investments and Others **183.05** 189.52
- (iii) 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 (March 31, 2019 ₹ 71.10 crores) as Option Deposit, which shall be adjusted upon exercise of the option or refunded.
- (iv) The fair value hierarchy and classification are disclosed in Note 35(b).
- (v) For these investments, cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 8 : INVESTMENTS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(b) Current</b>		
<b>Investments carried at fair value through profit and loss:</b>		
Investments in mutual fund units (unquoted)	436.24	211.21
	<b>436.24</b>	<b>211.21</b>
<b>Investments carried at fair value through Other Comprehensive Income:</b>		
Equity investments in other entities (unquoted)		
BAHC 5 Pte Ltd. (Refer Note ii)	-	-
1 (Previous year - 1) equity shares of US \$ 1 each (₹ 75 (Previous year ₹ 69))	-	-
	<b>436.24</b>	<b>211.21</b>
<b>Total Current investments</b>	<b>436.24</b>	<b>211.21</b>
<b>Footnotes:</b>		
(i) Aggregate amount of Unquoted Investments:	436.24	211.21
(ii) This investment are temporarily held for disposal in near future (Refer Note 35(a)(ii)(b))		

### NOTE 9 : LOANS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non current (at amortised costs)</b>		
<b>(Unsecured)</b>		
<b>Loans to related parties (Refer Note 41)</b>		
Considered good	16.65	15.73
Credit impaired	3.27	150.26
	<b>19.92</b>	<b>165.99</b>
Less : Allowance for credit impaired	3.27	150.26
	<b>16.65</b>	<b>15.73</b>
<b>(b) Current (at amortised cost)</b>		
<b>(Unsecured, considered good unless stated otherwise)</b>		
<b>Loans</b>		
Related parties (Refer Note 41)	3.42	2.87
Others	1.35	0.57
	<b>4.77</b>	<b>3.44</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 10 : OTHER FINANCIAL ASSETS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non current</b>		
<b>Long-term security deposits placed for hotel properties at amortised costs</b>		
Long-term security deposits placed for hotel properties at amortised costs	75.02	34.37
	<b>75.02</b>	<b>34.37</b>
Less : Allowance for doubtful deposits	2.00	2.00
	<b>73.02</b>	<b>32.37</b>
<b>Deposits with Public Bodies and Others at amortised costs</b>		
Related parties (Refer Note 41)	0.08	-
Public Bodies and Others	32.63	25.19
	<b>32.71</b>	<b>25.19</b>
Less : Allowance for doubtful deposits	0.02	0.10
	<b>32.69</b>	<b>25.09</b>
<b>Deposits with banks (Refer Note 16)</b>	10.81	6.27
<b>Interest receivable</b>	0.08	0.14
<b>Others</b>	1.76	1.67
	<b>118.36</b>	<b>65.54</b>
<b>(b) Current</b>		
<b>Deposit with public bodies and others</b>		
Public Bodies and Others	29.70	61.26
	<b>29.70</b>	<b>61.26</b>
<b>Other advances</b>		
Considered good	13.87	12.12
Considered doubtful	2.32	2.75
	<b>16.19</b>	<b>14.87</b>
Less : Allowance for doubtful advances	2.32	2.75
	<b>13.87</b>	<b>12.12</b>
<b>Interest receivable</b>		
Related Parties (Refer Note 41)	0.49	0.98
Others	6.72	2.57
	<b>7.21</b>	<b>3.55</b>
<b>Other receivable</b>		
Related Parties (Refer Note 41)	83.12	68.70
Others	27.08	14.51
	<b>110.20</b>	<b>83.21</b>
	<b>160.98</b>	<b>160.14</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 11 : DEFERRED TAX ASSETS (NET)

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Deferred tax assets:</b>		
Allowance for doubtful debts	0.44	0.05
Provision for employee benefits	4.18	0.25
Right-of-use assets	6.22	-
Unused tax losses (Business)	70.67	67.39
MAT credit entitlement	20.43	0.17
Others	2.80	2.08
<b>Total (A)</b>	<b>104.74</b>	<b>69.94</b>
<b>Deferred tax liabilities:</b>		
Property, Plant and equipment & Intangible Assets	27.71	0.50
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	0.38	-
Others	0.15	-
<b>Total (B)</b>	<b>28.24</b>	<b>0.50</b>
<b>Net Deferred tax assets (A-B) (Refer Footnote i)</b>	<b>76.50</b>	<b>69.44</b>

**Footnote:**

- (i) Deferred tax assets and deferred tax liabilities of entities within the group have been offset as they relate to the same governing taxation laws.  
(ii) For details in deferred tax balances, Refer Note 38.

### NOTE 11 : DEFERRED TAX LIABILITIES (NET)

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(b) Deferred tax liabilities:</b>		
Property, Plant and equipment & Intangible Assets	307.31	484.32
Unamortised borrowing costs	0.34	0.37
Fair valuation changes of derivative contracts	-	2.27
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	-	1.57
Others	0.07	-
<b>Total (A)</b>	<b>307.72</b>	<b>488.53</b>
<b>Deferred tax assets:</b>		
Allowance for doubtful debts	4.78	5.80
Provision for employee benefits	33.84	38.72
Right-of-use assets (net of Lease Liabilities)	47.23	-
Unused tax losses (Business)	-	6.13
MAT credit entitlement	-	19.18
Fair valuation changes of derivative contracts	5.93	-
Reward Points	12.31	14.83
Provision for Contingencies	3.34	11.67
Others	13.44	15.43
<b>Total (B)</b>	<b>120.87</b>	<b>111.76</b>
<b>Net Deferred tax liabilities (A-B) (Refer Footnote i)</b>	<b>186.85</b>	<b>376.77</b>

**Footnote:**

- (i) Deferred tax liabilities and deferred tax assets of entities within the group have been offset as they relate to the same governing taxation laws.  
(ii) For details in deferred tax balances, Refer Note 38.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 12 : OTHER ASSETS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non current</b>		
Capital advances	35.66	12.55
Prepaid expenses	120.32	208.02
Deposits with government authorities	111.41	113.41
Incentive receivables	76.67	82.12
Others	4.25	5.90
	<b>348.31</b>	<b>422.00</b>
<b>(b) Current</b>		
Prepaid expenses	58.86	104.61
Indirect tax recoverable	43.53	9.15
Advances to suppliers	26.95	14.76
Loans and advances to employee	2.01	2.40
Incentive receivables	0.77	1.67
Others	0.25	0.25
	<b>132.37</b>	<b>132.84</b>

### NOTE 13 : INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

	(₹ crores)	
	March 31, 2020	March 31, 2019
Food and Beverages	51.26	42.83
Stores and Operating Supplies	42.35	37.57
	<b>93.61</b>	<b>80.40</b>

### NOTE 14 : TRADE RECEIVABLES

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(Unsecured) (Refer Note 41 for Related Party Disclosures)</b>		
Considered good	290.02	321.38
Significant increase in credit risk	-	-
Credit impaired	26.63	29.81
	<b>316.65</b>	<b>351.19</b>
Less : Allowance for credit impaired	26.63	29.81
	<b>290.02</b>	<b>321.38</b>
<b>Footnote:</b>		
Allowance for credit impaired		
Opening balance	29.81	13.97
Add: Allowance during the year	5.90	15.84
	<b>35.71</b>	<b>29.81</b>
Less: Bad debts written off / reversed no longer required	(9.08)	-
Closing balance	<b>26.63</b>	<b>29.81</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 15 : CASH AND CASH EQUIVALENTS

	(₹ crores)	
	March 31, 2020	March 31, 2019
Cash on hand	3.89	4.51
Cheques, drafts on hands	0.59	6.68
Balances with banks in current account	129.72	95.39
Balances with bank in call and short-term deposit accounts (original maturity less than 3 months)	116.62	82.71
	<b>250.82</b>	<b>189.29</b>

### NOTE 16 : OTHER BALANCES WITH BANKS

	(₹ crores)	
	March 31, 2020	March 31, 2019
Call and Short-term deposit accounts	58.39	47.48
Deposits pledged with others	8.73	3.10
Margin money deposits	6.41	4.85
Earmarked balances	2.04	2.49
	<b>75.57</b>	<b>57.92</b>
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 'Other financial asset' (Refer Note 10(a))	10.81	6.27
	<b>64.76</b>	<b>51.65</b>

### NOTE 17 : EQUITY SHARE CAPITAL

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Authorised share capital</b>		
200,00,00,000 Equity Shares of ₹ 1 each	200.00	200.00
	<b>200.00</b>	<b>200.00</b>
<b>Issued share capital</b>		
118,93,07,472 (Previous year - 118,93,07,472) Equity Shares of ₹ 1 each	118.93	118.93
	<b>118.93</b>	<b>118.93</b>
<b>Subscribed and paid up</b>		
118,92,58,445 (Previous Year - 118,92,58,445) Equity Shares of ₹ 1 each, Fully Paid (Refer Footnote (ii) & (iv))	118.93	118.93
	<b>118.93</b>	<b>118.93</b>

#### Footnote:

- (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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

(ii) Reconciliation of the shares outstanding at the beginning and at the end of the year.

	March 31, 2020		March 31, 2019	
	No. of shares	(₹ crores)	No. of shares	(₹ crores)
As at the beginning of the year	118,92,58,445	118.93	118,92,58,445	118.93
Add : Shares issued during the year	-	-	-	-
As at the end of the year	<b>118,92,58,445</b>	<b>118.93</b>	<b>118,92,58,445</b>	<b>118.93</b>

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

	March 31, 2020		March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity share of ₹ 1 each fully paid</b>				
Tata Sons Private Limited	45,30,05,131	38.09	43,32,19,860	36.43
Reliance Capital Trustee Company Limited	8,41,68,733	7.08	9,26,91,722	7.79
HDFC Trustee Company Limited	7,97,96,753	6.71	6,73,02,453	5.66

(iv) 49,027 (March 31, 2019 - 49,027 ) Equity Shares were issued but not subscribed to as at the end of the respective years and have been kept in abeyance pending resolution of legal dispute.

(v) 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 (March 31, 2019 - Nil)

(vi) Equity Shares held by associates :

	March 31, 2020		March 31, 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
<b>Equity shares of ₹ 1 each fully paid</b>				
Oriental Hotels Limited	7,52,398	0.06	7,52,398	0.06
Taida Trading and Industries Limited	1,87,818	0.02	1,87,818	0.02
Taj Madurai Limited	11,25,393	0.09	11,25,393	0.09

### NOTE 18 : OTHER EQUITY

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>a) Reserves and surplus</b>		
<b>Capital Reserve (Refer Footnote (a) below)</b>		
Opening and Closing Balance	43.91	43.91
<b>Capital Reserve on Consolidation (Refer Footnote (b) below)</b>		
Opening Balance	111.81	114.42
Add/(Less) : Change in ownership in a Joint venture	(0.24)	(2.61)
Closing Balance	<b>111.57</b>	<b>111.81</b>
<b>Securities Premium (Refer Footnote (c) below)</b>		
Opening Balance	2,702.05	2,702.08
Less : Issue expenses written off	-	(0.03)
Closing Balance	<b>2,702.05</b>	<b>2,702.05</b>
<b>Other Reserves</b>		
<b>Capital Redemption Reserve (Refer Footnote (d) below)</b>		
Opening Balance	10.59	10.59
Add/(Less) : Change in ownership in a subsidiary	0.20	-
Closing Balance	<b>10.79</b>	<b>10.59</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Debtenture Redemption Reserve (Refer Footnote (e) below)</b>		
Opening Balance	317.90	305.97
Add : Transfer from retained earnings	-	11.93
Less : Transfer to General Reserve	(130.50)	-
Closing Balance	<b>187.40</b>	<b>317.90</b>
<b>Other Reserve (Refer Footnote (f) below)</b>		
Opening and Closing Balance	(3.89)	(3.89)
	<b>194.30</b>	<b>324.60</b>
<b>General Reserve (Refer Footnote (g) below)</b>		
Opening Balance	561.98	561.98
Add : Transfer from Debtenture Redemption Reserve	130.50	-
Add/(Less) : Change in ownership in a subsidiary	0.08	-
Closing Balance	<b>692.56</b>	<b>561.98</b>
<b>Retained Earnings</b>		
Opening Balance	154.00	(56.86)
Less: Adjustment on account of transition to the new lease standard, net of taxes (Refer Note 34)	(264.32)	-
Add / (Less) : Adjustment on account of a joint venture (Refer Note 35(c) (iii))	-	(2.48)
Add : Profit for the year	354.42	286.82
Less : Transfer to Debtenture Redemption Reserve	-	(11.93)
Less : Final Dividend	(59.46)	(47.57)
Less : Tax on Dividend (net)	(11.70)	(7.42)
Add: Realised loss on sale of investment transferred from Other Comprehensive Income	(3.01)	-
Less: Remeasurements of post employment benefit obligation, (item of other comprehensive income recognised directly in retained earnings)	(22.92)	(9.95)
Add : Tax on remeasurements of post employment benefit obligation	5.25	3.39
Closing Balance	<b>152.26</b>	<b>154.00</b>
<b>Total</b>	<b>3,896.65</b>	<b>3,898.35</b>
<b>b) Other Comprehensive Income (Refer Footnote (h) below)</b>		
(Refer Statement of changes in equity for the reclassification adjustments to retained earnings)		
Equity Instruments fair valued through Other Comprehensive Income	94.25	206.01
Exchange differences on translating the financial statement of foreign operations	246.98	124.71
	<b>341.23</b>	<b>330.72</b>
	<b>4,237.88</b>	<b>4,229.07</b>

### Footnotes :

#### Description of nature and purpose of each reserve :

- Capital Reserve:** Capital reserve mainly consists of reserves transferred on amalgamation of subsidiaries in earlier years.
- Capital Reserve on Consolidation :** During acquisition, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve on account of acquisition.
- Securities Premium:** Securities premium represents the premium charged to the shareholders at the time of issuance of equity shares. The securities premium can be utilised based on the relevant requirements of the Companies Act, 2013.
- Capital Redemption Reserve:** Capital Redemption Reserve was created on redemption of Preference shares in earlier years.
- Debtenture Redemption Reserve:** The Company created Debtenture Redemption Reserve out of the profits which is available for the purpose of redemption of debtentures. On redemption of debtentures, the same will be transferred to General Reserve.
- Other Reserve:** These expenses relates to share issue expenses incurred by one of its subsidiary company in accordance with IND AS 32 : Financial Instruments Presentation
- General Reserve:** General reserve was created from time to time by way of transfer of profits from retained earnings for appropriation purposes based on the provisions of the Companies Act prior to its amendment.
- Other Comprehensive Income:** This represents the cumulative gains and losses arising on the revaluation of investments in equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such investments are disposed off.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 19 : BORROWINGS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non current</b>		
<b>Debtentures</b>		
<b>Non convertible debtentures</b>		
Secured (Refer Footnote ii)	1,044.36	1,044.09
Unsecured (Refer Footnote iii)	199.96	729.29
	<b>1,244.32</b>	<b>1,773.38</b>
<b>Term loans</b>		
<b>From Banks</b>		
Secured (Refer Footnote iv)	1,187.84	516.36
Unsecured	-	-
	<b>1,187.84</b>	<b>516.36</b>
<b>Others</b>	3.66	0.56
<b>Total</b>	<b>2,435.82</b>	<b>2,290.30</b>
Less: Current maturities of Long term borrowings (Refer Note 21 (b))	310.02	602.78
<b>Total non current borrowings</b>	<b>2,125.80</b>	<b>1,687.52</b>
<b>(b) Current</b>		
<b>Loans repayable on demand</b>		
<b>From Bank</b>		
Unsecured (Refer Footnote v)	12.40	6.38
	<b>12.40</b>	<b>6.38</b>
<b>Deposits</b>		
<b>Other short-term loans</b>		
<b>From Bank</b>		
Unsecured (Refer Footnote vi(a))	113.85	17.30
	<b>113.85</b>	<b>17.30</b>
<b>From Related parties (Refer Note 41)</b>		
Unsecured (Refer Footnote vi(b))	40.00	12.00
	<b>40.00</b>	<b>12.00</b>
<b>Total</b>	<b>153.85</b>	<b>29.30</b>
<b>Total current borrowings</b>	<b>166.25</b>	<b>35.68</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### Footnotes:

#### (i) Details of borrowings as at:

	Effective Rate of Interest (%)	Maturity	March 31, 2020		March 31, 2019	
			(₹ crores)		(₹ crores)	
			Face value	Amortised cost	Face value	Amortised cost
<b>Debentures</b>						
<b>Non convertible debentures (NCDs)</b>						
<b>Secured</b>						
7.85% Non convertible debentures	7.85	April 15, 2022	495.00	494.36	495.00	494.09
10.10% Non convertible debentures	10.10	November 18, 2021	300.00	300.00	300.00	300.00
9.95% Non convertible debentures	9.95	July 27, 2021	250.00	250.00	250.00	250.00
			<b>1,045.00</b>	<b>1,044.36</b>	<b>1,045.00</b>	<b>1,044.09</b>
<b>Unsecured</b>						
7.85% Non-Convertible Debentures	7.85	April 20, 2020	200.00	199.96	200.00	199.84
2% Non convertible debentures	9.86	December 9, 2019	-	-	250.00	529.45
			<b>200.00</b>	<b>199.96</b>	<b>450.00</b>	<b>729.29</b>
			<b>1,245.00</b>	<b>1,244.32</b>	<b>1,495.00</b>	<b>1,773.38</b>
<b>Term loan from banks</b>						
<b>Secured</b>						
			-	1,187.84	-	516.36
<b>Unsecured</b>						
			-	-	-	-
			-	<b>1,187.84</b>	-	<b>516.36</b>
<b>Others</b>						
				3.66		0.56
			<b>1,245.00</b>	<b>2,435.82</b>	<b>1,495.00</b>	<b>2,290.30</b>
<b>Short term borrowings</b>						
			-	166.25	-	35.68
<b>Total Borrowings</b>			<b>1,245.00</b>	<b>2,602.07</b>	<b>1,495.00</b>	<b>2,325.98</b>

#### (ii) Non convertible debentures - secured include:

- 4,950, 7.85% Secured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 495 crores, allotted on January 20, 2017 are repayable at par after the end of 5th year from the date of allotment i.e on April 15, 2022.
  - 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.
- All the Secured Non convertible debentures are rated, listed and secured by a pari passu first charge created on all the property, plant and equipment of the Company, both present and future.

#### (iii) Non convertible debentures - unsecured include:

- 2,000, 7.85% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 200 crores, allotted on April 20, 2017 are repayable on April 20, 2020, i.e at the end of the 3rd year from the date of allotment.
- 2,500, 2% Unsecured Non-Convertible Debentures of ₹ 10 lakhs each aggregating ₹ 250 crores, allotted on December 9, 2009 have been fully redeemed on due date i.e., December 9, 2019 alongwith redemption premium of ₹ 12.43 lakhs per debenture. In the previous year, this was classified under current maturities of long term borrowings.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (iv) Term Loan from Banks (Secured) include:

- Secured term loan from a bank amounting to ₹ 365 crores (₹ 180 crores on December 6, 2019 and ₹ 185 crores on March 23, 2020) is repayable over a period of 6 years from the date of first drawdown with the final maturity date of December 6, 2025. The Company is in the process of creating charge on certain immovable properties against this loan.
- Secured term loan from a bank amounting to ₹ 330 crores (₹ 180 crores on December 9, 2019 and ₹ 150 crores on March 23, 2020) is repayable over a period of 6 years from the date of first drawdown with the final maturity date of December 8, 2025. The Company is in the process of creating charge on certain immovable properties against this loan.
- Roots Corporation Limited (RCL), a subsidiary of the Company, had obtained a secured loan facility from Kotak Bank for ₹ 75 crores which carries variable interest rate of 6 month MCLR + 30bps (effective interest as at March 31, 2020 is 8.5%) (Previous year 9.15%) payable at monthly rests. Principal amount is repayable in quarterly installments upto March 2022. Outstanding loan as at March 31, 2020 ₹ 42 crores (Previous Year ₹ 49 crores). The Company has created a charge by way of hypothecation and mortgage of its 2 hotel properties and Property, Plant and Equipment contained therein.

Further, another loan of ₹ 50 crores was taken from HDFC Bank Ltd. carrying variable interest rate of 1 year MCLR + 5bps (effective interest as at March 31, 2020 8.7% (Previous year 9.7%) payable at monthly rest. Principal amount payable in 2 equal quarterly installments of ₹ 1 crores and 16 quarterly installments of ₹ 3 crores each. The repayment schedule shall start from July 2020. Outstanding loan as at March 31, 2020 ₹ 50 crores (Previous Year ₹ 50 crores). The company created a charge by way of hypothecation and mortgage of one hotel property and assets contained therein and is in process of creating charge by way of hypothecation on of one its another hotel.

- St James Court Hotels Limited, an overseas subsidiary of the company, had undertaken a new loan of £ 44.5 million in the year 2017 at a floating rate of 3 month Sterling LIBOR + 1.65%. Repayments of this loan are £ 1.5m per annum (payable quarterly) with the balance repayable in August 2021. During the previous year, a new revolving loan facility was taken for £ 15mn at a floating rate of 3 month Sterling LIBOR + 1.85%. As at the year end March 31, 2020 balance outstanding is £ 43.07 m (Previous year £ 46.45 m) out of which repayable with in a year is £ 5.50m (Previous year £ 7.5m). The bank loan is secured by a first mortgage charge on the assets of St James Court Hotels Limited.
- During the previous year, United Overseas Holding Inc. (UOH), a wholly owned overseas subsidiary, has fully prepaid its outstanding term loan of \$ 20.90 million.

### Short Term Loans :

#### (v) Loans repayable on demand

Loans repayable on demand from bank, consists of overdraft facility.

#### (vi) Other short-term loans includes

- United Overseas Inc, a Wholly owned subsidiary has availed \$ 15 million of credit agreement from J.P. Morgan Bank which expired on Dec 23, 2019 and was further renewed for a period of 1 year. The facility is at LIBOR PLUS 1.95% margin. At March 31,2020, entire \$15 million was drawn down and outstanding on credit facility. The weighted average interest rate of the outstanding loans was approximately 3.78% at March 31, 2020
- Loan from related parties consists of an inter-corporate deposits obtained by one of the subsidiary which carries interest of 9.00% p.a. repayable on demand.

#### (vii) Disclosure of changes in liabilities arising from financing activities (read with cash flow statement)

This section sets out an analysis of net debt and the movement in net debt for each of the periods presented below:

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>a) Net debt</b>		
<b>Cash and cash equivalents</b>	250.82	189.29
Current investments	436.24	211.21
<b>Total Liquid investment (a)</b>	<b>687.06</b>	<b>400.50</b>
Long term borrowings (including current maturities shown under Other Current financial liabilities)	2,435.82	2,290.30
Short term borrowings	166.25	35.68
<b>Gross Debt (b)</b>	<b>2,602.07</b>	<b>2,325.98</b>
<b>Net Debt ( (b) - (a)</b>	<b>1,915.01</b>	<b>1,925.48</b>
<b>b) Other financial liabilities</b>		
Liability on derivative contracts	179.68	279.42
Interest accrued but not due / Unclaimed interest	56.49	54.76
<b>Total Other financial liabilities</b>	<b>236.17</b>	<b>334.18</b>
<b>Grand Total</b>	<b>2,151.18</b>	<b>2,259.66</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

	Liquid Assets		Liabilities from Financing activities				Total
	Cash and cash equivalents	Current Investments	Gross Debt	Net Debt	Derivatives	Interest accrued but not due / Unclaimed interest	
	(a)	(b)	(c)	(d) = (c)-(a)-(b)	(e)	(f)	(g) = (d)+(e)+(f)
<b>Net Debt as at March 31, 2018</b>	207.84	330.53	2,427.43	1,889.06	236.15	54.79	2,180.00
Cash flows	(19.98)	(137.09)	(150.68)	6.39	5.86	-	12.25
Interest expense	-	-	43.54	43.54	(3.62)	150.21	190.13
Interest paid	-	-	-	-	-	(150.80)	(150.80)
Transferred to IEPF	-	-	-	-	-	(0.34)	(0.34)
Other non- cash movements:							
Added to Borrowings							
Fair value adjustments	-	16.65	-	(16.65)	41.03	-	24.38
Foreign Currency Translation Difference	1.43	1.12	5.69	3.14	-	0.90	4.04
<b>Net Debt as at March 31, 2019</b>	<b>189.29</b>	<b>211.21</b>	<b>2,325.98</b>	<b>1,925.48</b>	<b>279.42</b>	<b>54.76</b>	<b>2,259.66</b>
Cash flows	56.21	222.20	222.66	(55.75)	(121.99)	-	(177.74)
Interest expense	-	-	31.83	31.83	-	152.40	184.23
Interest paid	-	-	(0.72)	(0.72)	-	(154.73)	(155.45)
Transferred to IEPF	-	-	-	-	-	(0.46)	(0.46)
Other movements						4.28	4.28
Fair value adjustments	-	2.83	-	(2.83)	21.76	-	18.93
Foreign Currency Translation Difference	5.32	-	22.32	17.00	0.49	0.24	17.73
<b>Net Debt as at March 31, 2020</b>	<b>250.82</b>	<b>436.24</b>	<b>2,602.07</b>	<b>1,915.01</b>	<b>179.68</b>	<b>56.49</b>	<b>2,151.18</b>

### NOTE 20 : TRADE PAYABLES (REFER NOTE 41 FOR RELATED PARTY DISCLOSURES)

	(₹ crores)	
	March 31, 2020	March 31, 2019
Vendor payables	190.90	169.04
Accrued expenses and others	198.42	156.21
	<b>389.32</b>	<b>325.25</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

### NOTE 21 : OTHER FINANCIAL LIABILITIES

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non current</b>		
Liability on derivative contracts	179.68	149.85
Deposits from others	15.34	14.54
Creditors for capital expenditure	1.23	2.74
Employee related liabilities	5.12	12.69
	<b>201.37</b>	<b>179.82</b>
<b>(b) Current</b>		
<b>Current maturities of long-term borrowings (Refer Note 19 (a))</b>		
Debentures	199.96	529.45
Term loan from banks	109.27	73.20
Others	0.79	0.13
	<b>310.02</b>	<b>602.78</b>
Liability on derivative contracts	-	129.57
Contract Liability towards loyalty programmes (Refer Note 30(iii) (b))	49.18	43.43
<b>Other payables</b>		
From related parties (Refer Note 41)	1.93	1.05
From other parties	7.40	5.40
	<b>9.33</b>	<b>6.45</b>
Additional liability on account of loss in joint ventures to the extent of exposure (Refer Note 7(a)(iii))	79.82	74.52
<b>Deposits from others</b>		
Option Deposit received against purchase of shares (Secured) (Refer Note 8(a)(iii))	71.10	71.10
Unsecured	20.05	18.28
	<b>91.15</b>	<b>89.38</b>
Interest accrued but not due on borrowings	56.46	54.24
Creditors for capital expenditure	32.41	47.90
Unclaimed dividends	1.58	1.85
Unclaimed matured deposits and interest accrued thereon	0.03	0.52
Unclaimed matured debentures and interest accrued thereon ₹ 25,153 (Previous Year - ₹ 25,153)	-	-
Employee related liabilities	115.13	127.09
Other liabilities	74.78	68.83
	<b>819.89</b>	<b>1,246.56</b>

**Footnote :**

The fair value hierarchy and classification are disclosed in Note 36.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 22 : PROVISIONS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non current</b>		
<b>Provision for employee benefits (Refer Note 39)</b>		
Compensated absences	62.29	57.68
Gratuity	30.90	20.65
Post-employment medical benefits	6.92	6.20
Post-retirement pension	20.98	17.81
	<b>121.09</b>	<b>102.33</b>
<b>(b) Current</b>		
<b>Provision for employee benefits (Refer Note 39)</b>		
Compensated absences	24.70	22.03
Gratuity	2.03	1.09
Post-employment medical benefits	0.43	0.41
Post-retirement pension	1.22	1.47
Other employee benefits	0.75	0.69
	<b>29.13</b>	<b>25.69</b>
<b>Provision for others</b>		
Provision for disputed dues (Refer Footnote i)	125.33	121.95
	<b>125.33</b>	<b>121.95</b>
	<b>154.46</b>	<b>147.64</b>

#### Footnotes :

(i) Provision for disputed dues include provisions for the following:

	(₹ crores)			
	Opening Balance	Additions	Utilisation	Closing Balance
Disputed claims for taxes, levies and duties	<b>119.37</b>	<b>20.74</b>	<b>17.36</b>	<b>122.75</b>
	<i>107.80</i>	<i>11.57</i>	-	<i>119.37</i>
Dispute on contractual matters	<b>0.41</b>	-	-	<b>0.41</b>
	<i>0.41</i>	-	-	<i>0.41</i>
Dispute in respect of employee benefits	<b>2.17</b>	-	-	<b>2.17</b>
	<i>2.17</i>	-	-	<i>2.17</i>
<b>Total</b>	<b>121.95</b>	<b>20.74</b>	<b>17.36</b>	<b>125.33</b>
	<b>110.38</b>	<b>11.57</b>	-	<b>121.95</b>

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 23 : OTHER CURRENT LIABILITIES

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Non current</b>		
Advances collected from customers	18.05	-
	<b>18.05</b>	<b>-</b>
<b>(b) Current</b>		
Income received in advance (Refer Footnote (i))	33.50	28.73
Deferred Revenue (Refer Footnote (i))	66.76	76.85
Advances collected from customers (Refer Footnote (i))	124.08	122.67
Statutory dues (Refer Footnote (ii))	56.65	73.24
	<b>280.99</b>	<b>301.49</b>

**Footnote :**

- (i) Refer Note 30(iii) for detailed disclosure relating to Ind AS 115 - Revenue from contract with customers.  
(ii) Statutory dues includes amount payable towards indirect taxes, tax deducted at source and employee related dues.

### NOTE 24 : REVENUE FROM OPERATIONS (REFER NOTE 30(i), (ii))

	(₹ crores)	
	March 31, 2020	March 31, 2019
Rooms, restaurants and banquets income	3,866.06	3,957.36
Shop rentals	47.59	38.79
Membership fees	114.82	91.17
Management and operating fees	212.70	213.17
Other operating income	221.97	211.51
<b>Total</b>	<b>4,463.14</b>	<b>4,512.00</b>

### NOTE 25 : OTHER INCOME

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Interest Income from financial assets at amortised cost</b>		
Inter-corporate deposits	1.56	1.63
Deposits with banks	9.90	6.89
Others	4.73	9.06
	<b>16.19</b>	<b>17.58</b>
Interest on income tax refunds	2.48	2.41
	<b>18.67</b>	<b>19.99</b>
Dividend Income from Investments		
from Investments that are fair valued through Other Comprehensive Income	7.24	6.12
from Investments that are fair valued through Profit and Loss	0.08	1.20
Profit on disposal of Property, plant and equipment (Net)	82.36	12.38
Profit on sale of current investment	9.82	15.94
Gain on investments carried at fair value through profit and loss	0.40	1.83
Exchange gain (Net)	-	1.05
Others	13.85	24.87
<b>Total</b>	<b>132.42</b>	<b>83.38</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 26 : EMPLOYEE BENEFIT EXPENSES AND PAYMENT TO CONTRACTORS

	(₹ crores)	
	March 31, 2020	March 31, 2019
Salaries, wages, bonus etc.	1,171.41	1,159.24
Company's contribution to provident and other funds (Refer Note 22, 39)	64.97	47.04
Reimbursement of expenses on personnel deputed to the company	51.52	45.21
Payment to contractors	98.46	99.18
Staff welfare expenses	108.24	120.12
<b>Total</b>	<b>1,494.60</b>	<b>1,470.79</b>

### NOTE 27 : FINANCE COSTS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Interest expense</b>		
Interest Expense at effective interest rate on borrowings which are measured at amortised cost	182.19	192.41
Add/(Less) : Settlements on interest rate swap contracts	0.40	(3.60)
	<b>182.59</b>	<b>188.81</b>
Interest on Lease liability	156.89	-
On income tax demand	2.77	0.04
Other borrowing costs	0.38	1.35
	<b>342.63</b>	<b>190.20</b>
Less : Interest capitalised (Refer Footnote)	1.51	0.07
<b>Total</b>	<b>341.12</b>	<b>190.13</b>

#### Footnote :

The Group has capitalised the interest cost on borrowings relating to qualifying assets including within capital work in progress

### NOTE 28 : OPERATING AND GENERAL EXPENSES

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(a) Operating expenses consist of the following :</b>		
Linen and room supplies	66.13	71.03
Catering supplies	28.04	30.67
Other supplies	6.38	6.67
Fuel, power and light	269.87	273.57
Repairs to buildings	56.77	56.19
Repairs to machinery	73.78	73.85
Repairs to others	30.04	35.73
Linen and uniform washing and laundry expenses	47.56	45.54
Security charges and Others	48.46	48.79
Guest transportation	44.96	43.70
Travel agents' commission	100.01	95.34
Discount to collecting agents	48.14	50.79
Other operating expenses	111.94	119.10
<b>Total</b>	<b>932.08</b>	<b>950.97</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>(b) General expense consist of the following :</b>		
Rent (Refer Note 34)	22.31	61.43
Licence fees (Refer Note 34)	145.90	275.84
Rates and taxes	120.93	100.50
Insurance	17.61	15.51
Advertising and publicity	104.79	108.60
Printing and stationery	12.40	13.93
Passage and travelling	16.58	18.31
Allowance for doubtful debts and Bad debts written off	5.90	15.83
Expenditure on corporate social responsibility	8.27	7.05
Professional fees	56.47	51.32
Support services	67.40	69.80
Exchange loss (Net)	1.08	-
Payment made to statutory auditors (Refer Footnote)	7.72	7.85
Directors' fees and commission	4.07	3.40
Other expenses	106.94	107.09
<b>Total</b>	<b>698.37</b>	<b>856.46</b>
	<b>1,630.45</b>	<b>1,807.43</b>

### Footnote :

Payment made to statutory auditors:

	(₹ crores)	
	March 31, 2020	March 31, 2019
As auditors	6.42	6.57
For other services (including tax audit and company law matters)	0.92	0.90
Expenses and incidentals	0.38	0.38
	<b>7.72</b>	<b>7.85</b>

## NOTE 29 : EXCEPTIONAL ITEMS

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Exceptional Items comprises of the following :</b>		
Change in fair value of derivative contracts	(21.76)	(41.03)
Profit on sale of investment in a Joint Venture company	2.12	-
Profit on sale of hotel property in a subsidiaries	6.09	-
Profit on sale of land and building	54.50	-
Incentive fees received pursuant to amendment to a Management Service Agreement	-	48.24
Provision of financial exposure in an associate	-	(0.63)
<b>Total</b>	<b>40.95</b>	<b>6.58</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 30 : REVENUE FROM CONTRACTS WITH CUSTOMERS AND ASSETS/LIABILITIES

The Group's revenue primarily comprises of Revenue from Hotel operations, Management and Operating Fee and Membership fees income as tabulated below.

#### i) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and Loss:

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Revenue from operations</b>		
<b>Revenue from contract with customers</b>		
Room Revenue, Food & Beverages and Banquets	3,866.06	3,957.36
Shop rentals	47.59	38.79
Membership fee	114.82	91.17
Management & Operating fees	212.70	213.17
	<b>4,241.17</b>	<b>4,300.49</b>
Other operating revenue		
Export Incentive	30.20	26.90
Other revenue	191.77	184.61
	<b>221.97</b>	<b>211.51</b>
<b>Total Revenue from operations</b>	<b>4,463.14</b>	<b>4,512.00</b>

#### ii) Disaggregate Revenue

The following table presents Company revenue disaggregated by type of revenue stream and by reportable segment:

	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Revenue based on geography</b>		
<b>Revenue from contract with customers</b>		
India	3,206.09	3,224.84
Overseas	1,035.08	1,075.65
	<b>4,241.17</b>	<b>4,300.49</b>
<b>Other Operating Revenue</b>		
India	187.97	181.37
Overseas	34.00	30.14
	<b>221.97</b>	<b>211.51</b>
	<b>4,463.14</b>	<b>4,512.00</b>
<b>Revenue based on product and services</b>		
<b>Revenue from contract with customers</b>		
Room Revenue	2,133.14	2,147.63
Food & Beverages and Banquets	1,732.92	1,809.73
Shop rentals	47.59	38.79
Membership fee	114.82	91.17
Management & Operating fees	212.70	213.17
	<b>4,241.17</b>	<b>4,300.49</b>
<b>Other Operating Revenue</b>		
Export Incentives	30.20	26.90
Other revenue	191.77	184.61
	<b>221.97</b>	<b>211.51</b>
	<b>4,463.14</b>	<b>4,512.00</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### iii) Contract balances

The contract liabilities primarily relate to the unredeemed customer loyalty points and the advance consideration received from customers for which revenue is recognised when the performance obligation is over/ services delivered.

- a) Advance Collections is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards rooms/restaurant/banquets. Revenue is recognised once the performance obligation is met i.e. on room stay/ sale of food and beverage / provision of banquet services. It also includes membership fee received for Chambers Membership, Epicure membership and Spa and Health Club Memberships and disclosed as Income received in advance.
- b) Loyalty programme liability represents the liability of the Company towards the points earned by the members.

Contract liabilities	(₹ crores)	
	March 31, 2020	March 31, 2019
Income received in advance	33.50	28.73
Advance collections from customer	142.13	122.67
Deferred Revenue	66.76	76.85
Contract Liability towards loyalty programmes	48.93	42.43
	<b>291.32</b>	<b>270.68</b>

#### Footnote :

Considering the nature of business of the Group, the above contract liabilities are generally materialised as revenue within the same operating cycle

### NOTE 31 : CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) AND CONTINGENT ASSETS

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 matters in disputes :

Amounts in respect of claims (excluding interest and penalties) asserted by various revenue authorities on the Company and the Group, in respect of taxes, etc., which are in dispute, and not provided for, are as under:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
Income Tax	238.24	170.21
Luxury tax	1.39	1.05
Entertainment tax	2.23	2.23
Sales tax / VAT	16.09	30.04
Property and Water tax	226.21	213.53
Service tax	10.23	24.17
Others	24.04	19.90

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 (CONTD.) for the year ended March 31, 2020

### (b) On account of lease agreements:

In respect of a plot of land provided to the Company under a lease agreement, on which the Company has constructed a hotel, the lessor has made a claim of ₹ 478.98 crores to date, (13 times the previous annual rental) for increase in the rentals with effect from 2006-07. The Company believes these claims to be untenable. The Company has contested the claim based upon legal advice, by filing a suit in the Honourable High Court of Judicature at Bombay on grounds of the lessor's inconsistent stand on automatic renewal of lease, levy of lease rentals and method of computing such lease rent, within the terms of the then existing lessor's policy 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 beyond ₹ 131.13 crores (excluding interest / penalty), and this too is being contested by the Company on merit.

Further, a "Notice of Motion" has been filed by the company before the Honourable High Court of Judicature at Bombay, inter alia, for a stay against any further proceedings by the lessor, pending a resolution of this dispute by the Honourable Bombay High Court, and the Company has obtained a stay order from the court.

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

- (i) Legal and statutory matters ₹ 4.98 crores (March 31, 2019- ₹ 4.98 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:
  - a) plaintiffs / parties have not claimed an amount of money damages, unless management can otherwise determine an appropriate amount;
  - b) the proceedings are in early stages;
  - c) there is uncertainty as to the outcome of pending appeals or motions or negotiations;
  - d) 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 position, 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.

### (d) Claims filed by the Group:

The Company had invested in a Greenfield Project in Guwahati, Assam which is eligible as "Mega Project" under the Industrial and Investment Policy of Assam, 2014 and is entitled to apply for the revenue grant under the Assam Industrial Policy. The Company had made application for the grant/subsidy which is essentially in the form of exemptions from indirect taxes for a period of 10 years upto a maximum of 150% of the original capital outlay.

Application filed by the Company was kept on hold for processing by the Industries department of State Government of Assam. The claim is in the intermediate stage of verification and in the absence of reasonable certainty at this stage on the amount that may be ultimately approved, no income or deferred income has been recognised in the financial statements.

- (e) In respect of one domestic subsidiary, for the proposed construction of a hotel on the plot of land, a Public Interest Litigation (PIL) has been filed against the Union of India and Others (including the Company/Group), inter alia, challenging the various permissions / approvals. The Group is contesting the PIL on merits, and the matter is pending. The Group has not commenced construction pending regulatory and other approvals.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 32 : CAPITAL COMMITMENTS

- i) Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for is ₹ 306.96 crores (March 31, 2019- ₹ 125.92 crores).
- ii) On May 17, 2019, the Company signed a strategic partnership with Singapore's Sovereign Wealth Fund, GIC for an investment framework to the tune of about ₹ 4,000 crores or US\$ 600 million over a period of three years from the date of signing. This capital platform will be used to acquire fully operational hotels mainly in the Luxury, Upper Upscale and Upscale segments in India. The acquisition of asset are intended to be housed in a separate Special Purpose Vehicle (SPV). To acquire assets, both GIC and IHCL will do partial equity infusion in the SPV in the ratio of 70:30 respectively and the balance funds will be borrowed by the SPV directly in its books. The hotels so acquired by the SPV will be managed by the Company. For the intended acquisition in this platform, a company viz., Zarrenstar Hospitality Pvt Ltd has been incorporated.

As at March 31, 2020 and upto the date of approval of the financial statements by the Board of Directors, the Company has not signed any definitive agreement to acquire any assets under this platform.

- iii) During the year, the Board of Directors has approved the proposal to purchase the balance 14.28% stake in ELEL Hotels and Investments Ltd (ELEL), a subsidiary, from its existing shareholders for a consideration of ₹ 250 crores over a period of two years in a phased manner on achievement of certain milestones and not later than end of December 2021. Consequent to this acquisition, ELEL will become a wholly owned step down subsidiary of the Company.

As at March 31, 2020 and upto the date of the approval of the financial statements by the Board of Directors, the Company has not signed or executed any definitive agreement in this regard.

### NOTE 33 : GUARANTEES AND UNDERTAKINGS GIVEN

- (a) Guarantees given by the Group and outstanding as on March 31, 2020- ₹ 13.25crores (March 31, 2019- ₹ 12.78 crores). Also, refer to note 35 for Guarantees on behalf of certain joint ventures.
- (b) The Group has given letters of support to an associate and a joint venture company during the year.

### NOTE 34 : LEASES – IND AS 116

Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application date approach and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset of ₹ 1,741.96 crores and a lease liability of ₹ 2,006.79 crores. The cumulative effect of applying the standard, amounting to ₹ 264.32 crores was debited to retained earnings (net of taxes and other adjustments). Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Consequent to the application of this standard, lease cost for the year was lower by ₹ 179.27 crores, depreciation and interest is higher by ₹ 69.18 crores and ₹ 156.89 crores respectively and Profit before taxes is lower by ₹ 46.80 crores. (Refer Note 4 for details with respect to 'Right-of-Use assets')

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### for the year ended March 31, 2020

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 36 of annual consolidated financial statements forming part of 2019 Annual Report and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to by the Parent and its subsidiaries including international subsidiaries for determining the lease liabilities as at April 1, 2019 is in the range of 6% - 11%

The Group has taken land and immovable properties on lease which are generally long term in nature with varying terms, escalation clauses and renewal rights expiring within five to one hundred and ninety eight years. On renewal, the terms of the leases are renegotiated.

#### a) Total lease liabilities are analysed as follows:

	(₹ crores)
	<b>March 31, 2020</b>
<b>Denominated in the following currencies:</b>	
Rupees	1,459.17
US dollars	290.71
Sterling	148.83
<b>Total</b>	<b>1,898.71</b>
<b>Analysed as:</b>	
Current *	56.14
Non-current	1,842.57
<b>Total</b>	<b>1,898.71</b>

\* The Current Portion of the lease liability is excluding the interest component on the lease liability. Actual Lease Payments (including notional interest as per Ind AS 116) would be ₹ 188.91 crores. Refer note (b) below for the Maturity Analysis of the Lease Payments.

#### b) Exposure to future cash flows:

The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

### Maturity analysis:

	(₹ crores)
	<b>March 31, 2020</b>
Less than 1 year	188.91
Between 1 and 2 years	177.08
<b>Between 2 and 5 years</b>	<b>526.47</b>
More than 5 years	9,129.32
<b>Total</b>	<b>10,021.78</b>

In addition, in certain circumstances the Group is committed to making additional lease payments that are contingent on the performance viz. gross operating profits, revenues etc. of the hotels that are being leased for which no lease liability has been recognised as it is contingent in nature.

### c) Overall lease rentals (including provisions and amount adjusted against advances) for the year ended March 31, 2020 are as below:

	(₹ crores)
Particulars	<b>March 31, 2020</b>
Minimum Lease Payments/ Fixed Rentals	179.27
Contingent rents	145.90
<b>Total</b>	<b>325.17</b>

## NOTE 35 : INTEREST IN OTHER ENTITIES

### a) Subsidiaries

i) The parent's subsidiaries at March 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the group and the effective ownership of the group is enumerated in the table below. The country of incorporation or registration is also their principal place of business.

Particulars	Country of Incorporation	Effective Ownership interest held by the Group		Ownership interest held by non-controlling interests	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(%)	(%)	(%)	(%)
<b>Domestic</b>					
Benares Hotels Ltd.	India	51.68	51.68	48.32	48.32
ELEL Hotels & Investments Ltd.	India	85.72	85.72	14.28	14.28
Inditravel Ltd.@	India	78.86	77.21	21.14	22.79
KTC Hotels Ltd.	India	100.00	100.00	-	-
Luthria & Lalchandani Hotels and Properties Private Ltd.	India	87.15	87.15	12.85	12.85
Northern India Hotels Ltd.	India	48.56	48.56	51.44	51.44
Piem Hotels Ltd.	India	51.57	51.57	48.43	48.43
Roots Corporation Ltd.	India	63.74	63.74	36.26	36.26
Sheena Investments Private Ltd.	India	100.00	100.00	-	-
Skydeck Properties & Developers Private Ltd.	India	100.00	100.00	-	-
Taj Enterprises Ltd.®	India	93.19	74.70	6.18	25.30
Taj Trade & Transport Ltd.®	India	73.03	72.74	26.97	27.26
United Hotels Ltd.	India	55.00	55.00	45.00	45.00



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

Particulars	Country of Incorporation	Effective Ownership interest held by the Group		Ownership interest held by non-controlling interests	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(%)	(%)	(%)	(%)
<b>International</b>					
IHOCO BV	Netherlands	100.00	100.00	-	-
Piem International (HK) Ltd.	Hong Kong	51.57	51.57	48.43	48.43
St. James Court Hotel Ltd.	United Kingdom	72.25	72.25	27.75	27.75
Taj International Hotels (HK) Ltd.	Hong Kong	100.00	100.00	-	-
Taj International Hotels Ltd.	United Kingdom	100.00	100.00	-	-
United Overseas Holding Inc.	United States of America	100.00	100.00	-	-

@The Group has acquired additional stake in Taj enterprise Ltd. whereby the Group's holding has increased to 93.19% from 74.70% and consequently, there are changes in the effective holding in certain subsidiaries.

### ii) Significant judgements and assumptions:

- The management have concluded that the group controls Northern India Hotels Limited, even though it holds less than half of the effective interest of this subsidiary. This is because the group is the largest shareholder and the direct ownership in this company is 94.15% through Piem Hotels Limited, a subsidiary in which the group holds 51.57%.
- The investment in BAHC 5, a company incorporated in Singapore in which the group holds 100% issued equity shares, is a temporary investment that is presently held for disposal. In the view of the management, the Group does not have any power or control over or exposure to this entity. It does not have any rights to variable returns from its involvement with this entity and thus the financial statements of this entity are not consolidated.
- The Group holds 51% of the equity share capital of Taj SATS Air Catering Ltd. However, as per the contractual arrangement in the form of joint venture agreement, the group considers it has joint control over the net assets of this entity and has been reclassified as joint venture.

### b) Non-controlling interests ('NCI')

- The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group are set out below. The amounts disclosed for each subsidiary are before inter-company eliminations or other adjustment :-

Summarised Balance Sheet	(₹ crores)							
	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current Assets	76.06	52.18	53.83	59.47	8.44	5.38	34.69	43.42
Current Liabilities	121.47	106.35	99.08	53.52	56.65	49.73	90.57	131.54
<b>Net Current Assets</b>	<b>(45.41)</b>	<b>(54.17)</b>	<b>(45.25)</b>	<b>5.95</b>	<b>(48.21)</b>	<b>(44.35)</b>	<b>(55.88)</b>	<b>(88.12)</b>
Non-Current Assets	769.31	695.96	682.10	405.60	618.67	628.31	1,200.32	1,045.70
Non-Current Liabilities	101.66	8.43	442.24	94.52	0.76	-	488.49	353.72
<b>Net Non-Current Assets</b>	<b>667.65</b>	<b>687.53</b>	<b>239.86</b>	<b>311.08</b>	<b>617.91</b>	<b>628.31</b>	<b>711.83</b>	<b>691.98</b>
<b>Net Assets</b>	<b>622.24</b>	<b>633.36</b>	<b>194.61</b>	<b>317.03</b>	<b>569.70</b>	<b>583.96</b>	<b>655.94</b>	<b>603.86</b>
<b>Accumulated NCI</b>	<b>301.35</b>	<b>306.74</b>	<b>70.56</b>	<b>114.96</b>	<b>81.35</b>	<b>83.39</b>	<b>182.02</b>	<b>167.57</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

for the year ended March 31, 2020

	(₹ crores)							
	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
Summarised Statement of Profit and Loss	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue	389.32	416.44	212.65	206.33	0.27	0.61	351.54	330.95
Profit/(Loss) for the year	7.97	27.31	(22.77)	(14.98)	(14.26)	(14.18)	28.53	37.85
Other Comprehensive Income	(9.20)	8.89	0.13	(0.14)	-	-	23.54	(8.87)
<b>Total Comprehensive Income</b>	<b>(1.23)</b>	<b>36.20</b>	<b>(22.64)</b>	<b>(15.12)</b>	<b>(14.26)</b>	<b>(14.18)</b>	<b>52.07</b>	<b>28.98</b>
Total Comprehensive Income allocated to NCI	(0.60)	17.53	(8.21)	(5.48)	(2.04)	(2.02)	14.45	8.04
Dividend paid to NCI	1.85	12.92	-	-	-	-	-	-

	(₹ crores)							
	PIEM Hotels Limited		Roots Corp Limited		ELEL Hotels and Investments Limited		St. James Court Hotel Limited	
Summarised Statement of Cash Flows	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash Flows from Operating Activities	40.93	45.32	83.08	20.93	(2.56)	(12.82)	85.28	69.66
Cash Flows from / (used in) Investing Activities	(48.58)	(41.50)	(46.62)	(29.24)	2.59	12.86	(29.54)	(97.76)
Cash Flows from / (used in) Financing Activities	5.66	(5.58)	(40.54)	11.29	(0.08)	-	(52.32)	24.06
<b>Net Increase/(Decrease) in Cash &amp; cash Equivalents</b>	<b>(1.99)</b>	<b>(1.76)</b>	<b>(4.08)</b>	<b>2.98</b>	<b>(0.04)</b>	<b>0.04</b>	<b>3.43</b>	<b>(4.04)</b>

**ii) Individually immaterial non-controlling interest:**

	(₹ crores)	
	March 31, 2020	March 31, 2019
Aggregate carrying amount of individually immaterial	129.61	127.21

	(₹ crores)	
	March 31, 2020	March 31, 2019
Aggregate amount of the group's share of profits/loss	7.83	6.42
Aggregate amount of the group's share of other comprehensive Income	0.13	0.86
Aggregate amount of the group's share of total comprehensive Income	7.97	7.28

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### c) Interests in associates and joint ventures

i) Details of the associates and joint ventures of the group as at March 31, 2020 and 2019 are set out below. The entities below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business. The Group follows equity method of accounting for the measuring its investments/interests in associates and joint ventures, the details of which are as below :-

	Country of Incorporation	Effective Holding “%”	Carrying amount		Quoted fair value	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
			(₹ crores)	(₹ crores)	(₹ crores)	(₹ crores)
<b>Joint Ventures</b>						
Taj SATS Air Catering Ltd.	India	51.00	69.95	61.83	*	*
Taj Madras Flight Kitchen Private Ltd.#	India	50.00	-	25.23	*	*
Taj Karnataka Hotels & Resorts Ltd. (Refer Note no 20(b))	India	44.27	-	-	*	*
Taj Kerala Hotels & Resorts Ltd.	India	28.30	13.95	15.57	*	*
Taj GVK Hotels & Resorts Ltd.	India	25.52	123.21	117.33	165.44	379.93
Taj Safaris Ltd. #	India	41.81	9.04	10.93	*	*
Kaveri Retreat & Resorts Ltd.	India	50.00	43.49	41.02	*	*
Zarrenstar Hospitality Private Ltd (Refer Note 32(ii))	India	-	-	-	*	*
TAL Hotels & Resorts Ltd.	Hong Kong	27.49	124.74	122.31	*	*
IHMS Hotels (SA)(Pty) Ltd. (Refer Note no 20(b))	South Africa	50.00	-	-	*	*
			<b>384.38</b>	<b>394.22</b>	<b>165.44</b>	<b>379.93</b>
<b>Associates</b>						
Oriental Hotels Ltd.	India	35.67	238.99	240.07	114.14	304.70
Taj Madurai Ltd.	India	26.00	4.04	6.22	*	*
Taida Trading and Industries Ltd.	India	34.76	-	-	*	*
BJets Pte Ltd	Singapore	45.69	-	-	*	*
Lanka Island Resorts Ltd	Sri Lanka	24.66	33.40	33.71	*	*
TAL Lanka Hotels PLC	Sri Lanka	24.62	11.54	13.45	10.29	12.71
			<b>287.97</b>	<b>293.45</b>	<b>124.43</b>	<b>317.41</b>
<b>Total</b>			<b>672.35</b>	<b>687.67</b>	<b>289.87</b>	<b>697.34</b>

\*Unlisted entity – no quoted price available

# Sold during the year. Refer Note –7

### ii) Commitments and contingent liabilities in respect of associates and joint ventures

	(₹ crores)	
	March 31, 2020	March 31, 2019
Commitment to provide funding for joint ventures capital commitments, if called	145.41	131.44
Capital Commitment for joint ventures and associate	7.73	7.37
Guarantees given by joint ventures and associates	1.41	3.31
Share of contingent liabilities in joint ventures and associates	37.30	39.84

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### iii) Summarised financial information for associates and joint ventures

The summarised financial information for those joint ventures and associates that are material to the Group are set out below. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not of the Group's share of those amount. They have amended to reflect adjustments made when using equity method for the differences in accounting policies.

	(₹ crores)							
	Taj GVK Hotels and Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
Summarised Balance Sheet	December 31, 2019 *	December 31, 2018*	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Current assets</b>								
Cash and cash equivalents	0.68	0.21	2.19	5.26	66.42	69.92	46.22	28.02
Other assets	49.25	57.43	162.10	160.00	39.65	45.25	58.35	109.87
	49.93	57.64	164.29	165.27	106.07	115.17	104.57	137.89
<b>Non-current assets</b>	798.95	672.20	243.00	189.98	756.59	460.79	915.63	714.02
<b>Total assets</b>	848.88	729.84	407.29	355.25	862.66	575.96	1020.20	851.91
<b>Current liabilities</b>								
Financial liabilities (excluding trade payables)	41.15	41.42	14.10	10.96	19.74	25.72	43.24	264.23
Other liabilities	160.08	73.32	65.76	55.40	62.38	41.79	235.72	46.35
	201.23	114.74	80.16	66.36	82.12	67.52	278.97	310.58
<b>Non-current Liabilities</b>								
Financial liabilities (excluding trade payables)	135.98	172.23	1.75	-	81.39	71.22	191.85	1.93
Other liabilities	110.03	64.26	40.12	23.57	291.28	38.19	18.60	5.58
	246.01	236.49	41.88	23.57	372.67	109.41	210.45	7.51
<b>Total liabilities</b>	447.24	351.23	122.03	89.93	454.79	176.92	489.42	318.09
<b>Net assets</b>	401.63	378.61	285.25	265.32	407.87	399.04	530.78	533.82

#### Footnote :

\* The latest available financial statement of this entity is only up to December 31, 2019 and accordingly has been used for the purpose of the preparation of the consolidated financial statement of the Company.

### iv) Reconciliation of carrying amounts

	(₹ crores)							
	Taj GVK Hotels and Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
Net Assets	December 31, 2019 *	December 31, 2018*	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Net Assets	401.63	378.61	285.25	265.32	407.87	399.04	530.78	533.81
Group's Share	25.52%	25.52%	51.00%	51.00%	27.49%	27.49%	35.67%	35.67%
Share of Net assets	102.50	96.63	145.48	135.31	112.12	109.70	189.33	190.41
Goodwill	20.70	20.70	-	-	12.62	12.62	49.66	49.66
Unrealised Gain	-	-	(75.53)#	(73.48)#	-	-	-	-
<b>Carrying Amount</b>	123.20	117.33	69.95	61.83	124.74	122.31	238.99	240.07

# Unrealised gain represents profit on sale of air catering business by the Group to Taj SATS on a slump sale basis on October 1, 2001 and sale of air catering business of Taj Madras flight Kitchen.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### v) Summary Statement of Profit and Loss

	(₹ crores)							
	Taj GVK Hotels and Resorts Limited		Taj SATS Air Catering Limited		TAL Hotels and Resorts Ltd		Oriental Hotels Ltd	
Summarised statement of profit and loss	December 31, 2019 *	December 31, 2018*	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue	330.75	315.91	395.24	417.90	273.50	296.66	298.83	354.76
Depreciation	16.57	17.02	14.48	10.96	40.48	25.93	27.70	28.38
Interest Income	0.28	0.22	1.47	1.83	0.18	0.10	5.00	2.59
Interest Expense	22.59	22.66	1.21	0.06	38.85	6.24	24.02	27.18
Income Tax Expense	18.29	8.56	2.84	3.43	(8.35)	3.13	0.20	12.98
Profit for the year	35.83	23.40	28.46	14.03	(8.26)	8.28	(8.26)	91.59
Other Comprehensive Income for the year	(0.08)	0.19	(2.13)	0.59	24.75	18.21	17.92	0.69
<b>Total Comprehensive Income for the year</b>	<b>35.76</b>	23.59	<b>26.33</b>	14.62	<b>16.49</b>	26.49	<b>9.66</b>	92.28
Dividend Received	0.96	0.96	-	-	1.95	7.67	3.19	-

\* Refer Footnote of Note 33 (c)(iii) above

### vi) Individually immaterial joint ventures and associates

	(₹ crores)	
	March 31, 2020	March 31, 2019
Aggregate carrying amount of individually immaterial	115.46	146.14
	(₹ crores)	
	March 31, 2020	March 31, 2019
Aggregate amount of the group's share of profit/loss	(5.47)	3.46
Aggregate amount of the group's share of other comprehensive Income	(2.67)	(0.96)
Aggregate amount of the group's share of total comprehensive Income	(8.14)	2.50

#### Footnote:

The financial statements of joint ventures and associates consolidated are drawn upto the same reporting date as of the company except in case of a joint venture and an associate company where the financial statements have been drawn upto December 31, 2019.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 36: FINANCIAL INSTRUMENTS MEASUREMENTS AND DISCLOSURES

#### a) Financial instruments by category:

	(₹ crores)							
	FVTPL		FVOCI		Amortised cost		Total carrying value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Financial assets:</b>								
<b>Measured at fair value</b>								
<b>Investments (Refer Footnote below):</b>								
Equity shares	-	-	318.00	436.26	-	-	318.00	436.26
Mutual fund units	436.24	211.21	-	-	-	-	436.24	211.21
<b>Total</b>	<b>436.24</b>	<b>211.21</b>	<b>318.00</b>	<b>436.26</b>	<b>-</b>	<b>-</b>	<b>754.24</b>	<b>647.47</b>
<b>Not measured at fair value</b>								
Trade receivables	-	-	-	-	290.02	321.38	290.02	321.38
Cash and cash equivalents	-	-	-	-	250.82	189.29	250.82	189.29
Other balances with banks	-	-	-	-	75.56	57.92	75.56	57.92
Loans	-	-	-	-	21.42	19.17	21.42	19.17
Other financial assets	-	-	-	-	268.54	219.40	268.54	219.40
<b>Total</b>	<b>436.24</b>	<b>211.21</b>	<b>318.00</b>	<b>436.26</b>	<b>906.36</b>	<b>807.17</b>	<b>1660.60</b>	<b>1454.64</b>
<b>Financial liabilities:</b>								
<b>Measured at fair value</b>								
Derivative instruments	179.68	279.42	-	-	-	-	179.68	279.42
<b>Not measured at fair value</b>								
Borrowings	-	-	-	-	2,602.07	2,325.98	2,602.07	2,325.98
Lease Liabilities	-	-	-	-	1,898.71	-	1,898.71	-
Trade payables	-	-	-	-	389.32	325.25	389.32	325.25
Other financial liabilities	-	-	-	-	531.56	544.18	531.56	544.18
<b>Total</b>	<b>179.68</b>	<b>279.42</b>	<b>-</b>	<b>-</b>	<b>5,421.66</b>	<b>3,195.41</b>	<b>5,601.34</b>	<b>3,474.83</b>

#### Footnotes:

- The above excludes investments in joint ventures and associates amounting to ₹ 672.35 crores (March 31, 2019 - ₹ 687.67 crores) which are accounted as per equity method.
- FVTPL = Fair Value Through Profit and Loss and FVOCI = Fair Value Through Other Comprehensive Income.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### b) Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis, it also includes the financial instruments which are measured at amortised cost for which fair values are disclosed.

	Level 1		Level 2		Level 3		Total	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	(₹ crores)							
<b>Financial assets:</b>								
<b>Measured at fair value</b>								
Investments:								
Equity shares	134.95	246.74	-	-	183.05	189.52	318.00	436.26
Mutual fund units	436.24	211.21	-	-	-	-	436.24	211.21
<b>Total</b>	<b>571.19</b>	<b>457.95</b>	<b>-</b>	<b>-</b>	<b>189.52</b>	<b>189.52</b>	<b>754.24</b>	<b>647.47</b>
<b>Financial liabilities:</b>								
<b>Measured at fair value</b>								
Derivative instruments	-	-	179.68	279.42	-	-	179.68	279.42
<b>Not measured at fair value (Refer Footnotes below)</b>								
Borrowings								
Non-convertible debentures	-	-	1,271.73	1,786.37	-	-	1,271.73	1,786.37
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,451.41</b>	<b>2,582.15</b>	<b>-</b>	<b>-</b>	<b>1,451.41</b>	<b>2,582.15</b>

#### Footnotes:

- The Company has not disclosed the fair value of certain short term financial instruments such as trade receivables, trade payables, short term loans, deposits etc. as their carrying amounts are a reasonable approximation of fair value.
- The carrying amounts of the borrowings excluding non-convertible debentures that are not measured at fair value are reasonable approximation of fair value, as they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.
- The Investments measured at fair value and falling under fair value hierarchy level 3 are valued based on valuation reports provided by external valuers with the exception of two investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The investments other than those whose fair values approximate cost are individually immaterial.

### c) Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices in an active market. This includes listed equity instruments, traded debentures and mutual funds that have quoted price / declared NAV. The fair value of all equity instruments (including debentures) which are traded in the stock exchanges is valued using the closing price as at the reporting period.
- Level 2:** Level 2 hierarchy includes financial instruments that are not traded in an active market (for example, traded bonds/debentures, over the counter derivatives). The fair value in this hierarchy is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument estimate is included in level 2.
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Financial instruments such as unlisted equity shares, loans are included in this hierarchy.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### d) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices for the equity instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of non-convertible debentures is valued using FIMMDA guidelines
- the fair value for the cross currency swaps/principal swap is determined using forward exchange rates at the balance sheet date
- certain long term unlisted shares have been considered at their respective cost as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. All other unlisted shares are determined based on the income approach or the comparable market approach. These unquoted investments categorized under Level 3.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis.

### e) Inter level transfers:

There are no transfers between levels 1 and 2 as also between levels 2 and 3 during the year.

### f) Reconciliations of level 3 fair values

The following table shows reconciliation from the opening balances to closing balances for Level 3 fair values:

	(₹ crores)
	<b>Equity instruments</b>
<b>Balance as at March 31, 2018</b>	186.74
Net change in fair value (unrealised)	2.78
<b>Balance as at March 31, 2019</b>	<b>189.52</b>
Net change in fair value (unrealised)	(6.47)
<b>Balance as at March 31, 2020</b>	<b>183.05</b>

## NOTE 37 : FINANCIAL RISK MANAGEMENT

### Risk management framework

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the internal audit team. The Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### for the year ended March 31, 2020

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk

#### a) Credit risk

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Group's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Group.

#### b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

#### i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
Expiring within one year:		
Bank overdraft	94.34	85.00
Short term bank loans	102.56	86.48
Long term bank loans	355.00	-
Expiring beyond one year	-	-
<b>Total</b>	<b>551.90</b>	<b>171.48</b>

The bank overdraft facilities may be drawn at any time by the respective companies in the Group. The long-term loan facility was available up to April 30, 2020, subsequent to March 31, 2020 the parent Company availed ₹ 50 crores of loan and the balance facility has expired. Further, post the balance sheet date the parent Company has availed long-term debt of ₹ 450 crores. Certain subsidiaries of the group availed short-term loan facility aggregating to ₹ 82.38 crores from various banks and financial institutions. The Company is in the advance stages of discussions with banks and financial institutions for raising further Long Term loan for the operational and long term needs of the Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross, undiscounted and exclude future contractual interest payments.

	(₹ crores)					
	Carrying value as at March	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5th year	Total
<b>Non-derivative financial liabilities:</b>						
Borrowings	<b>2,602.07</b>	<b>479.88</b>	<b>1,006.96</b>	<b>942.00</b>	<b>178.42</b>	<b>2,607.26</b>
(including redemption premium)	<i>2,325.98</i>	<i>670.94</i>	<i>237.98</i>	<i>1,442.83</i>	<i>13.29</i>	<i>2,365.04</i>
Lease liability	<b>1,898.71</b>	<b>188.91</b>	<b>177.08</b>	<b>526.47</b>	<b>9,129.32</b>	<b>10,021.78</b>
	-	-	-	-	-	-
Trade and other payables	<b>389.32</b>	<b>389.32</b>	-	-	-	<b>389.32</b>
	<i>325.25</i>	<i>325.25</i>	-	-	-	<i>325.25</i>
Interest Accrued on borrowings	<b>56.46</b>	<b>154.65</b>	<b>119.65</b>	<b>116.27</b>	<b>11.86</b>	<b>402.43</b>
	<i>54.05</i>	<i>113.17</i>	<i>94.89</i>	<i>67.76</i>	-	<i>275.82</i>
Other Financial liabilities	<b>475.10</b>	<b>475.10</b>	-	-	-	<b>475.10</b>
	<i>490.13</i>	<i>490.13</i>	-	-	-	<i>490.13</i>
<b>Total</b>	<b>5,421.66</b>	<b>1,687.87</b>	<b>1,303.69</b>	<b>1,584.74</b>	<b>9,319.60</b>	<b>13,895.90</b>
	<i>3,195.41</i>	<i>1,586.49</i>	<i>332.87</i>	<i>1,510.59</i>	<i>13.29</i>	<i>3,456.24</i>
Derivative instruments	<b>179.68</b>	<b>2.45</b>	<b>177.23</b>	-	-	<b>179.68</b>
	<i>279.42</i>	<i>131.54</i>	-	<i>147.88</i>	-	<i>279.42</i>
Financial guarantee contract	-	<b>2.32</b>	<b>14.31</b>	<b>128.78</b>	-	<b>145.41</b>
	-	-	-	<i>131.44</i>	-	<i>148.74</i>
<b>Total financial liabilities</b>	<b>5,601.34</b>	<b>1,692.64</b>	<b>1,495.23</b>	<b>1,713.52</b>	<b>9,319.60</b>	<b>14,220.99</b>
	<i>3,474.83</i>	<i>1,748.33</i>	<i>332.87</i>	<i>1,789.91</i>	<i>13.29</i>	<i>3,884.40</i>

Figures in italics are of the previous year.

The Group management periodically monitors its Interest Service Cover Ratio to manage the liquidity risk towards the repayment of the interest liability. The interest cover ratio for the Group for the year ended March 31, 2020 and March 31, 2019 was 5.42 and 5.23 respectively.

The formula used for the calculation of Interest Service Cover ratio (which has been computed on a trailing twelve-month basis) is as below:

Interest Service Coverage Ratio = (Profit before tax + Interest (Net) + Provision for diminution in long term investment + Depreciation)/Interest (Net)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### iii) Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to maintain an investment grade credit rating, to provide ongoing returns to shareholders and to service debt obligations, whilst maintaining maximum operational flexibility.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowings (including 'current and non-current term loans' as shown in the balance sheet) less cash and cash equivalents and current investment.

Particulars	Note	(₹ crores)	
		March 31, 2020	March 31, 2019
Borrowings	19	2,602.07	2,325.98
Less: Cash and cash equivalents	15	250.82	189.29
Less: Current investments	8(b)	436.24	211.21
Net debt		<b>1,915.01</b>	<b>1,925.48</b>
Total Equity	17/18	5121.71	5147.86
Gearing ratio		0.37	0.37

### c) Market risk

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage its exposure to foreign currency risk and interest rate risk. All such transactions are carried out within the guidelines set by the risk management committee.

### i) Foreign Currency risk

The predominant currency of the Group's revenue and operating cash flows is Indian Rupees (₹). The Company's reported debt has an exposure to borrowings held in US dollars. Movements in foreign exchange rates can affect the Company's reported profits and net assets.

The Group 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:-

#### Derivative Instruments outstanding:

Particulars	Currency	March 31, 2020		March 31, 2019	
		Currency million	Fair values ₹ crores	Currency million	Fair values ₹ crores
Cross currency Interest rate Swap (CCS)	US\$	55.17	177.23	108.42	277.45
Interest Rate Swap (IRS)	GBP	20.00	2.45	20.00	1.97
<b>Total</b>			<b>179.68</b>		<b>279.42</b>

### Sensitivity

In relation to the CCS, for the year ended March 31, 2020 and March 31, 2019, every 3% depreciation in the exchange rate between the Indian rupee and US dollar, shall increase the Group's profit/loss before tax by approximately 4.50% and 11.61% respectively and every 3% increase in the interest rate shall increase the Group's profit/loss before tax by approximately 4.49% and 5.72% respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

For the year ended March 31, 2020 and March 31, 2019, every 3% appreciation in the exchange rate between the Indian rupee and US dollar, shall reduce the Group's profit/loss before tax by approximately 2.42% and 0.58% respectively and every 3% decrease in the interest rate shall decrease the Group's profit/loss before tax by approximately 2.63% and 5.32% respectively.

The above relates to the Company and foreign currency risk in respect of other components is insignificant.

### Un-Hedged Foreign currency exposure payable:

Currency	March 31, 2020	March 31, 2019
United States Dollar (Million)	0.62	0.62

### Sensitivity

For the year ended March 31, 2020 and March 31, 2019, every 3% depreciation/appreciation in the exchange rate between the Indian rupee and US dollar, shall affect the Group's profit before tax by approximately 0.03% and 0.03 % respectively.

#### ii) Interest rate risk

The Group adopts a policy to hedge the interest rate movement in order to mitigate the risk with regards to floating rate linked loans based on the market outlook on interest rates. This is achieved partly by entering into fixed rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The total borrowing at variable rate was ₹ 1,316.08 crores as at March 31, 2020 (March 31, 2019- ₹ 534.22 crores). The carrying value of the long term debt approximates fair value since the current interest rate approximates the market rate.

#### iii) Other market price risks

The Group's exposure to equity securities' price risk arises from investments held by the Group and classified in the balance sheet as fair value through Other Comprehensive Income. If the equity prices of quoted investments are 3% higher/ lower, the equity for the year ended March 31, 2020 would increase/ decrease by ₹ 4.05 crores (for the year ended March 31, 2019: increase/decrease by ₹ 7.40 crores).

## NOTE 38 : INCOME TAX DISCLOSURE

### i) Income Tax recognised in the Statement Profit and Loss:

Particulars	₹ crores)	
	March 31, 2020	March 31, 2019
<b>Current Tax</b>		
In respect of the current year	163.17	190.09
In respect of earlier years	5.98	(11.55)
	<b>169.15</b>	<b>178.54</b>
<b>Deferred Tax</b>		
In respect of the current year		
MAT credit	(1.17)	(3.17)
Other items	(21.02)	(35.03)
Adjustment to deferred tax attributable to changes in tax rates and laws	(97.37)	-
In Respect of earlier years	(4.82)	16.78
	<b>(124.38)</b>	<b>(21.42)</b>
<b>Total tax expense recognised in the current year</b>	<b>44.77</b>	<b>157.12</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

### for the year ended March 31, 2020

Some of the eligible companies in the Group has elected to exercise the option permitted under section 115BAA of the Income tax act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from the current financial year. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its opening deferred tax liability at the reduced tax rate. The full impact of the re-measurement of the opening deferred tax liabilities amounting to ₹ 87.42 crores has been recognised in the statement of Profit and Loss account for the year ended March 31, 2020.

The Group has reviewed its income tax treatments in order to determine whether Appendix C of Ind AS 12 effective from April 1, 2019 could have an impact on the financial statements and concluded that it has no material impact on the Company's financial statements.

As a practice, where the interpretation of income tax law is not clear, management relies on the some or all of the following factors to determine the probability of its acceptance by the tax authority:

- Strength of technical and judicial argument and clarity of the legislation;
- Past experience related to similar tax treatments in its own case;
- Legal and professional advice or case law related to other entities.

After analysing above factors for each of such uncertain tax treatments, where the Company expects that the probability to sustain its position on ultimate resolution of such uncertain tax treatment is remote, the Company ensures that such uncertain tax positions are adequately provided for in the Company's financial Statements.

#### ii) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

Particulars	₹ crores	
	March 31, 2020	March 31, 2019
Profit/(Loss) before tax (a)	395.54	401.71
Income tax rate as applicable in India (b)	25.17%	34.94%
Calculated taxes based on above, without any adjustments for deductions [(a) x (b)]	99.55	140.37
<b>Permanent tax differences due to:</b>		
Effect of income that is exempt from taxation	(1.89)	(3.21)
Income considered to be capital in nature under tax and tax provisions	(0.27)	-
Effect of expenses that are not deductible in determining taxable profit	11.53	12.22
Expense considered to be capital in nature under tax and tax provisions	5.14	4.93
Income subject to lower rate of income tax	(10.66)	(4.69)
Deferred tax asset not recognised in Statement of Profit and Loss	29.60	22.73
Effect on deferred tax balances due to the change in income tax rate	(97.37)	(1.13)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	(0.03)	(20.18)
Difference (net) in tax rates between the company and components/ Jurisdiction	2.94	(4.79)
Others items, individually not material	5.07	5.64
	<b>43.61</b>	<b>151.89</b>
Prior year taxes as shown above	1.16	5.23
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>44.77</b>	<b>157.12</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### iii) Income tax recognised in Other Comprehensive Income:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Current Tax</b>		
Tax impact on profit on sale of investment in equity shares at fair value through Other Comprehensive Income	-	-
<b>Deferred tax</b>		
<b>Arising on income and expenses recognised in Other Comprehensive Income:</b>		
Net fair value gain on investments in equity shares at fair value through Other Comprehensive Income	(1.19)	1.15
Remeasurement of defined benefit obligation	(5.28)	(3.36)
Reversal of Deferred Tax Liability on account of a investment fair valued through Other Comprehensive Income	-	-
Reversal of Deferred Tax Assets on Unused Tax Losses	-	-
<b>Total income tax recognised in Other Comprehensive Income</b>	<b>(6.47)</b>	<b>(2.21)</b>
<b>Bifurcation of the income tax recognised in Other Comprehensive Income into:</b>		
Items that will not be reclassified to profit or loss	(6.47)	(2.21)
	<b>(6.47)</b>	<b>(2.21)</b>

### iv) The following is the analysis of deferred tax assets/ (liabilities) presented in the balance sheet:

Particulars	(₹ crores)	
	March 31, 2020	March 31, 2019
Deferred Tax assets (net)	76.50	69.44
Deferred Tax liabilities (net)	(186.85)	( 376.77)
<b>Net Deferred Tax Liability</b>	<b>(110.35)</b>	<b>(307.33)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

**Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:**

	(₹ crores)							
	Opening Balance	Recognised in the Statement of Profit and Loss (net)		Recognised in Other Comprehensive Income (net)	Adjustment on adoption of Ind AS 116	MAT credit utilised	Exchange difference (net)	Closing balance
		Impact of change in Income Tax Rate	Others					
<b>Deferred tax (liabilities)/ assets:</b>								
Property, Plant and equipment & Intangible Assets	<b>(484.72)</b> <i>(479.07)</i>	<b>130.42</b> -	<b>19.31</b> <i>(5.67)</i>	- -	- -	- -	<b>(0.03)</b> <i>0.02</i>	<b>(335.02)</b> <i>(484.72)</i>
Right-of-Use assets Net of Lease Liability	- -	<b>(16.94)</b> -	<b>6.48</b> -	- -	<b>63.91</b> -	- -	- -	<b>53.45</b> -
Unamortised borrowing cost	<b>(0.37)</b> <i>(0.45)</i>	<b>0.10</b> -	<b>(0.07)</b> <i>0.08</i>	- -	- -	- -	- -	<b>(0.34)</b> <i>(0.37)</i>
Provision for Employee Benefits	<b>38.87</b> <i>31.95</i>	<b>(10.52)</b> -	<b>4.39</b> <i>3.56</i>	<b>5.28</b> <i>3.36</i>	- -	- -	- -	<b>38.02</b> <i>38.87</i>
Fair valuation changes of derivative contracts	<b>(2.26)</b> <i>(20.89)</i>	<b>0.63</b> -	<b>7.56</b> <i>18.63</i>	- -	- -	- -	- -	<b>5.93</b> <i>(2.26)</i>
Unrealised gain on equity shares carried at fair value through Other Comprehensive Income	<b>(1.57)</b> <i>(0.42)</i>	- -	- -	<b>1.19</b> <i>(1.15)</i>	- -	- -	- -	<b>(0.38)</b> <i>(1.57)</i>
MAT Credit Entitlement	<b>19.34</b> <i>49.96</i>	- -	<b>(0.08)</b> <i>3.16</i>	- -	- -	<b>1.17</b> <i>(33.78)</i>	- -	<b>20.43</b> <i>19.34</i>
Unused tax losses (Business) (net)	<b>73.52</b> <i>62.56</i>	<b>6.92</b> -	<b>(12.12)</b> <i>12.00</i>	- -	- -	- -	<b>2.35</b> <i>(1.04)</i>	<b>70.67</b> <i>73.52</i>
Allowance for doubtful debts	<b>5.85</b> <i>8.10</i>	<b>(1.56)</b> -	<b>0.94</b> <i>(2.25)</i>	- -	- -	- -	- -	<b>5.23</b> <i>5.85</i>
Reward Points	<b>14.83</b> <i>13.27</i>	<b>(4.15)</b> -	<b>1.63</b> <i>1.56</i>	- -	- -	- -	- -	<b>12.31</b> <i>14.83</i>
Provision for Contingencies	<b>11.67</b> <i>26.51</i>	<b>(3.26)</b> -	<b>(5.08)</b> <i>(14.84)</i>	- -	- -	- -	- -	<b>3.33</b> <i>11.67</i>
Others	<b>17.51</b> <i>12.32</i>	<b>(4.27)</b> -	<b>2.89</b> <i>5.19</i>	- -	- -	- -	<b>(0.11)</b> -	<b>16.02</b> <i>17.51</i>
<b>Total Deferred Tax Liability</b>	<b>(307.33)</b> <i>(296.16)</i>	<b>97.37</b> -	<b>25.85</b> <i>21.42</i>	<b>6.47</b> <i>2.21</i>	<b>63.91</b> -	<b>1.17</b> <i>(33.78)</i>	<b>2.21</b> <i>(1.02)</i>	<b>(110.35)</b> <i>(307.33)</i>

Figures in italics are of the previous year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

- v) Deferred tax asset amounting to ₹ 719.64 crores and ₹ 900.50 crores as at March 31, 2020 and March 31, 2019 respectively in respect of unused tax losses have not been recognised by the Group. The tax loss carry-forwards of ₹ 3,392.24 crores and ₹ 2,913.51 crores as at March 31, 2020 and March 31, 2019, respectively, relates to certain subsidiaries on which deferred tax asset has not been recognised by the Group, because there is a lack of reasonable certainty that these subsidiaries may generate future taxable profits. Approximately, ₹ 740.73 crores and ₹ 482.91 crores as at March 31, 2020 and March 31, 2019 respectively of these tax losses has carry-forwards is not currently subject to expiration dates. The remaining tax loss carry-forwards of approximately ₹ 2,651.52 crores and ₹ 2,430.59 crores as at March 31, 2020 and March 31, 2019 respectively, expires in various years through fiscal 2038. Deferred tax assets on unused tax losses have been recognised by certain subsidiaries to the extent of profits arising from the reversal of existing taxable temporary differences.
- vi) Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Accordingly, deferred income tax liabilities on cumulative earnings of subsidiaries amounting to ₹ 1,554.13 crores and ₹ 1,499.67 crores as at March 31, 2020 and March 31, 2019, respectively has not been recognised. Further, it is not practicable to estimate the amount of the unrecognised deferred tax liabilities for these undistributed earnings.

### NOTE 39 : 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”(net of recoveries):

	(₹ crores)	
	March 31, 2020	March 31, 2019
Provident Fund	26.04	23.04
Superannuation Fund	3.92	4.30
<b>Total</b>	<b>29.96</b>	<b>27.34</b>

#### Multi-Employer Benefit Plans

One of the international subsidiaries, United Overseas Holding Inc., along with its LLP’s namely “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 collective bargaining agreement provides for union sponsored multi-employer defined benefit plans (the “Plans”) to which the New York LLC makes contributions for the benefit of their employees covered by the collective bargaining agreements. The New York LLC has not received information from the Plans’ administrators to determine their share of unfunded benefit obligations, if any. The New York LLC has not undertaken to terminate, withdraw or partially withdraw from the Plans. The risks of participating in the multi-employer plan are different from a single-employer plan in the following aspects:

- (i) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- (ii) If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- (iii) If an employer chooses to stop participating in some of its multi-employer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

The New York LLC's participation in the Plans for 2019 and 2018 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, 2019 and 2018.

The zone status is based on information that the New York 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 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 make contributions for the benefit of their employees covered by the collective bargaining agreements.

Plans	EIN Number	EIN Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contribution by the Company for the year ended	
			2020	2019		December 31, 2019 US \$	December 31, 2018 US \$
<b>New York LLC</b>							
Pension Fund (i)	13-1764242	001	Green	Green	Yes	4,046,529	3,893,216
Health Benefits Fund (ii)	13-6126923	501	NA	NA	Yes	7,954,067	7,614,612
Prepaid Legal Services Fund (iii)	13-3418414	508	NA	NA	Yes	76,968	76,627
<b>Total - New York LLC</b>						<b>12,077,564</b>	<b>11,584,455</b>

- (i) New York Hotel Trades Council and Hotel Association of New York City, Inc. Health Benefits Fund
- (ii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund
- (iii) New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund

### Defined Contribution 401(k) Plans

United Overseas Holding Inc. and its LLC's, wholly owned subsidiaries in the United States of America, have defined contribution plans for the benefit of their eligible employees pursuant to Section 401(k) of the Internal Revenue Code. In addition to employee 401(k) contributions, the plans require employer contributions of 3% of each eligible participant's plan compensation for each year. The employer may also make a profit sharing contribution of a uniform percentage of eligible participants' plan compensation based on profits as defined. The employer contributions charged to the Company's and the Subsidiaries' operations for the years ended March 31, 2020 and 2019 are as follows:

	(US \$)	
	March 31, 2020	March 31, 2019
San Francisco LLC	110,987	112,596
New York LLC	188,498	182,818
Company	31,950	8,031
<b>Total Employer Contributions</b>	<b>331,435</b>	<b>303,445</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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**(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 select existing and retired executive directors and certain categories of employees, which is unfunded.
- Post Employment Medical Benefits to qualifying employees

**(c) Provident Fund:**

The Company operates Provident Fund Scheme through a trust – ‘The Indian Hotels Company Limited Employees Provident Fund’ (‘the Plan’), set up by the Company and for certain categories contributions are made to State Plan.

The Plan guarantees minimum interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of the services by the employee. In terms of the guidance note issued by the Institute of Actuaries of India for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumptions provided below, there is no shortfall as at March 31, 2020 and March 31, 2019.

The details of fund and plan asset position are given below:

	(₹ crores)	
	March 31, 2020	March 31, 2019
Plan Assets as at period end	634.96	593.97
Present Value of Funded Obligation at period end	634.96	593.97
Amount recognised in the Balance Sheet	-	-

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

	March 31, 2020	March 31, 2019
Guaranteed Rate of Return	8.50%	8.65%
Discounted Rate for remaining term to Maturity of Investment	6.55%	7.65%
Expected Rate of Return on Investment	8.61%	8.83%

The Company contributed ₹ 23.45 crores and ₹ 10.63 crores towards provident fund during the year ended March 31, 2020 and March 31, 2019 respectively and the same has been recognised in the statement of profit and loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (d) Pension Scheme for Employees:

The Group 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.

### (e) The above defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

#### a. Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to government security yields prevailing as at the Balance Sheet date. If the return on plan asset is below this rate, it will create a plan deficit. The current plan has a relatively balanced mix of investments in equity, government securities, bonds and other debt instruments. Due to the long-term nature of the plan liabilities, the Trustees of the Fund consider it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the Fund.

#### b. Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

#### c. Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### d. Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### (f) Defined Benefit Plans – As per Actuarial Valuation on March 31, 2020:-

(i) Amount to be recognised in Balance Sheet and movement in net liability

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
					(₹ crores)
Present Value of Funded Obligations	231.97 206.05	- -	- -	- -	8.26 7.91
Present Value of Unfunded Obligations	2.32 1.88	7.35 6.61	3.62 2.65	18.58 16.62	- -
Fair Value of Plan Assets	(201.82) (186.19)	- -	- -	- -	(10.73) (10.15)
Amount not recognised due to asset limit	- -	- -	- -	- -	0.84 0.77
<b>Net (Asset) / Liability</b>	<b>32.47</b> <b>21.75</b>	<b>7.35</b> <b>6.61</b>	<b>3.62</b> <b>2.65</b>	<b>18.58</b> <b>16.62</b>	<b>(1.63)</b> <b>(1.47)</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**

for the year ended March 31, 2020

**(ii) Expenses recognised in the Statement of Profit & Loss**

	(₹ crores)				
	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Current Service Cost	<b>12.21</b>	<b>0.09</b>	<b>0.15</b>	-	<b>0.15</b>
	11.38	0.08	0.16	0.16	0.13
Past service Cost	-	-	-	-	-
	(0.60)	0.96	-	-	-
Interest Cost	<b>1.00</b>	<b>0.49</b>	<b>0.19</b>	<b>1.21</b>	<b>(0.12)</b>
	0.45	0.41	0.19	1.14	(0.12)
<b>Total</b>	<b>13.21</b>	<b>0.58</b>	<b>0.34</b>	<b>1.21</b>	<b>0.03</b>
	11.23	1.45	0.35	1.30	0.01

**(iii) Expenses recognised in the Statement of Profit & Loss**

	(₹ crores)				
	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
<b>Remeasurements during the period due to:</b>					
Changes in financial assumptions	<b>12.45</b>	<b>0.62</b>	<b>0.37</b>	<b>1.47</b>	<b>0.54</b>
	(0.02)	-	-	-	-
Changes in demographic assumptions	<b>0.04</b>	-	-	-	-
	(0.07)	(0.21)	0.03	(0.68)	-
Experience adjustments	<b>5.39</b>	<b>(0.07)</b>	<b>0.66</b>	<b>0.41</b>	<b>(0.40)</b>
	8.57	0.04	0.17	1.45	0.39
Actual return on plan assets less interest on plan assets	<b>0.23</b>	-	-	-	<b>(0.18)</b>
	0.56	-	-	-	0.05
Adjustment to recognise the effect of asset ceiling	-	-	-	-	<b>0.02</b>
	-	-	-	-	(0.12)
<b>Expenses recognised</b>	<b>18.08</b>	<b>0.55</b>	<b>1.03</b>	<b>1.88</b>	<b>(0.02)</b>
	9.04	(0.17)	0.20	0.77	0.32



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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### (iv) Reconciliation of Defined Benefit Obligation

	(₹ crores)				
	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Defined Benefit Obligation	<b>207.93</b> 196.05	<b>6.61</b> 5.63	<b>2.65</b> 2.75	<b>16.62</b> 15.61	<b>7.91</b> 7.28
Current Service Cost	<b>12.21</b> 11.38	<b>0.09</b> 0.08	<b>0.15</b> 0.16	- 0.16	<b>0.15</b> 0.13
Past Service Cost	- (0.60)	- 0.96	- -	- -	- -
Interest Cost	<b>14.31</b> 13.50	<b>0.49</b> 0.41	<b>0.19</b> 0.19	<b>1.21</b> 1.14	<b>0.56</b> 0.53
<b>Remeasurements due to actuarial loss/ (gain) arising from:</b>					
Changes in financial assumptions	<b>12.45</b> (0.02)	<b>0.62</b> -	<b>0.37</b> -	<b>1.47</b> -	<b>0.54</b> -
Changes in demographic assumptions	<b>0.04</b> (0.07)	- (0.21)	- 0.03	- (0.68)	- -
Experience adjustments	<b>5.39</b> 8.57	<b>(0.07)</b> 0.04	<b>0.66</b> 0.17	<b>0.41</b> 1.45	<b>(0.40)</b> 0.39
Benefits Paid	<b>(19.97)</b> (21.22)	<b>(0.39)</b> (0.30)	<b>(0.40)</b> (0.65)	<b>(1.13)</b> (1.06)	<b>(0.50)</b> (0.42)
Liabilities assumed	<b>1.93</b> 0.34	- -	- -	- -	- -
<b>Closing Defined Benefit Obligation</b>	<b>234.29</b> <b>207.93</b>	<b>7.35</b> <b>6.61</b>	<b>3.62</b> <b>2.65</b>	<b>18.58</b> <b>16.62</b>	<b>8.26</b> <b>7.91</b>

### (v) Reconciliation of Fair Value of Plan Assets

	(₹ crores)				
	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Opening Fair Value of Plan Assets	<b>186.19</b> 181.31	- -	- -	- -	<b>10.15</b> 9.70
Interest on Plan Assets	<b>13.31</b> 13.05	- -	- -	- -	<b>0.74</b> 0.71
<b>Remeasurements due to:</b>					
Actual return on plan assets less interest on plan assets	<b>(0.23)</b> (0.57)	- -	- -	- -	<b>0.18</b> (0.05)
Contribution by Employer	<b>20.87</b> 13.61	<b>0.39</b> 0.30	<b>0.40</b> 0.65	<b>1.13</b> 1.06	<b>0.16</b> 0.21
Benefits Paid	<b>(19.97)</b> (21.22)	<b>(0.39)</b> (0.30)	<b>(0.40)</b> (0.65)	<b>(1.13)</b> (1.06)	<b>(0.50)</b> (0.42)
Assets acquired	<b>1.66</b> 0.01	- -	- -	- -	- -
<b>Closing Fair Value of Plan Assets</b>	<b>201.82</b> <b>186.19</b>	- -	- -	- -	<b>10.73</b> <b>10.15</b>
<b>Expected Employer's contribution/ outflow next year</b>	<b>17.10</b> 17.02	- -	- -	- -	- -

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

### (vi) Actuarial Assumptions

	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Discount rate (p.a.) in %	6.65% 7.55%	6.65% 7.55%	6.65% 7.55%	6.65% 7.55%	6.65% 7.55%
Salary Escalation Rate (p.a.) in %	4.00-5.00% 4.00-8.00%	- -	4.00% 4.00%	- -	- -
Pension Escalation Rate (p.a.) in %	- -	- -	- -	4.00% 4.00%	- -
Annual increase in healthcare costs (p.a.) in %	- -	6.00% 6.00%	- -	- -	- -
Mortality Table *					
Mortality table in service(LIC)	Table 1 Table 1	Table 1 Table 1	Table 1 Table 1	NA NA	NA NA
Mortality table in retirement(LIC)	NA NA	Table 2 Table 2	Table 2 Table 2	Table 2 Table 2	Table 2 Table 2

\* Table 1 – Indian Assured Lives Mortality (2012-14) Ult table

Table 2 – UK Published S1PA Mortality rate

### Disaggregation of Plan Assets (Managed by an Insurance Company)

#### a) Gratuity Funded

Particulars	March 31, 2020				March 31, 2019			
	Quoted (₹ crores)	Unquoted (₹ crores)	Total	%	Quoted (₹ crores)	Unquoted (₹ crores)	Total	%
Government Debt Instruments	94.60	-	94.60	47%	50.24	-	50.24	27%
Other Debt Instruments	41.19	0.09	41.28	20%	51.42	0.09	51.51	28%
Property	-	-	-	-	-	-	-	-
Other Equity Instruments	30.53	-	30.53	15%	37.78	-	37.78	20%
Insurer managed funds	-	22.70	22.70	11%	-	21.40	21.40	11%
Others	0.62	12.10	12.72	6%	0.63	24.63	25.26	14%
<b>Total</b>	<b>166.94</b>	<b>34.89</b>	<b>201.83</b>	<b>100%</b>	<b>140.07</b>	<b>46.12</b>	<b>186.19</b>	<b>100%</b>

#### b) Pension Staff Funded

Particulars	March 31, 2020				March 31, 2019			
	Quoted (₹ crores)	Unquoted (₹ crores)	Total	%	Quoted (₹ crores)	Unquoted (₹ crores)	Total	%
Government Debt Instruments	4.82	-	4.82	45%	4.78	-	4.78	47%
Other Debt Instruments	4.72	-	4.72	44%	5.06	-	5.06	50%
Other Equity Instruments	0.21	-	0.21	2%	0.24	-	0.24	2%
Others	-	0.98	0.98	9%	-	0.07	0.07	1%
<b>Total</b>	<b>9.75</b>	<b>0.97</b>	<b>10.73</b>	<b>100%</b>	<b>10.08</b>	<b>0.07</b>	<b>10.15</b>	<b>100%</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### (vii) Sensitivity Analysis (for each defined benefit plan)

Particulars	Gratuity				Pension Top up			
	March 31, 2020		March 31, 2019		March 31, 2020		March 31, 2019	
	Discount rate (%)	Salary Escalation rate (%)	Discount rate (%)	Salary Escalation rate (%)	Discount rate (%)	Salary Escalation rate (%)	Discount rate (%)	Salary Escalation rate (%)
Impact of increase in 50 bps on DBO	<b>(3.08)</b>	<b>3.32</b>	(3.07)	3.29	<b>(5.87)</b>	-	(5.53)	-
Impact of decrease in 50 bps on DBO	<b>3.27</b>	<b>(3.15)</b>	3.21	(3.17)	<b>6.41</b>	-	6.02	-
Impact of life expectancy 1 year decrease	-	-	-	-	-	<b>(1.93)</b>	-	(1.77)
Impact of life expectancy 1 year Increase	-	-	-	-	-	<b>1.85</b>	-	1.69

Particulars	Pension Staff Funded					
	March 31, 2020			March 31, 2019		
	Discount rate (%)	Salary Escalation rate (%)	Pension rate (%)	Discount rate (%)	Salary Escalation rate (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	<b>(3.74)</b>	-	-	(3.64)	-	-
Impact of decrease in 50 bps on DBO	<b>4.01</b>	-	-	3.90	-	-

Particulars	Post- Employment Medical Benefits Unfunded					
	March 31, 2020			March 31, 2019		
	Discount rate (%)	Life Expectancy (%)	Health care Cost (%)	Discount rate (%)	Life Expectancy (%)	Health care Cost (%)
Impact of increase in 50 bps on DBO	<b>(4.85)</b>	-	-	(4.66)	-	-
Impact of decrease in 50 bps on DBO	<b>5.29</b>	-	-	5.08	-	-
Impact of life expectancy 1 year decrease	-	<b>(3.52)</b>	-	-	(3.23)	-
Impact of life expectancy 1 year Increase	-	<b>3.35</b>	-	-	3.05	-
Defined benefit obligation on healthcare costs rate minus 100 bps	-	-	<b>(4.61)</b>	-	-	(4.44)
Defined benefit obligation on healthcare costs rate plus 100 bps	-	-	<b>5.44</b>	-	-	5.24

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**  
 for the year ended March 31, 2020

Particulars	Pension Director Unfunded					
	March 31, 2020			March 31, 2019		
	Discount rate (%)	Life Expectancy (%)	Pension rate (%)	Discount rate (%)	Life Expectancy (%)	Pension rate (%)
Impact of increase in 50 bps on DBO	<b>(4.54)</b>	-	-	(4.42)	-	-
Impact of decrease in 50 bps on DBO	<b>4.93</b>	-	-	4.79	-	-
Impact of life expectancy 1 year decrease	-	<b>(4.02)</b>	-	-	(3.58)	-
Impact of life expectancy 1 year Increase	-	<b>3.88</b>	-	-	3.43	-
Defined benefit obligation on pension increase rate minus 100 bps	-	-	<b>(9.03)</b>	-	-	(8.85)
Defined benefit obligation on pension increase rate plus 100 bps	-	-	<b>10.45</b>	-	-	10.24

**(viii) Movement in Asset Ceiling**

	₹ crores	
	March 31, 2020	March 31, 2019
Opening Value of asset ceiling	<b>0.76</b>	0.82
Interest on Opening balance of asset ceiling	<b>0.06</b>	0.07
Remeasurement due to:		
change in Surplus/(deficit)	<b>0.02</b>	(0.12)
Closing value of asset ceiling	<b>0.84</b>	<b>0.77</b>

Footnote: Figures in italics under (i) to (vi) are of the previous year.

**(ix) Expected future benefit payments:**

	₹ crores				
	Gratuity	Post Employment Medical Benefits Unfunded	Pension Top-up Unfunded	Pension Director Unfunded	Pension Staff Funded
Within one year	<b>45.89</b> <i>36.81</i>	<b>0.43</b> <i>0.41</i>	- <i>0.33</i>	<b>1.21</b> <i>1.14</i>	<b>0.71</b> <i>0.65</i>
Between one and five years	<b>98.02</b> <i>95.09</i>	<b>1.99</b> <i>1.89</i>	<b>3.06</b> <i>1.66</i>	<b>5.17</b> <i>4.88</i>	<b>2.87</b> <i>2.75</i>
After five years	<b>248.48</b> <i>243.48</i>	<b>15.18</b> <i>15.42</i>	<b>1.83</b> <i>1.69</i>	<b>34.70</b> <i>35.21</i>	<b>12.11</b> <i>12.78</i>
Weighted average duration of the Defined Benefit Obligation (in years)	<b>6.39</b> <i>6.32</i>	<b>10.13</b> <i>9.72</i>	<b>12.33</b> <i>11.67</i>	<b>9.46</b> <i>9.19</i>	<b>7.36</b> <i>7.16</i>

Due to the restrictions in the type of investments that can be held by the gratuity and pension fund as per the prevalent regulations, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively

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 CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### 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 the period prior to 1998. Arising out of such disclosures, the Company received show cause notices and the Company had replied to the notices. Prior to 2018, the Company has received adjudication cum demand of ₹ 10.89 crores on certain matters which has been disputed by the Company. This has been disclosed as Contingent Liability. The Company has filed appeal against the adjudication cum demand, and the appeal is pending. During the previous year, the Company received adjudication cum demand aggregating ₹ 1.12 crore on three other matters being contested. The Company has filed appeals against these adjudication cum demand orders and the same are pending. For the balance Show Cause Notices, adjudication proceedings are in progress.

### NOTE 41 : RELATED PARTY DISCLOSURES

(a) The names of related parties of the Group are as under:

**(i) Company having substantial interest**

Tata Sons Private Ltd. (including its subsidiaries and joint ventures)

**(ii) Associates and Joint Ventures**

The names of all the associates and joint ventures are given in Note 35 (c)

**(iii) Key Management Personnel**

Key managerial personnel comprise the whole-time directors of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company and the Group.

**Following are the Key Management Personnel:**

Puneet Chhatwal

Mehernosh S. Kapadia \*

**Relation**

Managing Director & CEO

Executive Director – Corporate Affairs

\* for part of the previous year upto May 23, 2018

**(iv) Post Employment benefit plans**

The Indian Hotels Company Ltd. Employees Provident Fund

The Indian Hotels Company Ltd. Superannuation Scheme

The Indian Hotels Employees Gratuity Trust

Taj Residency Employees Provident fund Trust (Bangalore unit)

Piem Hotel Employees Gratuity Trust

Taj Residency Hotel Employees Gratuity Trust

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(b) The details of related party transactions during the year ended March 31, 2020 and March 31, 2019 are as follows:

	(₹ crores)			
	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
Interest expense	1.53	-	0.94	-
	-	-	1.23	-
Interest income	-	-	2.03	-
	-	-	2.11	-
Dividend Paid	22.61	-	0.10	-
	18.08	-	0.08	-
Dividend income	4.60	-	6.40	-
	3.60	-	15.16	-
Operating/ License Fees expenses	0.21	-	-	-
	0.27	-	-	-
Operating fees income	12.73	-	55.20	-
	3.47	-	68.05	-
Purchase of goods and services	72.02	-	2.60	-
	76.10	-	0.43	-
Sale of goods and services	56.28	-	1.01	-
	63.87	-	1.37	-
Purchase of shares	-	-	2.99	-
	-	-	6.15	-
Sale of shares	-	-	29.79	-
	-	-	-	-
Deputed staff reimbursements	-	-	9.52	-
	0.01	-	7.86	-
Deputed staff out	0.23	-	30.80	-
	0.45	-	35.74	-
Other cost reimbursements	0.60	-	0.78	-
	0.18	-	2.27	-
Loyalty expense (Net of redemption credit)	0.07	-	5.15	-
	0.14	-	7.15	-
Contribution to funds	-	-	-	49.09
	-	-	-	25.52
Inter Corporate Deposit (“ICD”) Raised	55.00	-	23.00	-
	-	-	-	-
ICD Placed	-	-	3.55	-
	-	-	1.50	-
ICD Encashed	15.00	-	38.00	-
	-	-	2.28	-
Remuneration paid / payable (Refer Footnote ii)	-	8.49	-	-
	-	8.58	-	-
Trade receivables (Refer Note 14)	10.00	-	34.52	-
	12.26	-	38.39	-
Trade payables(Refer Note 20)	17.56	-	2.00	-
	11.48	-	0.28	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

	(₹ crores)			
	Company having significant influence*	Key Management Personnel	Associates and Joint Ventures#	Post Retirement benefit plans
Other Receivables/ (Other Payable) (Refer Note 10 and 21)	<b>0.74</b> <i>0.29</i>	- -	<b>80.73</b> <i>67.45</i>	- -
Interest Receivable (Refer Note 10)	- -	- -	<b>0.49</b> <i>0.98</i>	- -
Interest Payable (Refer Note 21)	<b>0.08</b> -	- -	- <i>0.19</i>	- -
Loan Receivable (Refer Note 9)	- <i>1.28</i>	- -	<b>23.24</b> <i>168.76</i>	- -
Allowance for doubtful loan (Refer Note 9)	- -	- -	<b>3.17</b> <i>150.16</i>	- -
Option Deposit (Refer Note 21)	<b>71.10</b> <i>71.10</i>	- -	- -	- -
Deposits Payable (Refer Note 19)	<b>40.05</b> <i>0.26</i>	- -	- <i>12.00</i>	- -
Deposits Receivable (Refer Note 10)	<b>0.08</b> -	- -	- -	- -

\* Including its subsidiaries and joint ventures

# Including its subsidiaries

### Footnotes:

- Figures in italics are of the previous periods.
- 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.
- From time to time key management personnel of the group including directors of entities which they have control or significant influence, may purchase services from the group those purchase are on the same terms and conditions as those entered into with other group employees or customers.
- Statement of Material Transactions

Company Name	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Company having substantial interest and its subsidiaries and joint ventures</b>		
<b>Tata Sons Private Limited</b>		
Dividend income	<b>4.50</b>	3.60
Dividend paid	<b>21.66</b>	17.33
Trade payables	<b>4.09</b>	3.85
Sale of goods and services	<b>6.65</b>	10.59
Other cost reimbursements	<b>0.57</b>	-
Deposits Receivable	<b>0.08</b>	-
<b>Tata SIA Airlines Limited</b>		
Sale of goods and services	<b>19.60</b>	7.25
<b>Tata AIG General Insurance Company Limited</b>		
Purchase of goods and services	<b>9.90</b>	9.11
<b>Tata Realty and Infrastructure Limited</b>		
Option Deposit	<b>71.10</b>	71.10
<b>Tata Zambia Limited</b>		
Operating / Licence fees expense	<b>0.21</b>	0.27

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

Company Name	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Tata Consultancy Services Limited</b>		
Purchase of goods and services	56.86	48.26
Sale of goods and services	17.10	31.10
Trade receivables	3.57	5.70
Trade payables	9.57	6.76
<b>Tata Communications Ltd.</b>		
Trade Payables	2.39	-
<b>Taj Air Limited</b>		
Interest expense	1.53	-
ICD Raised	55.00	-
ICD Encashed	15.00	-
Interest Payable	0.08	-
Deposit outstanding	40.00	-
<b>Remuneration to Key Management Personnel</b>		
Puneet Chhatwal	8.49	6.01
<b>Associates</b>		
<b>Oriental Hotels Ltd.</b>		
Operating fees income	23.91	33.66
Deputed staff reimbursement	4.11	3.31
Deputed staff out	14.68	16.54
Loyalty expense (Net of redemption credit)	3.24	4.20
Other cost reimbursements	0.32	1.28
Trade receivables	8.37	14.96
Trade Payable	1.79	-
Dividend Income	3.28	-
<b>Taida Trading &amp; Industries Ltd.</b>		
Interest income	0.58	0.50
Interest receivable	0.45	0.39
ICD Placed	0.55	1.50
Loan Receivable	6.59	6.04
Allowance for doubtful loan	3.17	3.17
<b>Joint Ventures</b>		
<b>Taj GVK Hotels &amp; Resorts Ltd.</b>		
Operating fees income	12.65	12.61
Deputed staff reimbursement	3.56	3.11
Deputed staff out	8.42	9.39
Other cost reimbursements	0.29	0.62
Trade Receivables	11.04	11.88
<b>Taj Karnataka Hotels &amp; Resorts Ltd.</b>		
Interest income	0.48	0.48
Loan Receivable	5.35	5.35
<b>Taj SATS Air Catering Ltd.</b>		
Interest expense	0.94	1.23
Sale of shares	29.79	-
ICD Raised	23.00	-
ICD Encashed	35.00	-
Other Receivable / (Payable)	(0.89)	0.08



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

Company Name	(₹ crores)	
	March 31, 2020	March 31, 2019
<b>Taj Safaris Ltd.</b>		
Purchase of Shares	2.99	6.15
ICD Encashed	3.00	2.28
ICD Placed	3.00	-
<b>Kaveri Retreat &amp; Resorts Limited</b>		
Other receivables/(Other payables)	(0.50)	(0.23)
<b>TAL Hotels &amp; Resorts Ltd.</b>		
Dividend income	2.03	7.89
Interest income	0.96	0.94
Operating fees income	7.14	8.89
Other receivables/(Other payables)	(0.27)	0.21
Loan Receivable	11.30	10.38
Loyalty expense (Net of redemption credit)	1.38	1.82
<b>IHMS Hotels (SA)(Pty) Ltd.</b>		
Trade Receivable	5.87	5.63
Other Receivable	75.56	66.29
<b>Post-employment benefits plans</b>		
Contribution to superannuation fund	4.89	5.03
Contribution to provident fund	23.45	10.63
Contribution to Gratuity Fund	19.75	9.50

### NOTE 42 : SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Managing Director and Chief Executive Officer of the Company who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker. From the internal organisation of the Group's activities and consistent with the internal reporting provided to the chief operating decision-maker and after considering the nature of its services, the ultimate customer availing those services and the methods used by its to provide those services, "Hotel Services" has been identified to be the Group's sole operating segment. Hotel Services include "Revenue from Operations" including Management and Operating Fees where hotels are not owned or leased by the Group. The organisation is largely managed separately by property based on centrally driven policies and the results and cash flows of the period, financial position as of each reporting date aggregated for the assessment by the Managing Director and Chief Executive Officer. The Group's management reporting and controlling systems principally use accounting policies that are the same as those described in Note 2 in the summary of significant accounting policies under Ind AS. As the Group is engaged in a single operating segment, segment information that has been tabulated below is Group-wide:

Country	(₹ crores)			
	Revenue from Hotel Services by location of operations		Non-current assets (see footnote below)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
India	3,394.06	3,406.22	5,982.76	4,714.79
U.S.A.	665.63	686.93	1,118.33	860.07
U.K.	403.45	418.85	1,163.40	922.02
Other Overseas locations	-	-	0.02	-
<b>Total</b>	<b>4,463.14</b>	<b>4,512.00</b>	<b>8,264.51</b>	<b>6,566.87</b>

**Footnote:** Non-current assets exclude financial assets, deferred tax assets and goodwill.

No single customer contributes more than 10% or more of the Group's total revenue for the years ended March 31, 2020 and March 31, 2019.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

### NOTE 43 : ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES / JOINT VENTURES

Name of the entity of the Group	(₹ crores)							
	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets"	₹ crores	As % of consolidated net assets"	₹ crores	As % of consolidated net assets	₹ crores	As % of consolidated net assets	₹ crores
<b>Parent</b>								
The Indian Hotels Company Ltd.	84.95%	4,350.74	113.26%	401.41	(1,262.42)%	(123.97)	80.51%	277.44
<b>Subsidiaries</b>								
<b>Indian</b>								
Piem Hotels Ltd.	12.00%	614.64	2.25%	7.97	(93.69)%	(9.20)	(0.36)%	(1.23)
Benares Hotels Ltd.	1.53%	78.31	2.99%	10.61	(1.22)%	(0.12)	3.04%	10.49
United Hotels Ltd.	0.47%	24.27	0.94%	3.32	(1.12)%	(0.11)	0.93%	3.21
Roots Corporation Ltd.	3.80%	194.61	(6.42)%	(22.77)	1.32%	0.13	(6.57)%	(22.64)
Inditravel Ltd.	0.11%	5.71	0.00%	0.95	(0.51)%	(0.05)	0.26%	0.90
Taj Trade & Transport Company Ltd.	0.22%	11.03	(0.25)%	(0.90)	0.10%	0.01	(0.26)%	(0.89)
KTC Hotels Ltd.	0.05%	2.68	0.09%	0.31	-	-	0.09%	0.31
Northern India Hotels Ltd.	0.60%	30.89	0.60%	2.11	-	-	0.61%	2.11
Taj Enterprises Ltd.	0.14%	7.26	0.87%	3.09	-	-	0.90%	3.09
Skydeck Properties and Developers Private Ltd.	8.78%	449.46	0.01%	0.05	-	-	0.00%	0.05
Sheena Investments Private Ltd.	0.06%	2.82	0.03%	0.09	-	-	0.03%	0.09
ELEL Hotels and Investments Ltd.	11.12%	569.70	(4.02)%	(14.26)	-	-	(4.14)%	(14.26)
Luthria and Lalchandani Hotel and Properties Private Ltd.	-	(0.04)	-	-	-	-	-	-
<b>Foreign</b>								
United Overseas Holdings Inc.	11.23%	575.10	(29.87)%	(105.88)	-	-	(30.73)%	(105.88)
St. James Court Hotel Ltd.	12.81%	655.94	8.05%	28.53	-	-	8.28%	28.53
Taj International Hotels Ltd.	0.17%	8.95	(0.43)%	(1.52)	-	-	(0.44)%	(1.52)
Taj International Hotels (H.K.) Ltd.	2.60%	133.39	(0.61)%	(2.16)	-	-	(0.63)%	(2.16)
Piem International (HK) Ltd.	3.03%	155.40	2.95%	10.46	-	-	3.04%	10.46
IHOCO BV.	37.11%	1,900.55	1.89%	6.71	-	-	1.95%	6.71
Non-controlling interests in all subsidiaries		764.90		(9.32)		(2.26)		(11.58)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2020

(₹ crores)

Name of the entity of the Group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets <sup>1</sup>	₹ crores	As % of consolidated net assets <sup>1</sup>	₹ crores	As % of consolidated net assets	₹ crores	As % of consolidated net assets	₹ crores
<b>Associates (Investment as per the equity method)</b>								
<b>Indian</b>								
Oriental Hotels Ltd.	4.67%	238.99	(0.83)%	(2.95)	65.07%	6.39	1.00%	3.44
Taj Madurai Ltd	0.08%	4.04	0.08%	0.30	(23.63)%	(2.32)	(0.59)%	(2.02)
Taida Trading & Industries Ltd (Refer Footnote below)	-	-	-	-	-	-	-	-
<b>Foreign</b>								
Lanka Island Resorts Ltd.	0.65%	33.40	(0.05)%	(0.17)	(1.43)%	(0.14)	(0.09)%	(0.31)
TAL Lanka Hotels Plc	0.23%	11.54	(0.51)%	(1.80)	(1.12)%	(0.11)	(0.55)%	(1.91)
Bjets Pte Ltd. (Refer Footnote below)	-	-	-	-	-	-	-	-
<b>Joint Ventures (Investment as per the equity method)</b>								
<b>Indian</b>								
Taj GVK Hotels and Resorts Ltd.	2.41%	123.21	2.58%	9.15	(0.20)%	(0.02)	2.65%	9.13
Taj Kerala Hotels and Resorts Ltd.	0.27%	13.95	(0.44)%	(1.56)	(0.61)%	(0.06)	(0.47)%	(1.62)
Taj SATS Air Catering Ltd.	1.37%	69.95	4.09%	14.50	(11.10)%	(1.09)	3.89%	13.41
Taj Karnataka Hotels and Resorts Ltd.	(0.03)%	(1.55)	0.00%	0.01	-	-	0.00%	0.01
Taj Safaris Ltd.	0.18%	9.04	0.05%	0.19	-0.00%	(0.03)	0.05%	0.16
Kaveri Retreat & Resorts Ltd	0.85%	43.49	0.70%	2.48	-0.00%	(0.01)	0.72%	2.47
Taj Madras Flight Kitchen Pvt. Ltd.	0.00%	-	0.11%	0.39	0.00%	-	0.11%	0.39
<b>Foreign</b>								
IHMS Hotels (SA)(Pty) Ltd.	(1.53)%	(78.27)	(2.81)%	(9.97)	-	-	(2.89)%	(9.97)
TAL Hotels & Resorts Ltd.	2.44%	124.74	(0.64)%	(2.27)	68.94%	6.77	1.31%	4.50
<b>Consolidation Adjustments / Eliminations</b>	(117.29)%	(6,007.13)	7.71%	27.32	1,185.03%	116.37	41.70%	143.69
<b>Total</b>	<b>100.00%</b>	<b>5,121.71</b>	<b>100.00%</b>	<b>354.42</b>	<b>100.00%</b>	<b>(9.82)</b>	<b>100.00%</b>	<b>344.60</b>

**Footnotes:**

The carrying value of these investments in Associates has been reported as Nil, as the Group's share of losses exceeds the cost of investments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.) for the year ended March 31, 2020

### NOTE 44 : EARNINGS PER SHARE (EPS)

Earnings Per Share is calculated in accordance with Ind AS 33 – ‘Earnings Per Share’.

	March 31, 2020	March 31, 2019
Profit/(Loss) after tax (owner’s share) – (₹ crores)	354.42	286.82
Opening balance	118,92,58,445	118,92,58,445
Weighted average number of Equity Shares #	118,92,58,445	118,92,58,445
Earnings Per Share - Basic and Diluted - (₹)	2.98	2.41
Face Value per Equity Share (₹)	1	1

### NOTE 45 : GOING CONCERN

#### Negative working capital:

As at the year end, the group’s current liabilities have exceeded its current assets by ₹ 463.51 crores primarily on account of current maturities of long term borrowings aggregating ₹ 310.02 crores falling due within 12 months following the balance sheet date. The Group has secured additional financing for the next 12 months to prevent disruption of the operating cash flows and enable the Group meet its debts and obligations as they fall due. Accordingly, the financial statements of the Group are prepared on a going concern basis.

#### Impact of COVID – 19

The Group and its associates and joint ventures faces significant uncertainties due to COVID-19 which have impacted the operations of these entities adversely starting from the month of March 2020 onwards. Management of the individual entities has assessed the impact of existing and anticipated effects of COVID-19 on the future cash flow projections and has prepared a range of scenarios to estimate financing requirements.

Subsequent to the reporting date, the group has drawn down lines of credit aggregating ₹ 582.38 crores. During April, the Company repaid Debentures aggregating ₹ 200 crores and is current on all its Debt obligations. In addition, the management of respective entities in the group are in advanced discussion to secure additional financing to fulfil its long-term/ working capital requirements. Also refer note 2 (e) Estimation uncertainty due to COVID-19.

Based on aforesaid assessment, management believes that as per estimates made conservatively, the group will continue as a going concern and will be able to discharge its liabilities and realise the carrying amount of its assets as on March 31, 2020.

### NOTE 46 : DIVIDENDS

Dividends paid during the year ended March 31, 2020 out of Retained Earning was ₹ 0.50 per equity share for the year ended March 31, 2019.

The dividends declared by the Company are based on the profits available for distribution as reported in the standalone financial statements of the Company. Accordingly, the retained earnings reported in these financial statements may not be fully distributable. As of March 31, 2020, retained earnings not transferred to reserves available for distribution was ₹ 808.52 crores.

On June 10, 2020, the Board of Directors of the Company have proposed a final dividend of ₹ 0.50 per share in respect of the year ended March 31, 2020, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 59.46 crores.

As per our report of even date as attached

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm’s Registration No: 101248W/W-100022

**Tarun Kinger**  
Partner  
Membership No. 105003

Mumbai, June 10, 2020

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
DIN: 00121863

**Nasser Munjee**  
Director  
DIN: 00010180

**Giridhar Sanjeevi**  
Executive Vice President &  
Chief Financial Officer

**Puneet Chhatwal**  
Managing Director & CEO  
DIN: 07624616

**Beejal Desai**  
Senior Vice President - Corporate Affairs &  
Company Secretary (Group)



## 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	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Total Income	Profit/ (Loss) before taxation		Provision for taxation		Profit/ (Loss) after taxation		Proposed Dividend	Effective share-holding (%)	
										₹ crores	₹ crores	₹ crores	₹ crores	₹ crores	₹ crores			₹ crores
<b>Indian</b>																		
1	Piem Hotels Ltd.	March 13, 1968	INR	3.81	618.42	845.37	223.14	160.55	389.32	6.96	(1.01)	7.97	-	-	51.57%			
2	Benares Hotels Ltd.	November 03, 1971	INR	1.30	77.01	104.80	26.49	-	63.84	13.50	2.88	10.62	0.98	0.98	51.68%			
3	United Hotels Ltd.	November 07, 1950	INR	8.40	15.87	46.20	21.93	1.58	41.08	4.95	1.63	3.32	0.84	0.84	55.00%			
4	Roots Corporation Ltd.	December 24, 2003	INR	94.03	100.57	735.93	541.33	1.01	212.65	(22.77)	-	(22.77)	-	-	63.74%			
5	Inditravel Ltd.	February 19, 1981	INR	0.72	16.16	17.47	0.59	7.47	0.43	0.97	0.03	0.94	-	-	78.86%			
6	Taj Trade & Transport Co Ltd.	November 02, 1977	INR	3.47	9.42	22.41	9.52	6.18	16.91	(0.90)	-	(0.90)	-	-	73.03%			
7	KTC Hotels Ltd.	December 22, 1984	INR	0.60	2.07	5.52	2.85	-	0.49	0.39	0.08	0.31	-	-	100.00%			
8	Northern India Hotels Ltd.	August 18, 1971	INR	0.44	30.45	31.06	0.17	0.10	3.08	2.82	0.71	2.11	-	-	48.56%			
9	Taj Enterprises Ltd.	July 18, 1979	INR	0.50	6.76	9.47	2.21	0.07	9.83	4.13	1.04	3.09	-	-	93.19%			
10	Skydeck Properties and Developers Private Ltd.	May 13, 1998	INR	893.03	(443.57)	529.91	80.45	528.61	0.62	0.07	0.02	0.05	-	-	100.00%			
11	Sheena Investments Private Ltd.	February 12, 1990	INR	1.00	1.82	2.84	0.02	0.40	0.15	0.13	0.04	0.09	-	-	100.00%			
12	ELEL Hotels and Investments Ltd.	July 09, 1979	INR	2.82	566.88	627.11	57.41	2.27	0.27	(14.26)	-	(14.26)	-	-	85.72%			
13	Luthria and Lalchandani Hotel and Properties Private Ltd.	February 18, 2008	INR	0.01	(0.05)	0.01	0.05	-	-	-	-	-	-	-	87.15%			
<b>Foreign</b>																		
14	United Overseas Holdings Inc.	August 24, 2015	USD	1,391.16	(816.05)	1,166.33	591.22	-	680.80	(106.15)	(0.27)	(105.88)	-	-	100.00%			
15	St. James Court Hotel Ltd.	February 17, 2000	GBP	527.07	128.88	1,235.01	579.06	-	351.54	32.51	3.98	28.53	-	-	72.25%			
16	Taj International Hotels Ltd.	July 5, 1995	GBP	-	8.95	39.10	30.15	-	55.34	(1.49)	0.03	(1.52)	-	-	100.00%			
17	Taj International Hotels (H.K.) Ltd.	December 02, 1980	USD	1,732.13	(1,598.74)	133.56	0.17	-	1.02	(2.16)	-	(2.16)	-	-	100.00%			
18	Piem International (HK) Ltd.	September 08, 1994	USD	60.25	178.56	238.89	0.08	236.62	0.03	(0.09)	-	(0.09)	-	-	51.57%			
19	IHOCO BV.	December 18, 1997	USD	174.67	1,800.72	1,975.63	0.24	1,926.34	6.87	5.99	(0.72)	6.71	-	-	100.00%			

#### Footnotes:

- The financial statements of all subsidiaries are drawn upto the same reporting date as that of the Parent Company, i.e., March 31, 2020
- Names of subsidiaries which are yet to commence operations - None
- Exchange rates as at 31.03.2020:  
1 USD = ₹ 75.31; 1 GBP = ₹ 93.24;  
Average exchange rate for the year (for Profit & Loss items):  
1 USD = ₹ 70.7770; 1 GBP = ₹ 89.9778;

## 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			Extent of Holding	Network attributable to shareholding as per latest audited Balance Sheet	Profit/ loss for the year		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	
			Date on which the Associate or Joint Venture was associated or acquired	No. of shares (Refer Note vi)	Amount of Investment			%	Considered in Consolidation (to the extent of Group's effective shareholding)			Not Considered in Consolidation
<b>Associates</b>												
<b>Indian</b>												
1	Oriental Hotels Ltd. (Refer note (vii))	March 31, 2020	September 18, 1970	6,61,66,530	124.05	189.33	35.67%	(2.95)	-	Note (iii)	-	
2	Taj Madurai Ltd	March 31, 2020	March 16, 1990	9,12,000	0.95	4.00	26.00%	0.30	-	Note (iii)	-	
3	Tajida Trading & Industries Ltd (Refer note (v))	March 31, 2020	July 09, 1959	65,992	0.62	-	34.78%	-	-	Note (iii)	-	
<b>Foreign</b>												
4	Lanka Island Resorts Ltd.	March 31, 2020	May 26, 1995	1,99,65,525	39.65	11.68	24.66%	(0.17)	-	Note (iii)	-	
5	TAL Lanka Hotels Plc	March 31, 2020	June 14, 1980	3,43,75,640	18.72	12.22	24.62%	(1.80)	-	Note (iii)	-	
6	Bjets Pte Ltd. (Refer note (v))	December 31, 2019	November 28, 2007	2,00,00,000	102.59	-	45.69%	-	-	Note (iii)	-	
<b>Joint Ventures</b>												
<b>Indian</b>												
7	Taj GVK Hotels and Resorts Ltd.	December 31, 2019	February 02, 1995	1,60,00,400	40.34	102.50	25.52%	9.15	-	Note (iv)	-	
8	Taj Kerala Hotels and Resorts Ltd.	March 31, 2020	May 07, 1991	1,41,51,664	15.67	12.23	28.30%	(1.56)	-	Note (iv)	-	
9	Taj SATS Air Catering Ltd.	March 31, 2020	August 28, 2001	88,74,000	61.82	145.48	51.00%	14.51	-	Note (iv)	-	
10	Taj Karnataka Hotels and Resorts Ltd.	March 31, 2020	February 15, 1995	13,98,740	1.40	(1.59)	44.27%	0.01	-	Note (iv)	-	
11	Taj Safaris Ltd.	March 31, 2020	October 07, 2004	2,97,20,502	28.93	6.91	41.81%	0.19	-	Note (iv)	-	
12	Kaveri Retreat & Resorts Ltd	March 31, 2020	October 25, 2005	1,31,76,467	44.80	33.99	50.00%	2.48	-	Note (iv)	-	
13	Taj Madras Flight Kitchen Pvt. Ltd. (Refer note (iii))	March 31, 2020	March 29, 1995	-	-	-	50.00%	0.39	-	Note (iv)	-	
14	Zarrenstar Hospitality Private Ltd (Refer note (i))	March 31, 2020	February 05, 2020	1	-	-	0.00%	-	-	Note (iv)	-	
<b>Foreign</b>												
15	IHMS Hotels (SA)(Pty) Ltd. (Refer note (viii))	March 31, 2020	June 07, 2006	8,67,39,958	57.09	-	50.00%	(5.31)	-	Note (iv)	-	
16	TAL Hotels & Resorts Ltd.	March 31, 2020	March 16, 2001	49,46,282	38.03	112.12	27.49%	(2.27)	-	Note (iv)	-	

### Notes:

- Names of Associates/ Joint Venture which are yet to commence operations - Zarrenstar Hospitality Private Ltd.
- Names of Associates/ Joint Venture which have been liquidated or sold during the year - Taj Madras Flight Kitchen Pvt. Ltd (7944112 No. of Shares sold during the year)
- There is significant influence due to percentage(%) of share holding (more than 20%).
- These are joint ventures.
- The carrying value of these investments in Associates has been reported as Nil, as the Group's share of losses exceeds the cost of investments.
- Number of shares includes shares held directly by Parent or through its subsidiaries.
- This includes 98,72,360 number of shares held in the form of Global Depository Receipts (GDR).
- The carrying value of these investments along with long term interest in Joint Venture has been reported as Nil, as the Group's share of losses exceeds the cost of investments including long term interest.
- Exchange rates as at 31.03.2020:  
1 USD = ₹ 75.31; 1 LKR = ₹ 0.3888; 1 ZAR = ₹ 4.22
- Average exchange rate for the year (for Profit & Loss items):  
1 USD = ₹ 70.7770; 1 LKR = ₹ 0.3917; 1 ZAR = ₹ 4.7898

For and on behalf of the Board

**N. Chandrasekaran**  
Chairman  
DIN: 00121863

**Puneet Chhatwal**  
Managing Director & CEO  
DIN: 07624616

**Nasser Munjee**  
Director  
DIN : 00010180

**Girdhar Sanjeevi**  
Executive Vice President & Chief Financial Officer

**Beejal Desai**  
Senior Vice President- Corporate Affairs & Company Secretary (Group)

## CONSOLIDATED FINANCIAL STATISTICS

Year	Capital Accounts										Revenue Accounts									
	Share Capital	Re-serves and Surplus (Other Equity)	Borrowings	Gross Block	Net Block	Investments	Gross Revenue	Expenditure (including Interest)	Depreciation	Profit/(Loss) before Tax	Tax Expenses	Net Profit/(Loss) for the year @	Other Comprehensive Income @	Total Comprehensive Income @	Net Transfer to General Reserves	Earning Per Share (Basic) *	Earning Per Share (Diluted)*			
																		₹ crores	₹ crores	₹ crores
2001-02	45.12	981.09	1436.65	1934.43	1538.47	404.47	826.97	825.41	78.85	30.99	17.67	21.80			10.60	4.83	4.83			
2002-03	45.12	1023.08	1374.91	2002.40	1569.72	390.22	894.74	887.51	75.65	26.96	18.03	28.07			5.95	6.22	6.22			
2003-04	45.12	1025.40	2074.97	2158.55	1646.08	432.12	1039.76	1004.41	87.83	80.51	28.34	71.99			6.07	15.96	15.47			
2004-05	₹ 50.25	1269.92	1969.33	2950.18	2263.48	457.06	1337.94	1198.53	111.73	139.67	60.23	128.50			11.00	25.55	22.47			
2005-06	₹ 58.41	1873.73	1500.95	3160.73	2334.34	581.93	1874.73	1570.19	127.35	314.07	90.35	248.74			20.00	42.58	42.41			
2006-07	₹ 60.29	2036.33	2055.14	4416.09	3382.08	514.27	2601.13	2076.87	160.67	532.55	196.52	370.31			35.00	6.14	6.14			
2007-08	₹ 60.29	2188.83	3466.83	4646.45	3514.37	1541.94	3012.62	2416.84	167.62	560.52	246.98	354.98			38.00	5.43	5.43			
2008-09	₹ 72.34	3105.55	4646.88	5376.11	4072.03	2407.68	2756.63	2615.91	188.53	158.51	155.77	12.46			35.09	0.15	0.15			
2009-10	₹ 72.35	2352.80	4460.69	5814.15	4373.49	1905.42	2562.53	2659.71	218.54	(33.69)	84.71	(136.88)			18.94	(1.99)	(1.99)			
2010-11	₹ 75.95	2570.13	4243.01	6120.25	4529.51	2505.81	2932.20	2920.9	227.89	23.23	92.10	(87.26)			16.67	(1.19)	(1.19)			
2011-12	₹ 75.61	2893.72	3803.28	7276.94	5216.09	1903.90	3514.90	3365.81	255.07	147.57	121.75	3.06			26.75	0.04	0.04			
2012-13	₹ 80.75	2898.53	3817.64	7736.01	5382.94	1563.30	3803.52	3664.88	288.42	(291.79)	98.96	(430.24)			5.28	(5.40)	(5.40)			
2013-14	₹ 80.75	2555.71	4252.01	8357.90	5634.70	1427.21	4125.94	3983.26	308.13	(412.16)	110.95	(553.85)			3.45	(6.86)	(6.86)			
2014-15	₹ 80.75	2146.47	5074.48	8693.44	5820.74	1586.90	4287.35	4166.92	291.29	(232.48)	114.60	(378.10)			1.65	(4.68)	(4.68)			
2015-16	₹ 98.93	2481.32	4526.09	6475.09	6187.97	1515.24	4122.78	3846.45	284.82	(91.17)	90.63	(231.08)	45.54	(185.54)	-	(2.34)	(2.34)			
2016-17	₹ 98.93	2418.76	3382.98	5792.33	5259.83	1243.71	4075.51	3734.78	299.37	30.58	113.74	(63.20)	34.70	(28.50)	-	(0.60)	(0.60)			
2017-18	₹ 118.93	4062.17	2427.43	6415.82	5597.11	1511.42	4165.28	3702.24	301.20	184.29	121.06	100.87	117.25	218.12	-	0.91	0.91			
2018-19	₹ 118.93	4229.07	2325.98	6980.35	5838.78	1335.14	4595.38	3872.40	327.85	401.71	157.12	286.82	(59.81)	227.01	-	2.41	2.41			
2019-20	₹ 118.93	4237.88	2602.07	8993.94	7444.27	1426.59	4595.56	3836.73	404.24	395.54	44.77	354.42	(9.82)	344.60	-	2.98	2.98			

¶ Conversion of foreign currency bonds into share capital.

▲ Split of Shares of face value ₹ 10/- each to share of Face value ₹ 1/- each

# Issue of Equity Shares, being warrants exercised pursuant to Rights Issue of Equity shares

& Allotment of Shares on Preferential basis to Promoters

α Reduction due to Equity Shares owned by entities prior to their becoming subsidiaries

§ Conversion of Warrants into Equity Shares on exercise of warrants

† After conversion of 18,18,01,228 Compulsorily Convertible Debentures into Equity Shares at a premium of ₹ 54 per share

@ Attributable to owners of the company

\* Earning Per Share is after extraordinary item

Ω After Right issue of Shares in the Ratio of 1:5

## NOTICE

NOTICE is hereby given that the HUNDRED AND NINETEENTH (119<sup>th</sup>) ANNUAL GENERAL MEETING of THE INDIAN HOTELS COMPANY LIMITED will be held on Monday, July 27, 2020, at 3.00 p.m. IST through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Report of the Auditors thereon.
3. To declare a dividend on Equity Shares for the Financial Year 2019-20.
4. To appoint a Director in place of Mr. N. Chandrasekaran (DIN: 00121863) who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 5. Appointment of Mr. Nasser Munjee as an Independent Director of the Company.

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

**"RESOLVED THAT** Mr. Nasser Munjee (DIN: 00010180), who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 5, 2019, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and Article 132 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Mr. Nasser Munjee, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from August 5, 2019 up to August 4, 2024, be and is hereby approved."

#### 6. Appointment of Ms. Hema Ravichandar as an Independent Director of the Company.

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

**"RESOLVED THAT** Ms. Hema Ravichandar (DIN: 00032929), who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 5, 2019, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013, ('the Act') and Article 132 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Ms. Hema Ravichandar, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from August 5, 2019 up to August 4, 2024, be and is hereby approved."



## NOTICE (CONTD.)

### 7. Appointment of Mr. Venkataramanan Anantharaman as an Independent Director of the Company.

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

**“RESOLVED THAT** Mr. Venkataramanan Anantharaman (DIN: 01223191), who was appointed by the Board of Directors as an Additional Director of the Company with effect from August 5, 2019, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (‘the Act’) and Article 132 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, appointment of Mr. Venkataramanan Anantharaman, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from August 5, 2019 up to August 4, 2024, be and is hereby approved.”

### 8. Re-appointment of Ms. Vibha Paul Rishi as an Independent Director of the Company.

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

**“RESOLVED THAT** Ms. Vibha Paul Rishi (DIN: 05180796), who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 10, 2019 upon completion of her term as Independent Director, and who holds office up to the

date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (‘the Act’) and Article 132 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company;

**RESOLVED FURTHER THAT** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act, and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) as amended from time to time, re-appointment of 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 Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for re-appointment as Independent Director, not liable to retire by rotation, to hold office for a second term of two years commencing with effect from September 10, 2019 up to September 9, 2021 be and is hereby approved.”

#### NOTES:

1. In view of the global outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs (‘MCA’) has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to ‘Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)’ read with General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020 in relation to ‘Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19’ (collectively referred to as ‘MCA Circulars’) and SEBI vide its circular dated May 12, 2020 in relation to ‘Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic’ (‘SEBI Circular’) permitted the holding of the Annual General Meeting

## NOTICE (CONTD.)

- (‘AGM’) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (‘Act’), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Monday, July 27, 2020 at 3.00 p.m. (IST).
2. As per the provisions of Clause 3.A.II. of the General Circular No. 20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 5 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
  3. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 8 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed. Requisite declarations have been received from Director/s for seeking re-appointment.
  4. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
  5. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 119<sup>th</sup> AGM through VC/OAVM facility. Corporate Members intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC or OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at [kkdlegal@gmail.com](mailto:kkdlegal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  8. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on National Securities Depository Limited’s (‘NSDL’) e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
  9. In line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 119<sup>th</sup> AGM has been uploaded on the website of the Company at <https://www.ihcltata.com/investors/> and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  10. **Book Closure and Dividend:**  
**The Company has fixed Monday, July 20, 2020 as the ‘Record Date’ for determining entitlement of Members to final dividend for the Financial Year ended March 31, 2020, if approved at the AGM.**

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**The Register of Members and the Share Transfer Books of the Company will be closed from Tuesday, July 21, 2020 to Monday, July 27, 2020; (both days inclusive).** The dividend of ₹ 0.50 per equity share of ₹ 1 each (50%), if declared at the AGM, will be paid subject to deduction of tax at source ('TDS') on or after Monday, August 3, 2020 as under:

- (a) To all the Beneficial Owners as at the end of the day on Monday, July 20, 2020 as per the list of beneficial owners to be furnished by the NSDL and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- (b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Monday, July 20, 2020.

11. At the 116<sup>th</sup> AGM held on August 21, 2017, the Members approved appointment of B S R & Co LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 121<sup>st</sup> AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 119<sup>th</sup> AGM.

12. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company / its RTA by sending documents at its

e-mail ID [ihcldivtax@linkintime.co.in](mailto:ihcldivtax@linkintime.co.in) or update the same by visiting the link : <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before Monday, July 13, 2020 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination / deduction shall be considered post 11:59 PM (IST) of Monday, July 13, 2020. For the detailed process, please click here: <https://www.ihcltata.com/Communication on Tax Deduction on Dividend.pdf>.

13. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means, are requested to follow the below instructions and send the details latest by Monday, July 13, 2020:

Physical Holding	<p>1) Visit the link <a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a> under Bank detail Registration - fill in the following details relating to bank account in which the dividend is to be received:</p> <ul style="list-style-type: none"> <li>• Name of Bank;</li> <li>• Bank Account Number and</li> <li>• 11 digit IFSC Code;</li> </ul> <p>1a) upload a self-attested scanned copy of the PAN Card;</p> <p>b) upload a self-attested scanned copy of any document (such as AADHAR Card, Passport) in support of the address of the Member as registered with the Company;</p> <p>c) upload a self-attested scanned copy of cancelled cheque leaf bearing the name of the Member or first holder, in case shares are held jointly</p>
Demat Holding	Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

14. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/deletion in such

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- bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs. Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.
15. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall within 30 days of normalisation of the postal services dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members.
  16. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact Company's Registrars and Transfer Agent, Link Intime India Private Limited ('RTA') at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) for assistance in this regard. Members may also refer to Frequently Asked Questions ('FAQs') on the Company's website <https://www.ihcltata.com/investors/>.
  17. Members are requested to note that, dividends if not encashed for a consecutive period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). For details, please refer to corporate governance report which is a part of this Annual Report and FAQ of investor page on Company's website <https://www.ihcltata.com/investors/>.
  18. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) in case the shares are held in physical form, quoting your folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
  19. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
  20. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members 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. The said form can be downloaded from the Company's website at <https://www.ihcltata.com/investors/>. Members are requested to submit the said form to their DP in case the shares are held by them in electronic form and to the RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) in case the shares are held in physical form, quoting your folio no.
  21. The format of the Register of Members prescribed by the MCA under the Act requires the Company/RTA to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is available on the Company's website under the section 'Investor Relations'. Members holding shares in physical form are requested to submit the filled in form to the



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Company at [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com) or to the RTA in physical mode, after restoring normalcy or in electronic mode at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), as per instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.

22. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
23. Documents for inspection will be available electronically, without any fee, from the date of circulation of the Notice of AGM up to the date of AGM. Members seeking to inspect such documents can send an e-mail to [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com) stating their DP ID / Client ID / or Folio No.s
24. To support the 'Green Initiative', Members who have not yet registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
25. **Process for registering e-mail addresses to receive this Notice of AGM and Annual Report electronically and cast votes electronically:**

**(i) Registration of e-mail addresses with Link Intime India Private Limited:** The Company has made special arrangements with the RTA for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company / DPs are required to provide the same to the RTA on or before 5:00 p.m. IST on Monday, July 13, 2020.

Process to be followed for registration of e-mail address is as follows:

a)	Visit the link: <a href="https://linkintime.co.in/emailreg/email_register.html">https://linkintime.co.in/emailreg/email_register.html</a>
b)	Select the company name viz. <b>The Indian Hotels Company Limited;</b>
c)	Enter the DP ID & Client ID / Physical Folio Number and PAN number. In the event the PAN details are not available on record for Physical Folio, Member to enter one of the Share Certificate numbers;
d)	Upload a self-attested copy of PAN card for authentication. If PAN details are not available in the system, the system will prompt the Member to upload a self-attested copy of the PAN card for updation;
e)	Enter your e-mail address and mobile number;
f)	The system will then confirm the e-mail address for receiving this AGM Notice.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for Financial Year 2019-20 along with the e-Voting user ID and password. In case of any queries, Members may write to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- (ii) **Registration of e-mail address permanently with Company/DP:** Members are requested to register the same with their concerned DPs, in respect of electronic holding and with the RTA, in respect of physical holding, by writing to them at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs / RTA to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.
- (iii) Alternatively, those Shareholders who have not registered their e-mail addresses are required to send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) along with the following documents for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this Notice:

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- In case shares are held in **physical mode**, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.
- In case shares are held in **demat mode**, please provide DPID-Client ID (8 digit DPID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

**Process and manner for Members opting for e-Voting is as under:-**

- Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.
- Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Monday, July 20, 2020 may cast their vote by remote e-Voting. The remote e-Voting period commences on **Wednesday, July 22, 2020** at 9.00 a.m. (IST) and ends on **Sunday, July 26, 2020** at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before the AGM and remote e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Monday, July 20, 2020.
- Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the member has already cast the vote through remote e-Voting.
- 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 before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e. Monday, July 20, 2020 may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-Voting system for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-Voting facility. The remote e-Voting module during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
- The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes casted through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges on which the Company's shares are listed, NSDL, and RTA and will also be displayed on the Company's website at <https://www.ihcltata.com/investors/>.

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32. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below.

### A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

- i. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system and they may access the same at <https://www.evoting.nsdl.com> under the Shareholders/Members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM through a live webcast of the meeting and submit votes on announcement by the Chairman. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further, Members may also use the OTP based login for logging into the e-Voting system of NSDL.
- ii. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at this AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail

address at [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com) before 3.00 p.m. (IST) on Friday, July 24, 2020. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

- iv. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com) between Tuesday, July 21, 2020 (9:00 a.m. IST) and Friday, July 24, 2020 (5:00 p.m. IST). **Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.** The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- v. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.:- 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or call on +91 22 24994360 / +91 9920264780 or contact Ms. Pallavi Mhatre, Manager, NSDL at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or call on 022-24994545.

### B. INSTRUCTIONS FOR E-VOTING BEFORE / DURING THE AGM

#### ➤ INSTRUCTIONS FOR REMOTE E-VOTING BEFORE THE AGM ARE AS UNDER:

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

#### **How to Log-in to NSDL e-Voting website?**

- A. Visit the e-Voting website of NSDL. Open web browser by typing the following: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

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B. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.

C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

D. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
i) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
ii) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
iii) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if Folio Number is 001*** and EVEN is 113036 then user ID is 113036001***

E. Your password details are given below:

- i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the

'initial password' and the system will force you to change your password.

iii) How to retrieve your 'initial password'?

If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

F. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

- i) Click on '[Forgot User Details/Password?](#)' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- ii) '[Physical User Reset Password?](#)' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

iii) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

G. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.

H. Now, you will have to click on 'Login' button.

I. After you click on the 'Login' button, Home page of e-Voting will open.



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### Step 2: Cast your vote electronically on NSDL e-Voting system.

### How to cast your vote electronically on NSDL e-Voting system?

- A. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- B. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- C. Select 'EVEN' of the company which is 113036 to cast your vote.
- D. Now you are ready for e-Voting as the Voting page opens.
- E. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- F. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### ➤ INSTRUCTIONS FOR E-VOTING DURING THE AGM ARE AS UNDER:

- i. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
- ii. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

### General Guidelines for Members

- i. Institutional/ Corporate Shareholders (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kkdlegal@gmail.com](mailto:kkdlegal@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the '[Forgot User Details/Password?](#)' or '[Physical User Reset Password?](#)' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- iii. In case of any queries /grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for shareholders available in the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on the toll-free number : 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). In case of any grievances connected with facility for e-Voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. E-mail: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / Tel no: 022-24994545 / Toll free no.: 1800-222-990.

By Order of the Board of Directors

**Beejal Desai (F3320)**

Senior Vice President

Corporate Affairs & Company Secretary (Group)

Mumbai, June 10, 2020

### Registered Office:

Mandlik House,  
Mandlik Road,  
Mumbai 400 001.

CIN: L74999MH1902PLC000183

Tel.: 022 66395515 Fax: 022 22027442

E-mail: [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com)

Website: [www.ihcltata.com](http://www.ihcltata.com)

## NOTICE (CONTD.)

## EXPLANATORY STATEMENT

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), given hereunder sets out all the material facts relating to the Special Business mentioned at Item Nos. 5 to 8 of the accompanying Notice dated June 10, 2020.

## Item Nos. 5, 6 and 7

2. Based on the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors of the Company ('Board') appointed Mr. Nasser Munjee (DIN: 00010180), Ms. Hema Ravichandar (DIN: 00032929) and Mr. Venkataramanan Anantharaman (DIN: 01223191) as Additional Directors of the Company and also as Independent Directors, not liable to retire by rotation, for a term of five years i.e from August 5, 2019 to August 4, 2024, subject to approval of the Members.
3. Pursuant to Section 161(1) of the Act and Article 132 of the Company's Articles of Association, each of these Directors shall hold office only up to the date of this Annual General Meeting ('AGM') and are eligible to be appointed as Directors. The Company has, in terms of Section 160(1) of the Act, received in writing notices from Member(s), proposing their candidature for the office of Director.
4. The Company has received declarations from Mr. Nasser Munjee, Ms. Hema Ravichandar and Mr. Venkataramanan Anantharaman to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.
5. Each of these Directors have further provided a declaration pursuant to Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, affirming that they have successfully registered themselves with the

Indian Institute of Corporate Affairs (IICA), Manesar, for inclusion of their name in the Independent Director's data bank and that they shall renew their application for the same, from time to time, till they continue to hold office as Independent Directors of the Company.

6. In the opinion of the Board, each of these Directors fulfill the criteria specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and they are independent of the management of the Company. The terms and conditions of their appointment shall be open for electronic inspection by the Members during the normal business hours on any working day (except Saturday) and during the AGM. Any person who wishes to inspect may write to the Company Secretary at [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com).

A brief profile of the Independent Directors to be appointed is given below:

7. **Mr. Nasser Munjee** holds a Master's degree in economics from the London School of Economics. He has earlier held various positions at HDFC for over 20 years, including serving as its executive director. He was the Managing Director of IDFC and is currently the chairman of DCB Bank since June 2005. He is also on the board of various multinational companies and trusts. Mr. Munjee has deep interest in rural development, housing finance, urban issues, infrastructure and humanitarian causes. He was a technical advisor on the World Bank's Public Private Partnership Infrastructure and Advisory Fund. He is also associated with several public and private institutions as Chairman, a Member of the Board or as a Trustee.
8. **Ms. Hema Ravichandar** is a Strategic HR Advisor with about 36 years of industry experience. She currently advises several Indian and Multinational corporations and is on the Board of several Companies. Ms. Ravichandar, until 2005, was the Senior Vice-President and Group Head HRD for Infosys Technologies Ltd., and the Infosys Group. In this capacity she designed and drove the HR agenda for Infosys globally, as it scaled up from 250 employees in 1992 to 40,000 employees in 2005. Under her HR Leadership, Infosys won several 'Best Employer of the Year' awards in India and was placed in

## NOTICE (CONTD.)

Top 100 rankings, overseas. Ms. Ravichandar started her career at Motor Industries Company Limited (MICO), now Bosch Limited in 1983 until 1992. She has won several awards and accolades including three HR Professional of the Year Awards and listings amongst the '25 Most Powerful Women in India' and 'Successful Women Professionals in IT'. She has held positions in industry bodies and also served on several juries including on the National Executive Board of NHRDN. She is an alumnus of the Indian Institute of Management, Ahmedabad and has experience in Human Resources Development – Managing Scale, Risk, Diversity, Execution and Sustainability, Corporate Governance, Change Management, Leadership & Management Development, Succession Planning, Diversity and Inclusion, Anti-Sexual Harassment Initiatives and Immigration Scenarios.

9. **Mr. Venkataramanan Anantharaman** is an experienced Senior Investment and Corporate banking professional with extensive advisory experience and strengths in client management, organization & team leadership, risk and governance areas. He has worked in leading International banks and led diverse global teams. He has mentored start-ups and made seed investments in technology related companies.
10. Further details and current directorships of the above Directors are provided in the Annexure to this Notice.
11. In compliance with the provisions of Section 149 read with Schedule IV of the Act, Regulation 17 of the SEBI Listing Regulations and other applicable regulations, the appointments of Mr. Nasser Munjee, Ms. Hema Ravichandar and Mr. Venkataramanan Anantharaman as Independent Directors are now placed for the approval of the Members.
12. The Board commends the Ordinary Resolutions at Item No.s 5, 6 and 7 of the accompanying Notice for approval by the Members of the Company.
13. Mr. Nasser Munjee, Ms. Hema Ravichandar, Mr. Venkataramanan Anantharaman and their respective relatives, are concerned or interested, in the Resolutions relating to their own appointment. None of the other Directors or Key Managerial

Personnel (KMP) of the Company and their respective relatives are, in any way, concerned or interested, in the Resolutions set out at Item No.s 5, 6 and 7 of the accompanying Notice Mr. Munjee, Ms. Ravichandar and Mr. Anantharaman are not related to any other Director or KMP of the Company.

### Item No. 8

14. Ms. Vibha Paul Rishi (DIN: 05180796), was appointed as an Independent Director of the Company by the Members at the 114<sup>th</sup> AGM for a period of five years commencing from September 10, 2014 up to September 9, 2019. Upon completion of her term, Ms. Rishi is eligible for re-appointment as an Independent Director on the Board of the Company, not liable to retire by rotation, for a second term effective from September 10, 2019, subject to the approval of the Members by a Special Resolution.
15. Based on the recommendations of the NRC, the Board of Directors of the Company ('Board') re-appointed Ms. Rishi as an Independent Director, not liable to retire by rotation, for a second term of two years effective September 10, 2019 up to September 9, 2021, subject to approval of the Members. A notice under Section 160(1) of the Act has been received in writing from a Member proposing her candidature for the office of Director.
16. The Board, based on the performance evaluation and recommendations of the NRC, considers that given her background, experience and contribution, the continued association of Ms. Vibha Paul Rishi would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director.
17. The Company has received a declaration from her to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

## NOTICE (CONTD.)

18. Ms. Rishi has further provided a declaration pursuant to Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, affirming that she has successfully registered herself with the Indian Institute of Corporate Affairs (IICA), for inclusion of her name in the Independent Director's data bank and that she shall renew her application for the same, from time to time, till she continues to hold office as an Independent Director of the Company.
19. In the opinion of the Board, she fulfills the criteria specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of her appointment shall be open for electronic inspection by the Members during the normal business hours on any working day (except Saturday) and during the AGM. Any person who wishes to inspect may write to the Company Secretary at [investorrelations@tajhotels.com](mailto:investorrelations@tajhotels.com).
20. Ms. Vibha Paul Rishi, 59 years, is an experienced marketing professional with stints in Indian and international markets, coupled with an abiding passion for people. Her last role was as the Executive Director, Brand and Human Capital of Max India Limited, prior to which she was the Director, Marketing and Customer Strategy at the Future Group. Ms. Rishi has been with PepsiCo for 17 years in leadership roles in the areas of marketing and innovation in India, US and UK. She was also one of the founding team members of Pepsi Co and Titan watches when they started operations in India. She later moved to PepsiCo's headquarters to be a part of its international marketing team, which was followed by an innovation leadership role in London. She serves on the Boards of several reputed companies and is also on the Board of Pratham Education Foundation, an NGO that works to provide education to underprivileged children in India. Ms. Rishi holds an 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. Further details and current directorships have been given in the Annexure to this Notice.
21. In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable regulations, the re-appointment of Ms. Rishi as an Independent Director is now placed for the approval of the Members by a Special Resolution.
22. The Board commends the Special Resolution set out in Item No. 8 of the accompanying Notice for approval of the Members.
23. Ms. Vibha Paul Rishi and her relatives, are concerned or interested, in the Resolution relating to her own appointment. None of the other Directors or KMPs of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 8 of the accompanying Notice. Ms. Rishi is not related to any other Director or KMP of the Company.

By Order of the Board of Directors

**Beejal Desai (F3320)**

Senior Vice President

Corporate Affairs & Company Secretary (Group)

Mumbai, June 10, 2020

**Registered Office:**

Mandlik House,  
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Mumbai 400 001.

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Website: [www.ihcltata.com](http://www.ihcltata.com)



## NOTICE (CONTD.)

### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING OF THE COMPANY

(Pursuant to the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings)

Name of Director	Mr. N. Chandrasekaran	Mr. Nasser Munjee	Ms. Hema Ravichandar	Mr. Venkataramanan Anantharaman	Ms. Vibha Paul Rishi
DIN	00121863	00010180	00032929	01223191	05180796
Age	57	67	59	56	59
Date of Birth	June 2, 1963	November 18, 1952	May 14, 1961	May 1, 1964	June 19, 1960
Date of First Appointment	January 27, 2017	August 5, 2019	August 5, 2019	August 5, 2019	September 10, 2014
Experience & Expertise in specific functional areas/ brief resume	<p>Mr. N. Chandrasekaran is Chairman of the Board at Tata Sons, the holding company and promoter of all Tata Group companies. The Tata Group companies, across 10 business verticals, have aggregate annual revenues over US \$110 billion and a market capitalization of over US\$ 165 billion. He joined the Board of Tata Sons in October 2016 and was appointed Chairman in January 2017. He also chairs the Boards of several group operating companies, including Tata Steel, Tata Motors, Tata Power, and Tata Consultancy Services (TCS) – of which he was Chief Executive from 2009-17. In addition to his professional career at Tata, he is a Director on the Board of India's central bank, the Reserve Bank of India, since 2016. He is on the International Advisory Council of Singapore's Economic Development Board.</p>	<p>Mr. Nasser Munjee holds a master's degree in economics from the London School of Economics. He has earlier held various positions at HDFC for over 20 years, including serving as its executive director. He was the managing director of IDFC and is currently the chairman of DCB Bank since June 2005. He is also on the board of various multinational companies and trusts. Mr. Munjee has deep interest in rural development, housing finance, urban issues, infrastructure and humanitarian causes. He was a technical advisor on the World Bank's Public Private Partnership Infrastructure and Advisory Fund. He is also associated with several public and private institutions as chairman, a member of the board or as a trustee.</p>	<p>Ms. Hema Ravichandar has 36 years of experience across the roles of executive, mentor and coach, Strategic HR Advisor and Board member, pan-industry. She has been the Senior Vice President &amp; Group Head HRD - Infosys Technologies Ltd. and the Infosys Group, globally until July 2005; designed and drove the HR Agenda for Infosys as it scaled from 250 to 40,000 employees in the Group. Since 2005, she has provided Strategic HR Advisory to multinational and Indian corporations and governance at both the Statutory and Advisory Board levels, pan – industry. She has experience in Human Resources Development – Managing Scale, Risk, Diversity, Execution and Sustainability, Corporate Governance, Change Management, Leadership &amp; Management</p>	<p>Mr. Venkataramanan Anantharaman is an experienced senior investment and corporate banking professional with extensive advisory experience and strengths in client management, organization &amp; team leadership, risk and governance areas. He has worked in leading international banks and led diverse global teams. His current roles include Ecom Express Private Limited and Axis Asset Management Company Limited. He is a Board Mentor with Critical Eye, UK. He has mentored start-ups and has made seed investments in technology related companies. He has driven strategic, organizational and cultural change in organizations. Presented to regulators (including the Prudential Regulatory Authority, UK and Reserve Bank of India) statutory auditors, Board and Board Risk Committees.</p>	<p>Ms. Vibha Paul Rishi is an experienced marketing professional with stints in Indian and international markets. Her last role was as the Executive Director, brand and human capital of Max India, prior to which she was the Director, marketing and customer strategy at the Future Group. She has been with PepsiCo for 17 years in leadership roles in the areas of marketing and innovation in India, US and the UK. She was also one of the founding team members of PepsiCo and Titan in India. She holds a BA degree in economics from Delhi University and a Master of Business Administration degree with a specialisation in marketing from the Faculty of Management Studies, New Delhi.</p>

## NOTICE (CONTD.)

Name of Director	Mr. N. Chandrasekaran	Mr. Nasser Munjee	Ms. Hema Ravichandar	Mr. Venkataramanan Anantharaman	Ms. Vibha Paul Rishi
<b>Experience &amp; Expertise in specific functional areas/ brief resume</b>	He is the Chairman of Indian Institute of Management Lucknow as well as the President of the Court at Indian Institute of Science Bengaluru. He is also the Co-Chair of India US CEO Forum. He has been awarded several honorary doctorates by leading Universities in India and internationally. He is also the author of Bridgital Nation, a groundbreaking book on harnessing technological disruptions to bring Indians closer to their dreams.		Development, Succession Planning, Diversity and Inclusion, Anti-Sexual Harassment Initiatives and Immigration Scenarios. She has spearheaded large scale HR Interventions aimed at Future Proofing the organization - Broad Banding, Compensation Restructures, Defining and institutionalizing HR Business Processes		
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor's Degree in Applied Science</li> <li>• Master's Degree in Computer Application – Trichy, Tamil Nadu</li> </ul>	<ul style="list-style-type: none"> <li>• Master's degree in Economics from the London School of Economics</li> </ul>	<ul style="list-style-type: none"> <li>• MBA from the Indian Institute of Management, Ahmedabad.</li> <li>• B.A. in Economics from the Stella Maris College, Chennai.</li> </ul>	<ul style="list-style-type: none"> <li>• Post Graduate Diploma in Business Management (equivalent to MBA), 1987; XLRI, India</li> <li>• Bachelor of Metallurgical Engineering (with Honors), 1985; Jadavpur University, India</li> <li>• FT Non-Executive Director Diploma, 2019 (Advanced Professional Diploma)</li> </ul>	<ul style="list-style-type: none"> <li>• BA degree in economics from Delhi University</li> <li>• Master of Business Administration degree with a specialisation in marketing from the Faculty of Management Studies, New Delhi.</li> </ul>
<b>Details of shares held in the Company</b>	1,00,000	NIL	NIL	NIL	NIL

## NOTICE (CONTD.)

Name of Director	Mr. N. Chandrasekaran	Mr. Nasser Munjee	Ms. Hema Ravichandar	Mr. Venkataramanan Anantharaman	Ms. Vibha Paul Rishi
<b>Directorships in other public limited companies (excluding foreign companies, private companies and Section 8 companies)</b>	<ul style="list-style-type: none"> <li>• Tata Consumer Products Limited</li> <li>• Tata Consultancy Services Limited</li> <li>• Tata Steel Limited</li> <li>• The Tata Power Company Limited</li> <li>• Tata Motors Limited</li> </ul>	<ul style="list-style-type: none"> <li>• ABB India Limited</li> <li>• Ambuja Cements Limited</li> <li>• Cummins India Limited</li> <li>• DCB Bank Limited</li> <li>• HDFC Limited</li> <li>• Tata Motors Finance Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Marico Limited</li> <li>• Titan Company Limited</li> <li>• Bosch Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Axis Asset Management Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Asian Paints Limited</li> <li>• Tata Chemicals Limited</li> <li>• ICICI Prudential Life Insurance Company Limited</li> <li>• Escorts Limited</li> <li>• Piem Hotels Limited</li> <li>• ELEL Hotels and Investments Limited</li> <li>• Signify Innovations India Limited</li> </ul>
<b>Membership/ Chairpersonship of Committees in other public limited companies (Committees includes the Statutory Committees)</b>	<p><b>Nomination and Remuneration Committee</b></p> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>• Tata Consultancy Services Limited</li> <li>• Tata Motors Limited</li> <li>• Tata Steel Limited</li> <li>• Tata Consumer Products Limited</li> <li>• The Tata Power Company Limited</li> </ul> <p><b>Corporate Social Responsibility Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>• Tata Consultancy Services Limited</li> </ul>	<p><b>Audit Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>• ABB India Limited</li> <li>• Cummins India Limited</li> </ul> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>• HDFC Limited</li> <li>• Ambuja Cements Limited</li> </ul> <p><b>Nomination and Remuneration Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>• ABB India Limited</li> <li>• Ambuja Cements Limited</li> </ul>	<p><b>Audit Committee</b></p> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>• Marico Limited</li> <li>• Titan Company Limited</li> <li>• Bosch Limited</li> </ul> <p><b>Nomination and Remuneration Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>• Marico Limited</li> <li>• Titan Company Limited</li> </ul> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>• Bosch Limited</li> </ul> <p><b>Corporate Social Responsibility Committee</b></p> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>• Titan Company Limited</li> <li>• Bosch Limited</li> </ul>	<p><b>Audit Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>• Axis Asset Management Company Limited</li> </ul> <p><b>Nomination and Remuneration Committee</b></p> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>• Axis Asset Management Company Limited</li> </ul>	<p><b>Audit Committee</b></p> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>• Escorts Limited</li> <li>• Piem Hotels Limited</li> <li>• ICICI Prudential Life Insurance Company Limited</li> <li>• Tata Chemicals Limited</li> <li>• Signify Innovations India Limited</li> </ul> <p><b>Nomination and Remuneration Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>• Signify Innovations India Limited</li> </ul>

## NOTICE (CONTD.)

Name of Director	Mr. N. Chandrasekaran	Mr. Nasser Munjee	Ms. Hema Ravichandar	Mr. Venkataramanan Anantharaman	Ms. Vibha Paul Rishi
Membership/ Chairpersonship of Committees in other public limited companies (Committees includes the Statutory Committees)		<p><u>Member</u></p> <ul style="list-style-type: none"> <li>Cummins India Limited</li> <li>DCB Bank Limited</li> <li>HDFC Limited</li> <li>Tata Motors Finance Limited</li> </ul> <p><b>Corporate Social Responsibility Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>DCB Bank Limited</li> </ul> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>Ambuja Cements Limited</li> <li>Cummins India Limited</li> </ul> <p><b>Risk Management Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>ABB India Limited</li> <li>HDFC Limited</li> </ul> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>Ambuja Cements Limited</li> <li>Cummins India Limited</li> </ul>	<p><b>Stakeholders' Relationship Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>Bosch Limited</li> </ul>		<p><u>Member</u></p> <ul style="list-style-type: none"> <li>Escorts Limited</li> <li>Piem Hotels Limited</li> <li>Tata Chemicals Limited</li> </ul> <p><b>Corporate Social Responsibility Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>Signify Innovations India Limited</li> </ul> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>Asian Paints Limited</li> <li>Tata Chemicals Limited</li> <li>Escorts Limited</li> <li>Piem Hotels Limited</li> </ul> <p><b>Stakeholders' Relationship Committee</b></p> <p><u>Chairperson</u></p> <ul style="list-style-type: none"> <li>Tata Chemicals Limited</li> </ul> <p><u>Member</u></p> <ul style="list-style-type: none"> <li>Escorts Limited</li> </ul>

For other details such as number of meetings of the board attended during the year, remuneration drawn and terms and conditions of appointment/re-appointment in respect of above directors, please refer to the corporate governance report which is a part of this Annual Report.









THE INDIAN HOTELS COMPANY LIMITED

MANDLIK HOUSE, MANDLIK ROAD, MUMBAI - 400001

A **TATA** Enterprise

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